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**CHINA EVERGRANDE GROUP**

**中國恒大集團**

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

**(Stock Code: 3333)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcement of China Evergrande Group (the “**Company**”) dated 31 January 2018 in relation to the issue of HK\$18.00 billion 4.25% convertible bonds due 2023 of the Company (the “**Announcement**”). All terms used herein have the same meaning as defined in the Announcement, unless otherwise defined.

Please refer to the attached offering circular dated 9 February 2018 in relation to the Bonds (the “**Offering Circular**”), which is available on the website of the Singapore Exchange Securities Trading Limited as of 21 February 2018.

The posting of the Offering Circular on the website of the Stock Exchange is only for the purpose of facilitating equal dissemination of information to investors in Hong Kong and compliance with Rule 13.10B of the Listing Rules, and not for any other purposes.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of the Company, and no such inducement is intended. No investment decision should be based on the information contained in the Offering Circular.

By order of the Board  
**China Evergrande Group**  
**Hui Ka Yan**  
*Chairman*

Hong Kong, 21 February 2018

*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.*

## STRICTLY CONFIDENTIAL — DO NOT FORWARD

**THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS OUTSIDE OF THE UNITED STATES.**

**IMPORTANT:** You must read the following disclaimer before continuing. The following disclaimer applies to the offering circular attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached offering circular. In accessing the attached offering circular, you agree to be bound by the following terms and conditions including any modifications to them from time to time, each time you receive any information from us as a result of such access.

**Confirmation of Your Representation:** You have accessed the attached offering circular on the basis that you have confirmed your representation to Credit Suisse (Hong Kong) Limited, Haitong International Securities Company Limited, UBS AG Hong Kong Branch, Merrill Lynch (Asia Pacific) Limited, Citigroup Global Markets Limited and Deutsche Bank AG, Hong Kong Branch (the “**Joint Lead Managers**”) that (1) you and any person you represent are non-U.S. persons outside the United States and to the extent you purchase the securities described in the attached offering circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and (2) that you consent to delivery of the attached offering circular and any amendments or supplements thereto by electronic transmission.

The attached document is not a prospectus for the purposes of the European Union’s Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area (the “**EU Prospectus Directive**”). The attached document has been prepared on the basis that all offers of the securities made to persons in the European Economic Area will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus in connection with offers of the securities.

The communication of the attached document and any other document or materials relating to the issue of the securities offered thereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”), or within Article 43 of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, the securities offered thereby are only available to, and any investment or investment activity to which the attached document relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the attached document or any of its contents.

**PRIPs Regulation/Prospectus Directive/Prohibition of sales to EEA retail investors** — The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

**MIFID II product governance** — Any distributor subject to MiFID II (as defined above) that is offering, selling or recommending the securities is responsible for undertaking its own target market assessment in respect of the securities and determining its own distribution channels for the purposes of the MiFID product governance rules under Commission Delegated Directive (EU) 2017/593 (“**Delegated Directive**”). Neither we nor the Managers make any representations or warranties as to a distributor’s compliance with the Delegated Directive.

The attached offering circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Managers or any person who controls them or any of their directors, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the offering circular distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

**Restriction:** The attached offering circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein. You are reminded that the information in the attached offering circular is not complete and may be changed.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE 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 OR TO ANY U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Managers to subscribe for or purchase any of the securities described herein. In addition, access to this electronic transmission has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be described as being made by such Joint Lead Manager or their respective affiliates on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the attached offering circular on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this offering circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you should not, and will be unable to, purchase any of the securities described therein.

**Actions That You May Not Take:** You should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORIZED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other items of a destructive nature. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



**China Evergrande Group**

**中國恒大集團**

(incorporated in the Cayman Islands with limited liability)

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**HK\$18,000,000,000 4.25 per cent. Secured and Guaranteed Convertible Bonds due 2023**  
**Issue Price: 100 per cent.**

The HK\$18,000,000,000 aggregate principal amount of 4.25 per cent. Secured and Guaranteed Convertible Bonds due 2023 (the “**Bonds**”), which term shall include, unless the context requires otherwise, any further bonds issued in accordance with the terms and conditions of the Bonds as set out in “*Terms and Conditions of the Bonds*” (the “**Conditions**” and, each, a “**Condition**”) and consolidated and forming a single series therewith will be issued by China Evergrande Group (formerly known as Evergrande Real Estate Group Limited) (the “**Company**”, the “**Issuer**” or “**we**”).

The Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4 (Security, Permitted *Pari Passu* Secured Indebtedness and Negative Pledge), at all times rank at least equally with all of the Issuer’s other present and future unconditional and unsubordinated obligations, including the Existing Notes (as defined in the Conditions). The Bonds have the benefit of an unconditional and irrevocable guarantee from the Subsidiary Guarantors (as defined in the Conditions) on a joint and several basis. The obligations of the Issuer under the Bonds and the Trust Deed and of each Subsidiary Guarantor under the Guarantees of the Bonds (as defined in the Conditions) are secured by the Share Charges (as defined in the Conditions). At any time on or after the issue date of the Bonds, the Issuer and each other Chargor may create further Encumbrances over any part of the Shared Collateral for the purposes of securing indebtedness of the Issuer and/or any Subsidiary Guarantor and any *Pari Passu* Subsidiary Guarantee of a Chargor (all capitalized terms as defined in the Conditions).

Each Bondholder (as defined in the Conditions) has the right to convert the Bonds held by it into ordinary shares of par value HK\$0.10 each of the Issuer (the “**Shares**”) during the Conversion Period (as defined in the Conditions). The price at which the Shares will be issued upon conversion will initially be HK\$38.99 per Share (the “**Conversion Price**”). The Conversion Price is subject to adjustment in accordance with Condition 6(C) (*Conversion — Adjustments to Conversion Price*). The closing price of the Shares on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on January 30, 2018 was HK\$27.85 per Share.

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed on February 14, 2023 (the “**Maturity Date**”) at their principal amount, together with accrued and unpaid interest thereon. The Company may redeem in whole, but not in part, the Bonds at their principal amount, together with interest accrued to the date fixed for redemption, if at any time at least 90 per cent. in principal amount of the Bonds has already been converted, redeemed or purchased and cancelled. The Bonds may also be redeemed at the option of the holders at their principal amount, together with interest accrued to the date fixed for redemption, upon the Shares ceasing to be listed on or admitted to trading, or are suspended for a period equal to or exceeding 21 consecutive Trading Days, on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (each as defined in the Conditions) or upon the occurrence of a Change of Control (as defined in the Conditions). The Bonds may be redeemed in whole, but not in part, at the option of the Company at their principal amount, together with interest accrued to the date fixed for redemption, in the event of certain changes relating to the taxation of any jurisdiction in which the Issuer or the applicable Subsidiary Guarantor or Chargor is organized or resident for tax purposes, subject to the non-redemption option of each Bondholder after any exercise by the Company of such tax redemption option. Holders of the Bonds have the option to redeem all or some only of their Bonds on February 14, 2021 at their principal amount together with interest accrued to such date. See Condition 8 (*Redemption, Purchase and Cancellation*).

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any 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 Bonds on, the SGX-ST are not to be taken as an indication of the merits of the Company, the Bonds or the Shares. Application will be made for the listing of the Shares issuable on conversion on the Hong Kong Stock Exchange.

Investing in the Bonds and the Shares involves certain risks. See “**Risk Factors**” beginning on page 17 for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Bonds, the Guarantees of the Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold within the United States or to any U.S. persons.

For a description of these and certain further restrictions on offers and sales of the Bonds and the Shares to be issued upon conversion of the Bonds and the distribution of this offering circular, see “**Transfer Restrictions**”.

The Bonds will be represented by beneficial interests in a global certificate (the “**Global Certificate**”) in registered form, without interest coupons attached, which will be registered in the name of a nominee of, and shall be deposited on or about February 14, 2018 (the “**Issue Date**”), with a common depositary for, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

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*Managers and Joint Bookrunners*

**CREDIT SUISSE**

**HAITONG INTERNATIONAL**

**UBS**

**BANK OF AMERICA  
MERRILL LYNCH**

**CITI**

**DEUTSCHE BANK**

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The date of this offering circular is February 9, 2018

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This offering circular does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this offering circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this offering circular or that the information contained in this offering circular is correct as of any time after that date.

This offering circular is not a prospectus for the purposes of the European Union’s Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, and including any relevant implementing measure in the relevant member state of the European Economic Area, the “Prospectus Directive”).

The communication of this offering circular and any other document or materials relating to the issue of the securities described herein is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (“FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”)), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, the securities described herein are only available to, and any

investment or investment activity to which this offering circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this offering circular or any of their respective contents.

**PRIIPs Regulation/Prospectus Directive/Prohibition of sales to EEA retail investors** — The securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II product governance** — Any distributor subject to MiFID II (as defined above) that is offering, selling or recommending the Bonds is responsible for undertaking its own target market assessment in respect of the Bonds and determining its own distribution channels for the purposes of the MiFID product governance rules under Commission Delegated Directive (EU) 2017/593 (“**Delegated Directive**”). Neither we nor the Managers make any representations or warranties as to a distributor’s compliance with the Delegated Directive.

**IN CONNECTION WITH THIS OFFERING, CREDIT SUISSE (HONG KONG) LIMITED, AS STABILIZING MANAGER, OR ANY PERSON ACTING FOR IT, MAY PURCHASE AND SELL THE BONDS IN THE OPEN MARKET. THESE TRANSACTIONS MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, INCLUDE SHORT SALES, STABILIZING TRANSACTIONS AND PURCHASES TO COVER POSITIONS CREATED BY SHORT SALES. THESE ACTIVITIES MAY STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE BONDS. AS A RESULT, THE PRICE OF THE BONDS MAY BE HIGHER THAN THE PRICE THAT OTHERWISE MIGHT EXIST IN THE OPEN MARKET. IF THESE ACTIVITIES ARE COMMENCED, THEY MAY BE DISCONTINUED AT ANY TIME AND MUST IN ANY EVENT BE BROUGHT TO AN END AFTER A LIMITED TIME.**

We, having made all reasonable inquiries, confirm that: (i) this offering circular contains all information with respect to us, our subsidiaries and affiliates referred to in this offering circular and the Bonds and the Subsidiary Guarantees that is material in the context of the issue and offering of the Bonds; (ii) the statements contained in this offering circular relating to us and our subsidiaries and our affiliates are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this offering circular with regard to us and our subsidiaries and affiliates are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to us, our subsidiaries and affiliates, the Bond and the Subsidiary Guarantees, the omission of which would, in the context of the issue and offering of the Bonds, make this offering circular, as a whole, misleading in any material respect; and (v) we have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. We accept responsibility accordingly.

This offering circular is highly confidential. We are providing it solely for the purpose of enabling you to consider a purchase of the Bonds. You should read this offering circular before making a decision whether to purchase the Bonds. You must not use this offering circular for any other purpose, or disclose any information in this offering circular to any other person.

We have prepared this offering circular, and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Bonds. By purchasing the Bonds, you will be deemed to have acknowledged that you have made certain acknowledgements, representations and agreements as set forth under the section entitled “Transfer Restrictions” below.



No representation or warranty, express or implied, is made by the Managers, the Trustee or any of their respective affiliates or advisors as to the accuracy or completeness of the information set forth herein, and nothing contained in this offering circular is, or should be relied upon as, a promise or representation, whether as to the past or the future.

Each person receiving this offering circular acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Managers or the Trustee or any person affiliated with the Managers or the Trustee in connection with any investigation of the accuracy of such information or its investment decision; and (iii) no person has been authorized to give any information or to make any representation concerning us, our subsidiaries and affiliates, the Bonds or the Subsidiary Guarantees (other than as contained herein and information given by our duly authorized officers and employees in connection with investors' examination of us and the terms of the offering of the Bonds) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the Managers or the Trustee.

**The Bonds and the Subsidiary Guarantees have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the accuracy or adequacy of this offering circular. Any representation to the contrary is a criminal offense in the United States.**

We are not, and the Managers are not, making an offer to sell the Bonds, including the Subsidiary Guarantees, in any jurisdiction except where an offer or sale is permitted. The distribution of this offering circular and the offering of the Bonds, including the Subsidiary Guarantees, may in certain jurisdictions be restricted by law. Persons into whose possession this offering circular comes are required by us and the Managers to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Bonds, including the Subsidiary Guarantees, and distribution of this offering circular, see the section entitled "Subscription and Sale" below.

This offering circular summarizes certain material documents and other information, and we refer you to them for a more complete understanding of what we discuss in this offering circular. In making an investment decision, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. We are not making any representation to you regarding the legality of an investment in the Bonds by you under any legal, investment or similar laws or regulations. You should not consider any information in this offering circular to be legal, business or tax advice. You should consult your own professional advisors for legal, business, tax and other advice regarding an investment in the Bonds.

We reserve the right to withdraw the offering of the Bonds at any time, and the Managers reserve the right to reject any commitment to subscribe for the Bonds in whole or in part and to allot to any prospective purchaser less than the full amount of the Bonds sought by such purchaser. The Managers and certain related entities may acquire for their own account a portion of the Bonds.

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## CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this offering circular using a number of conventions, which you should consider when reading the information contained herein. When we use the terms “**we**,” “**us**,” “**our**,” the “**Company**,” the “**Group**” and words of similar import, we are referring to China Evergrande Group (formerly known as Evergrande Real Estate Group Limited) itself, or to China Evergrande Group and its consolidated subsidiaries, as the context requires.

Market data, industry forecast and PRC and property industry statistics in this offering circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although we believe this information to be reliable, it has not been independently verified by us or the Managers or their respective directors and advisors, and neither we, the Managers nor our or their respective directors and advisors make any representation as to the accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Due to possibly inconsistent collection methods and other problems, such statistics herein may be inaccurate. You should not unduly rely on such market data, industry forecast and PRC and property industry statistics.

In this offering circular, all references to “**US\$**” and “**U.S. dollars**” are to United States dollars, the official currency of the United States of America, or the United States or U.S.; all references to “**HK\$**” and “**H.K. dollars**” are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the PRC, or Hong Kong; and all references to “**RMB**” or “**Renminbi**” are to Renminbi, the official currency of the People’s Republic of China, or China or the PRC.

We record and publish our financial statements in Renminbi. Unless otherwise stated in this offering circular, all translations from Renminbi amounts to U.S. dollars were made at the rate of RMB6.7793 to US\$1.00, the noon buying rate in New York City for cable transfers payable in Renminbi as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on June 30, 2017, and all translations from H.K. dollars into U.S. dollars were made at the rate of HK\$7.8055 to US\$1.00, the noon buying rate in New York City for cable transfers payable in H.K. dollars as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on June 30, 2017. All such translations in this offering circular are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars or H.K. dollars, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see the section entitled “Exchange Rate Information.”

References to “**PRC**” and “**China**,” for the statistical purposes of this offering circular, except where the context otherwise requires, do not include Hong Kong, Macau Special Administrative Region of the PRC, or Macau, or Taiwan. “**PRC government**” or “**State**” means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

Our financial statements are prepared in accordance with Hong Kong Financial Reporting Standards, or HKFRS, which may differ in material respects from generally accepted accounting principles (“**GAAP**”) in certain other jurisdictions.

References to the “**2018 Notes**” are to our 8.75% Senior Notes due 2018. References to the “**2019 Notes**” are to our 8.0% Senior Notes due 2019. References to the “**2020 Notes**” are to our 12.0% Senior Notes due 2020. We redeemed the 2018 Notes, 2019 Notes and 2020 Notes in full on August 5, 2017. References to the “**March 2020 Notes**” are to our 7.0% Senior Notes due 2020. References to the “**2022 Notes**” are to our 8.25% Notes due 2022. References to the “**2024 Notes**” are to our 9.50% Senior Notes due 2024. References to the “**2021 Notes**” are to our 6.25% Senior Notes due 2021.



References to the “**2023 Notes**” are to our 7.50% Senior Notes due 2023. References to the “**2025 Notes**” are to our 8.75% Senior Notes due 2025. References to “**Existing Notes**” are to the March 2020 Notes, 2022 Notes, 2024 Notes, 2021 Notes, 2023 Notes and 2025 Notes, collectively. References to “**Existing Indentures**” are to the indentures governing our March 2020 Notes, 2022 Notes, 2024 Notes, 2021 Notes, 2023 Notes and 2025 Notes, collectively. References to the “**Existing Pari Passu Secured Indebtedness**” are to the Existing Bank Loans and the Existing Notes.

References to the “**Perpetual Capital Instruments**” are to (1) perpetual capital instruments issued by certain of our wholly owned subsidiaries, or the “Onshore Perpetual Capital Instruments” and (2) the perpetual capital instruments we issued on December 29, 2015, or the “**Offshore Perpetual Capital Instruments.**” We had redeemed our outstanding Perpetual Capital Instruments in full as of June 30, 2017.

A property is considered sold after we have executed the purchase contract with a customer and have delivered the property to the customer. All site area and gross floor area, or GFA, information presented in this offering circular represent the site area and GFA of the entire project, including those attributable to the minority shareholders of our non-wholly owned project companies.

In this offering circular, contracted sales represent the total purchase price of formal purchase contracts we enter into with purchasers of our properties within a specified period, as disclosed to us by our project companies nationwide, aggregated at our headquarters, and recorded in our internal records on a monthly basis.

In this offering circular, unless the context otherwise requires, all references to “**affiliate**” are to a person or entity directly or indirectly controlled by, or under the direct or indirect common control of, another person or entity; all references to “**subsidiary**” are used with the meaning ascribed to it in the Listing Rules.

In this offering circular, a land grant contract refers to a state-owned land use rights grant contract (國有土地使用權出讓合同) between a developer and the relevant PRC governmental land administrative authorities, typically the local state-owned land bureaus.

In this offering circular, a land use rights certificate refers to a state-owned land use rights certificate (國有土地使用證) issued by a local real estate and land resources bureau with respect to the land use rights; a construction land planning permit refers to a construction land planning permit (建設用地規劃許可證) issued by local urban zoning and planning bureaus or equivalent authorities in China; a construction works planning permit refers to a construction works planning permit (建設工程規劃許可證) issued by local urban zoning and planning bureaus or equivalent authorities in China; a construction permit refers to a construction works commencement permit (建築工程施工許可證) issued by local construction committees or equivalent authorities in China; a pre-sale permit refers to a commodity property pre-sale permit (商品房預售許可證) issued by local housing and building administrative bureaus or equivalent authorities with respect to the pre-sale of relevant properties; a certificate of completion refers to a construction project planning inspection and clearance certificate (建設工程規劃驗收合格證) issued by local urban zoning and planning bureaus or equivalent authorities or equivalent certificate issued by relevant authorities in China with respect to the completion of property projects subsequent to their on-site examination and inspection; and a property ownership certificate refers to a property ownership and land use rights certificate (不動產權證書) issued by a local real estate and land resources bureau with respect to the land use rights and the ownership rights of the buildings on the relevant land.

In this offering circular, all references to “**first-tier cities**” are to Beijing, Shanghai, Guangzhou and Shenzhen; all references to “**second-tier cities**” are to the provincial capitals, Chongqing, Tianjin, Dalian, Qingdao, Ningbo, Xiamen, Zhuhai, Shantou and other cities with a Gross Domestic Product of

at least RMB500 billion and a population of at least seven million other than the first-tier cities; and all references to “**third-tier cities**” are to the prefecture-level cities other than the first and second-tier cities.

Totals presented in this offering circular may not total correctly because of rounding of numbers.

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## FORWARD-LOOKING STATEMENTS

This offering circular contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include statements relating to:

- our business and operating strategies, including our business expansion plans and our on-going structural reorganization;
- our capital expenditure and property development plans;
- the amount and nature of, and potential for, future development of our business;
- our operations and business prospects;
- various business opportunities that we may pursue;
- the interpretation and implementation of the existing rules and regulations relating to land appreciation tax and its future changes in enactment, interpretation or enforcement;
- the prospective financial information regarding our businesses;
- availability and costs of bank loans and other forms of financing;
- our dividend policy;
- projects under development or held for future development;
- the regulatory environment of our industry in general;
- the performance and future developments of the property market in China or any region in which we may engage in property development, or other businesses we are engaged in;
- changes in political, economic, legal and social conditions in China, including the specific policies of the PRC central and local governments affecting the regions where we operate, which affect land supply, types of property projects, availability and cost of financing, pre-sale, pricing, foreign investments in property development, and volume of our property development projects;
- significant delay in obtaining the various permits, proper legal titles or approvals for our properties under development or held for future development;
- timely repayments by our purchasers of mortgage loans guaranteed by us;
- changes in competitive conditions and our ability to compete under these conditions;

- the performance of the obligations and undertakings of the third-party contractors under various construction, building, interior decoration, material and equipment supply and installation contracts;
- changes in currency exchange control and rates; and
- other factors beyond our control.

In some cases, you can identify forward-looking statements by such terminology as “may,” “will,” “should,” “could,” “would,” “expect,” “intend,” “plan,” “anticipate,” “going forward,” “ought to,” “seek,” “project,” “forecast,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other comparable terminology. Such statements reflect the current views of our management with respect to future events, operations, results, liquidity and capital resources and are not guarantee of future performance, some of which may not materialize or may change. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements. In addition, unanticipated events may adversely affect the actual results we achieve. Important factors that could cause actual results to differ materially from our expectations are disclosed under the section entitled “Risk Factors” in this offering circular. Except as required by law, we undertake no obligation to update or otherwise revise any forward-looking statements contained in this offering circular, whether as a result of new information, future events or otherwise after the date of this offering circular. All forward-looking statements contained in this offering circular are qualified by reference to the cautionary statements set forth in this section.

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## INCORPORATION OF FINANCIAL INFORMATION

The audited consolidated financial statements of the Company and its subsidiaries (including the notes thereto) which are contained in pages 67 to 178 of the Annual Report of the Company for the year ended December 31, 2015, pages 71 to 174 of the Annual Report of the Company for the year ended December 31, 2016 and the unaudited financial statements of the Company and its subsidiaries (including the notes thereto) which are contained in pages 29 to 76 of the Interim Report of the Company for the six months ended June 30, 2017 are incorporated by reference in this offering circular. Copies of the accounts are available and may be (i) obtained free of charge at the specified office of the Company at 23F, China Evergrande Centre, No.38 Gloucester Road, Wan Chai, Hong Kong; or (ii) downloaded free of charge from the website of the Hong Kong Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk).

## SUMMARY

*This summary does not contain all the information that may be important to you in deciding to invest in the Bonds. You should read the entire offering circular, including the section entitled “Risk Factors” and our consolidated financial statements and related notes thereto, before making an investment decision.*

### Overview

We are the largest real estate development company in China in terms of contracted sales attributable to the Group and land reserves in the first half of 2017, 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, we have become a leading national property developer through our economies of scale and widely recognized brand name, under the leadership of our management team. Over the years, our focus on a centralized management system, a standardized operational model and quality products have allowed us to quickly replicate our success across China. We focus primarily on provincial capitals and other selected cities that we believe have high-growth potential. We continue to improve our 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. Our land reserves cover most of the provincial capitals and municipalities in China. Through our standardized operational model, we have been able to simultaneously manage projects in various development and sale stages in 223 cities across China as of June 30, 2017.

Our residential property development integrates planning, design, construction and property management and follows our standardized process management to ensure development speed and product quality. We have been awarded the highest recognition in China in real estate development, architectural planning and design, construction, construction supervision and property management, and have been ranked among the “Top 10 Property Developers of China” for 14 consecutive years since 2004 by China Real Estate Top 10 Research Group, an organization constituted by Enterprise Research Institute of the Development Research Center of the State Council, Tsinghua University Real Estate Research Center and China Index Academy. We were ranked as No. 2 of the “Top 500 Real Estate Companies of China” for six consecutive years since 2011 and No. 1 of the “Top 10 Real Estate Companies of China” in 2017. We were also ranked 338th on Fortune Global 500 in 2017.

We had the largest land reserves among all PRC property developers listed in China and Hong Kong as of June 30, 2017 based on the land reserve data disclosed by relevant companies in their applicable stock exchange filing. We had a total of 719 property projects under development or held for future development, a total planned GFA of approximately 276.0 million square meters of high-quality and relatively low-cost land as of June 30, 2017 with an average cost of approximately RMB1,658 per square meter, as calculated by dividing our aggregate land purchase price by our aggregate planned GFA. As of June 30, 2017, we had an aggregate of approximately RMB152.2 billion outstanding land premiums of which RMB45.1 billion is due in the second half of 2017, RMB46.9 billion is due in 2018 and RMB38.2 billion is due in 2019.

As of June 30, 2017, we had construction permits for 547 of our property projects under development, with a total GFA of approximately 93.6 million square meters, and had presale permits for 546 of our projects, with a total GFA of approximately 45.4 million square meters, of which approximately 20.6 million square meters remained unsold.

Over the years, we have developed and introduced various distinctive product series to the market, including:

- *Mid- to mid-high-end series* represented by products within our Evergrande Oasis (恒大綠洲) series, Evergrande Metropolis (恒大名都) series, Evergrande City (恒大城) series, Evergrande Atrium (恒大雅苑) series, Evergrande Royal Scenic Bay (恒大御景灣), Evergrande Emerald Court (恒大翡翠華庭) series, Evergrande Bay (恒大江灣) series, Evergrande Plaza (恒大廣場) series and Evergrande Bund (恒大外灘) series, which we target to account for approximately 85% of our current projects, and are marketed toward middle to upper-middle income residents, who currently constitute the largest segment of residential real estate purchasers. Evergrande Metropolis and Evergrande City are urban residential complexes in major cities, while Evergrande Oasis and Evergrande Atrium are located in areas with natural landscape. These series are equipped with well-developed facilities and amenities within the complexes.
- *High-end series* represented by products within our Evergrande Palace (恒大華府) series, Evergrande Royal Scenic Peninsula (恒大御景半島) series, Evergrande Emperor Scenic (恒大帝景) series and Evergrande Royal Scenic (恒大御景) series, which we target to account for approximately 15% of our current projects, and are positioned as high-end and premium residential properties in urban centers. These series target high-income residents in such regions.
- Our tourism related business, mainly consisting of Evergrande Venice on the Sea Qidong Project (啟東恒大海上海威爾斯項目) and the Hainan Ocean Flower Island Project (中國海南海花島項目). Through these projects, we focus on developing large-scale cultural tourism projects catering to tourists and vacation home owners, including large-scale facilities such as man-made islands, beaches, Evergrande Fairyland Theme Park (恒大童世界), recreation and shopping facilities, large-scale hotels, as well as large conference centers able to accommodate thousands of conference attendees.

We design and develop all of our product series under our standardized operational model and market them under the brand name of “Evergrande” on a nationwide basis.

We strive to provide high-quality residential products to the market by focusing on every step of the development process, from site selection, planning, landscaping and construction to fitting-out and property management. We aim to deliver “best-in-class” end-products to our customers. Over the years, our products have gained wide brand recognition among consumers, as reflected by our strong contracted sales and sales records. For the years ended December 31, 2014, 2015, 2016 and the six months ended June 30, 2017, our total contracted sales, which have not been audited or reviewed by our auditors, amounted to approximately, RMB131.5 billion, RMB201.3 billion, RMB373.4 billion and RMB244.1 billion, respectively, with a total contracted sales GFA of approximately, 18.2 million square meters, 25.5 million square meters, 44.7 million square meters and 24.8 million square meters, respectively. The average selling price for our contracted sales in the first half of 2017 was RMB9,862 per square meter, as calculated based on our internal records.

Leveraging our strengths in the property industry, we have taken significant initiatives or made significant plans to expand into healthcare, insurance, internet, football and cultural industries with a view to establishing alternative revenue sources and diversifying our business portfolio.



## **Our Competitive Strengths**

We believe that we possess the following principal strengths that enable us to compete in the residential property market in China:

- We are the largest real estate development company in China;
- We are a leader of the standardized operational model for large-scale quality property developments;
- We have strategically acquired large, relatively low-cost land reserves, with 276 million square meters in 223 cities across China as of June 30, 2017, focusing on provincial capitals and other selected cities that we believe have high-growth potential;
- We have leveraged our industry-leading brand name and strategic partnerships with renowned suppliers to develop quality products that are well-recognized by the market;
- We offer a comprehensive product mix that caters to different market segment demands;
- We are able to effectively control our costs at every stage of the project development;
- We possess a highly experienced and stable management team with proven execution capabilities to adapt and respond to market changes; and
- We have proven capability to develop projects and achieve asset turnover rapidly.

You should refer to the section entitled “Business — Our Competitive Strengths” for further information about these strengths.

## **Our Business Strategies**

Our principal business strategies are:

- Continue to replenish our land reserves in first- and second-tier cities and selected third-tier cities in prime locations;
- Continue to optimize and leverage our standardized operational model;
- Maintain a comprehensive product offering with a primary focus on residential properties;
- Adopt prudent and disciplined financial policies;
- Focus on product quality to enhance our brand; and
- Continue our business diversification strategy.

You should refer to the section entitled “Business — Business Strategies” for further information about these strategies.

## Proposed Reorganization and Strategic Investment

On October 3, 2016, two wholly-owned PRC subsidiaries of the Company, Guangzhou Kailong Real Estate Company Limited (“**Kailong Real Estate**”) and Hengda Real Estate Group Company Limited (“**Hengda Real Estate**”) entered into an agreement (the “**Cooperation Agreement**”), as amended on April 20, 2017 and December 29, 2017 with, among others, Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (“**Shenzhen Real Estate**”), pursuant to which, subject to entering into a definitive agreement, Shenzhen Real Estate will, by way of issue of Renminbi ordinary shares and/or the payment of cash consideration, acquire 100% of the equity interest in Hengda Real Estate (the “**Target Assets**”) from Kailong Real Estate. The acquisition will result in Kailong Real Estate becoming the controlling shareholder of Shenzhen Real Estate (the “**Proposed Reorganization**”) and will enable us to effectively list our real estate assets on the Shenzhen Stock Exchange A-share market.

The Cooperation Agreement provides, among others, the following:

- The parties will exercise their best endeavors to complete the Proposed Reorganization and the final scheme and transactional details of the Proposed Reorganization will be set out in a definitive agreement (the “**Reorganization Agreement**”).
- There will be an exclusive period to June 30, 2018 during which time the parties may not discuss or enter into any agreements with any other party in respect of transactions of the same or similar in nature as the Proposed Reorganization.
- The parties will enter into an agreement in respect of an undertaking on business performance of the Target Assets. Kailong Real Estate will, in accordance with the relevant provisions of applicable laws and regulations and regulatory documents as well as market practices, provide an undertaking on the business performance of the Target Assets for 2017, 2018 and 2019 (the “**Relevant Period**”), where the profits attributable to the shareholders of its parent company after deducting non-recurring gains and losses for the Relevant Period will amount to approximately RMB88.8 billion. If the actual profit of the Target Assets is less than such amount upon the expiry of the Relevant Period, Kailong Real Estate will, in compliance with the regulations of the regulatory authorities and in an approved manner, provide certain compensation for any shortfall in profit.
- The consideration for the Target Assets will be determined by the parties through consultation based on the appraised value of the assets as determined by a qualified valuer for securities transactions with such appraised value having been filed with and approved by the Shenzhen People’s Government State-owned Assets Administration Commission (“**Shenzhen SASAC**”), plus the additional cash earnings of Hengda Real Estate for the period between the valuation date and the date of the Reorganization Agreement.
- The issue price of the consideration shares by Shenzhen Real Estate to Kailong Real Estate will not be lower than 90% of the reference market price of the Shenzhen Real Estate shares. The reference market price will be the average closing prices of the Shenzhen Real Estate shares for one of the 20 trading days, 60 trading days or 120 trading days prior to the date of announcement by the board of Shenzhen Real Estate on their resolution on the Proposed Reorganization. The final issue price will be determined by the parties through consultation.
- Prior to the signing of the Reorganization Agreement, Hengda Real Estate may introduce strategic investments and that the parties involved in the Proposed Reorganization will be adjusted accordingly upon the introduction of any strategic investors.

- The Proposed Reorganization requires the following approvals: (1) the board of directors, the board of supervisors (if necessary), and the shareholders of Shenzhen Real Estate having approved the Proposed Reorganization, (2) the shareholders of Shenzhen Real Estate having approved Kailong Real Estate from making a general offer in respect of the Proposed Reorganization, (3) the Board and the shareholders of the Company having approved the Proposed Reorganization, (4) Shenzhen SASAC's having approved the valuation of the Target Assets and its filing, (5) the Shenzhen Municipal Government and the Shenzhen SASAC having approved the Proposed Reorganization, (6) the Proposed Reorganization having passed the anti-trust review by the Ministry of Commerce, (7) the China Securities Regulatory Commission having approved the Proposed Reorganization, (8) The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") having consented to the proposed spin-off and the granting of a waiver from exemption to provide the shareholders of the Company with an assured entitlement to the shares of Shenzhen Real Estate, and (9) approvals/filings from other competent authorities in accordance with applicable laws and regulations.

On December 30, 2016, May 31, 2017 and November 6, 2017, Kailong Real Estate and Hengda Real Estate entered into investment agreements (the "**Investment Agreements**") with certain investors (the "**Investors**") who agreed to subscribe for new capital of the enlarged equity interest in Hengda Real Estate for an aggregate amount of RMB130 billion (the "**Capital Increase**") in return of an aggregate of approximately 36.54% of the enlarged equity interest of Hengda Real Estate (the "**Strategic Investments**"). The purpose of the capital injection was to raise funds as well as to allow Shenzhen Real Estate to maintain its public float upon completion of the Proposed Reorganization.

The Investment Agreements provide, among others, the following:

- Kailong Real Estate and Hengda Real Estate have undertaken to the Investors that the net profit of Hengda Real Estate for the three financial years of 2018, 2019 and 2020 shall not be less than RMB50 billion, RMB55 billion and RMB60 billion, respectively (each a "**Performance Undertaking Amount**").
- Prior to the entering into of the Reorganization Agreement and subject to the dividend payment not adversely affecting the ability of Hengda Real Estate to continue to operate, Hengda Real Estate will distribute at least 68% of its net profit for each of the financial years under the Relevant Period to its shareholders. If the net profit of Hengda Real Estate for a financial year in the Relevant Period is less than the Performance Undertaking Amount for that financial year, the proportional dividend to be paid by Hengda Real Estate to the Investors will be adjusted upward by in accordance with the following formula: percentage ratio of the proportional dividend payable to the Investors *equals* (i) percentage of equity interest held by the Investors *divided by* (ii) actual net profit of Hengda Real Estate for that financial year/the Performance Undertaking Amount for that year. If the percentage ratio calculated by the formula is greater than 100%, then the distribution to the Investors will be based on 100%.
- The dividend payment arrangement will lapse upon the execution of the Reorganization Agreement. Upon the execution of the Reorganization Agreement, dividend payments will be made in accordance with the applicable requirements of the CSRC and the terms of the Reorganization Agreement. If, for any reasons, the Reorganization Agreement is terminated after its execution, Hengda Real Estate will make up for any shortfall in dividends paid to the Investors during the period between the execution of the Reorganization Agreement and its termination in accordance with the terms of the Investment Agreements.

- If the Proposed Reorganization as contemplated under the Reorganization Agreement is not completed by January 31, 2021 and the failure to complete is not attributable to the relevant Investor, the relevant Investor will have the right within two months of the expiry of such deadline to request Kailong Real Estate to either: (i) repurchase the equity interest held by the relevant Investor at its original investment cost; or (ii) transfer shares in Hengda Real Estate to the relevant Investor without consideration in accordance with the following formula as compensation: Percentage of equity in Hengda Real Estate to be transferred by Kailong Real Estate to the relevant Investor as compensation *equals* (a) Percentage interest in Hengda Real Estate held by the relevant Investor on the signing of the compensation agreement (excluding any additional interest acquired by the relevant Investor after the date of the relevant Investment Agreement) *times* (b) 50%.

The Proposed Reorganization constitutes a spin-off requiring the approval of the Hong Kong Stock Exchange. On January 24, 2017, the Company received in-principle approval for the proposed spin-off in relation to the Proposed Reorganization from the Hong Kong Stock Exchange. The Company may introduce further investors to Hengda Real Estate in the near future.

### **Recent Developments**

In the second half of 2017, our aggregate contracted sales amounted to approximately RMB256.9 billion. For the same period, the aggregate contracted sales areas and average selling prices amounted to approximately 25,549,000 square meters and RMB10,054 per square meter, respectively.

Since June 30, 2017, we have incurred additional debt in the ordinary course of business to finance our operations and also for refinancing purposes. Subsequent to June 30, 2017 and as of December 22, 2017, we incurred additional material borrowings (net of repayments) in the aggregate amount of not less than RMB50.0 billion (US\$7.4 billion). See “Capitalization and Indebtedness.”

#### ***Land Acquisitions Since June 30, 2017***

We have conducted major land acquisitions since June 30, 2017, such as Sichuan Leshan Emei Mountain Resort Project for a total land premium of RMB5,500 million, Shenyang Evergrande Huayi Art Center Project for a total land premium of approximately RMB3,220 million, Wenzhou Evergrande Yihe City for a total land premium of approximately RMB4,292 million, Shenzhen Bantian Project for a total land premium of RMB5,684 million, Taiyuan Longcheng North Road Project for a total land premium of RMB4,100 million, Jiangmen Jinsha Bay Project for a total land premium of RMB3,815 million and New Hunan Changsha Project for a total land premium of approximately RMB4,298 million. See “Business — Newly Acquired Land Since June 30, 2017” for further information.

### **General Information**

We were incorporated in the Cayman Islands on June 26, 2006 under the name of “Evergrande Real Estate Group Limited” as an exempted company with limited liability, with registered number MC-169971. We have since changed our name to “China Evergrande Group.” Our principal place of business in China is at Evergrande International Center, No. 78 Huangpu Avenue West, Guangzhou City, Guangdong Province 510620, PRC. Our place of business in Hong Kong is at 23/F, China Evergrande Centre, No.38 Gloucester Road, Wanchai, Hong Kong. Our registered office is located at Uglan House, P.O. Box 309, Grand Cayman, KY1-1104, Cayman Islands. Our website is <http://www.evergrande.com>. Information contained on our website does not constitute a part of this offering circular.

## THE ISSUE

*The following contains summary information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” and “Provisions relating to the Bonds in Global Form” shall have the same meanings in this summary. For a more complete description of the terms of the Bonds, see “Terms and Conditions of the Bonds” in this offering circular.*

Issuer . . . . .	China Evergrande Group (formerly known as Evergrande Real Estate Group Limited)
Issue . . . . .	HK\$18,000,000,000 4.25 per cent. secured guaranteed convertible bonds due 2023 convertible at the option of the holder thereof into ordinary shares of par value of US\$0.01 each of the Issuer, at an initial conversion price of HK\$38.99.
Interest . . . . .	The Bonds bear interest from and including February 14, 2018 at the rate of 4.25 per cent. per annum payable semi-annually in arrear on February 14 and August 14 in each year.
Issue Date . . . . .	February 14, 2018
Maturity Date . . . . .	February 14, 2023
Status of the Bonds . . . . .	The Bonds constitute direct, unconditional, and unsubordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4, at all times rank at least equally with all of the Issuer’s other present and future unconditional and unsubordinated obligations, including the Existing Notes.
Guarantee of the Bonds . . . . .	<p>The due payment of all sums expressed to be payable by the Issuer under the Bonds, the Trust Deed and the Agency Agreement are unconditionally and irrevocably guaranteed, on a joint and several basis, by the Subsidiary Guarantors.</p> <p>For a list of the initial Subsidiary Guarantors, please see Condition 1(B)(iii) (<i>Status — Subsidiary Guarantees — Initial Subsidiary Guarantors</i>).</p> <p>The obligations of the Issuer under the Bonds, the Trust Deed and the Agency Agreement shall be guaranteed by the Subsidiary Guarantors on a <i>pari passu</i> basis with the obligations of the Issuer under the Existing Notes.</p>

Future Subsidiary Guarantors . . . . .	The Issuer will cause (a) each of its future Subsidiaries which guarantees the payment of amounts payable under the Existing Notes and (b) any Subsidiary which from time to time guarantees the payment of amounts payable under any Permitted Pari Passu Secured Indebtedness to execute and deliver to the Trustee a supplemental trust deed to the Trust Deed pursuant to which each such Subsidiary will guarantee the payment of any amount payable under the Bonds or the Trust Deed on a <i>pari passu</i> basis with the obligations of such Subsidiary under the Existing Notes and, as the case may be, any such Permitted Pari Passu Secured Indebtedness.
Release of Subsidiary Guarantors . . . . .	A Subsidiary Guarantor shall be simultaneously released from its obligations under the Guarantees of the Bonds upon and only to the extent of the release of the Subsidiary Guarantor from both (a) its guarantee obligation under the Existing Notes and (b) its guarantee obligation under any Permitted Pari Passu Secured Indebtedness.
Security . . . . .	The payment obligations and the performance of all of the obligations (i) of the Issuer under the Bonds and the Trust Deed and (ii) of each Subsidiary Guarantor under its Guarantees of the Bonds are secured by the Share Charges over the shares of the Charged Subsidiaries held by the Company and a Subsidiary Guarantor. The Security is granted by the Issuer and the Chargors in favor of the Trustee pursuant to the Share Charges.
Security Sharing . . . . .	The Shared Collateral will be shared pursuant to the Intercreditor Agreement on a <i>pari passu</i> basis by the holders of the Bonds and, to the extent outstanding at such time, the secured parties with respect to the Existing Pari Passu Secured Indebtedness and any other secured parties with respect to any Permitted Pari Passu Secured Indebtedness.
Permitted Pari Passu Secured Indebtedness . .	At any time on or after the Issue Date, the Issuer and each other Chargor may create further Encumbrances over any part of the Shared Collateral for the purposes of securing indebtedness of the Issuer (including further bonds issued pursuant to Condition 16) and/or any Subsidiary Guarantor and any Pari Passu Subsidiary Guarantee of a Chargor (such indebtedness and any such Pari Passu Subsidiary Guarantee, provided certain conditions are satisfied).



Negative Pledge . . . . . So long as any Bond remains outstanding (as defined in the Trust Deed):

- (a) if any amounts are outstanding under any Existing Notes or any Future Senior Notes, the Issuer will not, and the Issuer will ensure that none of its Restricted Subsidiaries will, create or permit to subsist, any Encumbrance, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness unless:
  - (i) it is a Permitted Encumbrance; or
  - (ii) at the same time or prior thereto the Issuer's obligations under the Bonds (and each Subsidiary Guarantor's obligations relating thereto) are secured equally and rateably (x) therewith or by the same Encumbrance or (y) by such other security, guarantee, indemnity or other arrangement as either (aa) shall be deemed not to be materially less beneficial to the interests of the Bondholders or (bb) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.
- (b) if no amounts are outstanding under any Existing Notes or Future Senior Notes, neither the Issuer nor any Subsidiary Guarantor will, and the Issuer and each Subsidiary Guarantor will ensure that none of its Unlisted Subsidiaries will, create or permit to subsist, any Encumbrance, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (other than Permitted Pari Passu Secured Indebtedness), or any guarantee or indemnity in respect of any Relevant Indebtedness unless at the same time or prior thereto the Issuer's and the Subsidiary Guarantors' obligations under the Bonds are secured equally and rateably (x) therewith or by the same Encumbrance or (y) by such other security, guarantee, indemnity or other arrangement as either (aa) shall not be materially less beneficial to the interests of the Bondholders or (bb) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

Conversion Period . . . . .	On or after March 27, 2018 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the seventh day prior to the Maturity Date (both days inclusive), except as provided in Condition 6(A)(iv) ( <i>Conversion — Conversion Right — Revival and/or Survival after Default</i> ), and Condition 10 ( <i>Events of Default</i> ) in no event thereafter or, if such Bond has been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 15 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(D) ( <i>Redemption, Purchase and Cancellation — Redemption for Delisting or Suspension of Trading or Change of Control</i> ) or Condition 8(E) ( <i>Redemption, Purchase and Cancellation — Redemption at the option of the Bondholders</i> ) then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice.
Conversion Price . . . . .	Initially HK\$38.99 per Share, subject to adjustment in the manner provided in Condition 6(C) ( <i>Conversion — Adjustments to Conversion Price</i> )
Redemption for Taxation Reasons . . . . .	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "Tax Redemption Notice") to the Bondholders at their principal amount, together with interest accrued to the date fixed for redemption, if (i) the Issuer or any Subsidiary Guarantor has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of any jurisdiction in which the Issuer or the applicable Subsidiary Guarantor or Chargor is organized or resident for tax purposes or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after February 14, 2018, and (ii) such obligation cannot be avoided by the Issuer or such Subsidiary Guarantor taking reasonable measures available to it <i>provided that</i> no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer or any Subsidiary Guarantor would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.
Redemption at the Option of the Issuer . . . . .	On giving not less than 30 nor more than 60 days' notice to the Bondholders and the Trustee (which notice will be irrevocable), the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued (including any further bonds issued pursuant to Condition 16 ( <i>Further issues</i> ) and consolidated and forming a single series with the Bonds) has already been converted, redeemed or purchased and cancelled.

Redemption at the Option of the Bondholders . . . .	The Issuer will, at the option of the holder of any Bond, redeem all or some only (subject to the principal amount of such holder's Bonds redeemed and the principal amount of the balance of such holder's Bonds not redeemed being an Authorized Denomination of such holder's Bonds on February 14, 2021 at their principal amount together with interest accrued to such date.
Redemption for Delisting, Suspension of Trading or Change of Control . . . .	<p>If at any time:</p> <p>(a) the Shares cease to be listed or admitted to trading, or are suspended from trading for a period equal to or exceeding 21 consecutive Trading Days, on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or</p> <p>(b) there is a Change of Control,</p> <p>the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only (subject to the principal amount of such holder's Bonds redeemed and the principal amount of the balance of such holder's Bonds not redeemed being an Authorized Denomination) of such holder's Bonds on the Relevant Event Redemption Date at their principal amount together with interest accrued to the Relevant Event Redemption Date.</p>
Purchase . . . . .	The Issuer or any of its Subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise. Such Bonds may (subject to applicable law and regulation, including without limitation to rules of the Hong Kong Stock Exchange and the SGX-ST) be held, resold or reissued, or, at the option of the Issuer or the relevant Subsidiary, forwarded to or to the order of the Registrar for cancellation.
Events of Default . . . . .	For a description of the Events of Default that may permit the Bonds to become immediately due and payable at their principal amount, together with accrued interest, see Condition 10 ( <i>Events of Default</i> ).
Clearing Systems. . . . .	The Bonds will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Closing Date with a common depositary for, Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in "Provision relating to the Bonds in Global Form", certificates for Bonds will not be issued in exchange for beneficial interests in the Global Certificate.
Governing Law . . . . .	English law.
Trustee and Security Trustee . . . . .	Citicorp International Limited
Paying Agent and Transfer Agent. . . . .	Citibank, N.A., London Branch
Registrar . . . . .	Citigroup Global Markets Deutschland AG

Listing . . . . .	<p>Approval in-principle has been received from the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any 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 Bonds on, the SGX-ST are not to be taken as an indication of the merits of the Bonds, the Shares, the Issuer and/or its Subsidiaries.</p> <p>For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of HK\$2,000,000.</p>
Form and Denomination of Bonds . . . . .	The Bonds will be issued in registered form in denomination of HK\$2,000,000 each and integral multiples of HK\$1,000,000 in excess thereof.
Selling Restrictions . . . . .	There are certain restrictions on the offer, sale and transfer of the Bonds and the Shares to be issued upon conversion of the Bonds in certain jurisdictions including the United States, the United Kingdom, Hong Kong, Japan, Singapore, the People's Republic of China, Bermuda, the Cayman Islands, the British Virgin Islands and the European Economic Area. For a description of the restrictions on the distribution of this offering circular or any offering material and the offering, sale or delivery of the Bonds and the Shares to be issued upon conversion of the Bonds, see " <i>Subscription and Sale</i> ".
Use of Proceeds . . . . .	The Company intends to use the net proceeds from the issue of the Bonds for refinancing existing indebtedness of the Company and for general corporate purposes.
ISIN . . . . .	XS1767800961
Common Code . . . . .	176780096

## **SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA**

The following tables present our summary financial and other data. The summary consolidated financial data as of and for each of the fiscal years ended December 31, 2014, 2015 and 2016 (except for EBITDA data) are derived from our audited consolidated financial statements for the years ended December 31, 2014, 2015 and 2016. The summary consolidated financial data as of and for the six months ended June 30, 2016 and 2017 (except for EBITDA data) is derived from our unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2017. The summary financial data below should be read in conjunction with our financial statements, including notes thereto, which are not included in the offering circular. The unaudited interim consolidated financial statements as of and for the six months ended June 30, 2017 should not be taken as an indication of the expected business, financial condition and results of operations for the full year ending December 31, 2017. The Company's financial results for any past period are not and should not be taken as an indication of the Company's performance, financial position and results in future years.

Our financial information has been prepared and presented in accordance with HKFRS, which differs in certain material respects from GAAP in other jurisdictions.

## Summary Consolidated Statement of Comprehensive Income and Other Financial Data

	Year ended December 31,				Six months ended June 30,		
	2014	2015	2016		2016	2017	
	(RMB)	(RMB)	(RMB)	(US\$) (unaudited) (in millions)	(RMB) (unaudited)	(RMB) (unaudited)	(US\$) (unaudited)
Revenue . . . . .	111,398	133,130	211,444	31,190	87,498	187,981	27,729
Cost of sales . . . . .	(79,614)	(95,717)	(152,022)	(22,424)	(62,728)	(120,677)	(17,801)
<b>Gross profit . . . . .</b>	<b>31,784</b>	<b>37,413</b>	<b>59,422</b>	<b>8,766</b>	<b>24,770</b>	<b>67,304</b>	<b>9,928</b>
Fair value gains on investment properties . . . . .	9,393	12,859	5,124	756	3,283	6,001	885
Other gains . . . . .	534	323	6,986	1,030	—	(7,023)	(1,036)
Other income . . . . .	1,431	2,262	4,937	728	1,875	2,520	372
Selling and marketing costs . . . . .	(9,154)	(13,325)	(15,983)	(2,358)	(8,029)	(7,824)	(1,154)
Administrative expenses . . . . .	(4,038)	(6,139)	(9,598)	(1,416)	(3,664)	(5,430)	(801)
Other operating expenses . . . . .	(1,397)	(1,077)	(2,663)	(393)	(1,620)	(2,051)	(303)
<b>Operating profit . . . . .</b>	<b>28,553</b>	<b>32,316</b>	<b>48,225</b>	<b>7,113</b>	<b>16,615</b>	<b>53,497</b>	<b>7,891</b>
Gain on financial assets at fair value through profit or loss . . . . .	3,757	2,515	141	21	(425)	(266)	(39)
Finance costs . . . . .	(1,015)	(2,994)	(11,301)	(1,667)	(1,782)	(5,151)	(760)
Share of (losses)/profit of investments accounted for using the equity method . . . . .	(104)	(392)	(203)	(30)	(71)	263	39
<b>Profit before income tax . . . . .</b>	<b>31,191</b>	<b>31,445</b>	<b>36,862</b>	<b>5,437</b>	<b>14,337</b>	<b>48,343</b>	<b>7,131</b>
Income tax expenses . . . . .	(13,175)	(14,105)	(19,245)	(2,839)	(7,210)	(25,216)	(3,720)
<b>Profit for the year/period . . . . .</b>	<b>18,016</b>	<b>17,340</b>	<b>17,617</b>	<b>2,598</b>	<b>7,127</b>	<b>23,127</b>	<b>3,411</b>
<b>Other comprehensive income</b>							
Change in value of available-for-sale financial assets . . . . .	157	30	(3,039)	(448)	468	2,435	359
Share of other comprehensive income of investments accounted for using the equity method . . . . .	—	—	(2,688)	(397)	(197)	2,017	298
Currency translation differences . . . . .	—	—	835	123	175	(241)	(36)
<b>Total comprehensive income for the year/period . . . . .</b>	<b>18,173</b>	<b>17,370</b>	<b>12,725</b>	<b>1,876</b>	<b>7,573</b>	<b>27,338</b>	<b>4,032</b>
<b>Profit attributable to:</b>							
Shareholders of							
the Company . . . . .	12,604	10,460	5,091	751	2,017	18,834	2,778
Holders of perpetual capital instruments . . . . .	4,339	5,088	10,646	1,570	4,220	—	—
Non-controlling interests . . . . .	1,073	1,792	1,880	277	890	4,293	633
	18,016	17,340	17,617	2,598	7,127	23,127	3,411
<b>Total comprehensive income attributable to:</b>							
Shareholders of							
the Company . . . . .	12,761	10,490	199	29	2,463	22,028	3,249
Holders of perpetual capital instruments . . . . .	4,339	5,088	10,646	1,570	4,220	—	—
Non-controlling interests . . . . .	1,073	1,792	1,880	277	890	5,310	783
	18,173	17,370	12,725	1,876	7,573	27,338	4,032
Dividends . . . . .	6,273	5,262	—	—	—	—	—
<b>Other Financial Data</b>							
EBITDA <sup>(1)</sup> . . . . .	28,342	25,083	55,738	8,222	17,711	55,484	8,183
EBITDA margin <sup>(2)</sup> . . . . .	25.4%	18.8%	26.4%	26.4%	20.2%	29.5%	29.5%

### Notes:

- (1) EBITDA for any period consists of profit from operating activities before fair value gains on investment properties, interest income from non-current receivables, exchange gains/(losses) plus income tax expenses, depreciation, share option amortization, amortization of intangible assets and land use rights and interest expense. EBITDA is not a standard measure under HKFRS. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors



should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Existing Indentures. Interest expense excludes amounts capitalized.

- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

## Summary Consolidated Balance Sheet Data

	As of December 31,				As of June 30,	
	2014	2015	2016		2017	
	(RMB)	(RMB)	(RMB)	(US\$)	(RMB)	(US\$)
			(unaudited)		(unaudited)	
			(in millions)			
ASSETS						
Non-current assets						
Property, plant and equipment . . . .	15,504	16,720	20,833	3,073	24,234	3,575
Land use rights . . . . .	3,388	3,625	5,401	797	5,530	816
Investment properties . . . . .	61,857	97,146	132,045	19,478	143,440	21,159
Properties under development . . . .	355	248	—	—	—	—
Trade and other receivables. . . . .	5,222	10,730	9,342	1,378	6,210	916
Prepayments . . . . .	—	1,038	2,754	406	2,179	321
Intangible assets . . . . .	368	372	241	36	239	35
Investment accounted for using the equity method . . . . .	1,062	8,580	24,374	3,595	26,647	3,931
Available-for-sale financial assets . .	123	2,595	36,805	5,429	3,754	554
Deferred income tax assets . . . . .	2,447	2,752	4,036	595	2,903	428
Goodwill . . . . .	486	885	1,402	207	1,402	207
Total non-current assets . . . . .	90,812	144,691	237,233	34,994	216,538	31,942
Current assets						
Available-for-sale financial assets . .	—	—	—	—	3,520	519
Inventories . . . . .	578	1,311	230	34	131	19
Properties under development . . . .	210,793	329,610	577,851	85,238	699,063	103,117
Completed properties held for sale. .	35,682	54,118	80,776	11,915	98,362	14,509
Trade and other receivables. . . . .	16,028	21,708	76,434	11,275	101,587	14,985
Prepayments . . . . .	47,868	37,137	62,747	9,256	91,856	13,549
Income tax recoverable. . . . .	2,253	4,131	7,665	1,131	8,673	1,279
Financial assets at fair value through profit or loss. . . . .	10,950	307	3,603	531	3,311	488
Restricted cash . . . . .	29,651	60,932	105,909	15,622	105,530	15,567
Cash and cash equivalents . . . . .	29,847	103,090	198,420	29,269	164,404	24,251
Total current assets . . . . .	383,650	612,344	1,113,635	164,271	1,276,437	188,283
Total assets . . . . .	474,462	757,035	1,350,868	199,265	1,492,975	220,225
EQUITY						
Capital and reserves attributable to shareholders of the Company						
Share capital and premium . . . . .	1,021	971	1,006	148	1,028	152
Reserves . . . . .	5,849	7,637	4,739	699	49,164	7,252
Retained earnings . . . . .	44,250	42,398	38,495	5,678	50,867	7,503
	51,120	51,006	44,240	6,525	101,059	14,907
Perpetual capital instruments . . . .	52,852	75,737	112,944	16,660	—	—
Non-controlling interests. . . . .	8,406	15,399	35,348	5,214	67,112	9,900
Total equity. . . . .	112,378	142,142	192,532	28,399	168,171	24,807
LIABILITIES						
Non-current liabilities						
Borrowings. . . . .	76,401	138,162	332,164	48,997	381,192	56,229
Financial derivative liabilities . . . .	—	—	—	—	1,080	159
Other payables . . . . .	7,175	2,481	54,354	8,020	12,014	1,772
Deferred income tax liabilities. . . .	10,271	17,569	38,424	5,668	44,812	6,610
Total non-current liabilities . . . .	93,847	158,212	424,942	62,685	439,098	64,770
Current liabilities						
Borrowings. . . . .	79,663	158,744	202,906	29,930	292,302	43,117
Trade and other payables . . . . .	123,673	191,309	299,905	44,238	345,907	51,023
Receipt in advance from customers .	47,348	83,061	194,961	28,758	198,163	29,231
Current income tax liabilities . . . .	17,553	23,567	35,622	5,255	49,334	7,277
Total current liabilities. . . . .	268,237	456,681	733,394	108,181	885,706	130,648
Total liabilities. . . . .	362,084	614,893	1,158,336	170,866	1,324,804	195,418
Total equity and liabilities . . . . .	474,462	757,035	1,350,868	199,265	1,492,975	220,225
Net current assets . . . . .	115,413	155,663	380,241	56,090	390,731	57,635
Total assets less current liabilities	206,225	300,354	617,474	91,084	607,269	89,577

## RISK FACTORS

*You should carefully consider the risks and uncertainties described below and other information contained in this offering circular before making an investment decision. The risks and uncertainties described below may not be the only ones that we face. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also adversely affect our business, financial condition or results of operations. If any of the possible events described below occur, our business, financial condition or results of operations could be materially and adversely affected. In any such case, we may not be able to satisfy our obligations under the Bonds, and you could lose all or part of your investment.*

### **Risks Relating to Our Business**

***Our business is subject to extensive governmental regulation and, in particular, we are susceptible to policy changes in the PRC property sector.***

Our business is subject to extensive governmental regulation. As with other PRC property developers, we must comply with various requirements mandated by the PRC laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. Through these policies and measures, the PRC government may restrict or reduce land available for property development, raise benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, and impose additional taxes and levies on property sales and restrict foreign investment in the PRC property sector. Many of the property industry policies carried out by the PRC government are unprecedented and are expected to be refined and improved over time. Other political, economic and social factors may also lead to further adjustments and changes of such policies. As the residential property prices in certain cities in China rose rapidly in recent years, in order to prevent the overheating of the property market and the possible formation of a speculative bubble, the PRC government introduced a series of regulatory measures in an effort to stabilize the real estate market and facilitate its sustainable development, including raising the down payment ratio and residential mortgage loan interest rate, limiting the number of houses that a single household may purchase, increasing the supply of affordable housing to low- and middle-income families, increasing the supply of public housing to targeted populations, restricting foreign investments in properties in China, abolishing the preferential business tax treatment on transfer of ordinary housing within five years and launching new property tax schemes in certain cities. Recently, the property market in the PRC has witnessed signs of a slowdown, with some developers reported to have lowered prices in order to stimulate sales and some local governments reported to have relaxed property purchase restrictions previously imposed as cooling measures to help boost demand. We cannot assure you that the PRC government will not adopt additional and more stringent industry policies, regulations and measures in the future. For instance, the PRC government has reformed regulations replacing the business tax regime, which is levied on the total revenue of the company, with a value-added tax system, which assesses increments of new value created by the company, for the real estate sector in 2016 as part of China's major overhaul of its tax structure. In addition, the PRC government may impose a countrywide real estate tax in the future. We are not sure when or whether such tax reforms will be imposed and neither can we assess the adverse impact of such new tax policies on our business operations and financial results. If we fail to adapt our operations to such new policies, regulations and measures that may come into effect from time to time, our business prospects, results of operations and financial condition may be materially and adversely affected.

You should read the various risk factors under the section entitled “— Risks Relating to the Property Industry in China” below for more risks and uncertainties relating to the extensive PRC regulations.

*We are highly dependent on the performance of the residential property markets in China, particularly in the regions where we have or will have operations.*

Our business and prospects depend on the performance of the PRC residential property markets. Any housing market downturn in China generally or in the regions where we operate could adversely affect our business, results of operations and financial condition. As of June 30, 2017, we had 719 properties under development or held for future development across China located in 223 cities. As of June 30, 2017, based on our GFA under development or held for future development, Guangdong Province constituted our largest regional property market in China, with considerable GFA under development concentrated in Danzhou City, Hainan Province. Over-concentration of our properties under development within any particular city or region, such as Danzhou and Laiyang City, during any protracted period of time may expose us to more regional risks. Any adverse developments in regional economies where we have significant operations could have a material adverse effect on our results of operations and financial condition.

The market experienced fluctuations in property prices during the past few years. There have been increasing concerns over housing affordability and sustainability of market growth. In addition, demand for properties in China has been adversely affected and will continue to be so affected by the macro-economic control measures implemented by the PRC government and the recent and potential future global economic downturns. You may find more detailed risk factors relating to the PRC government control measures in the property sector in the section entitled “— Risks Relating to the Property Industry in China,” especially under “— The PRC government may adopt further measures to slow down growth in the property sector.” We cannot assure you that the demand for new residential properties in geographical locations where we have or will have operations will continue to grow in the future or that there will not be over-development or market downturn in the domestic residential property sector. Any such adverse development and the ensuing decline in property sales or decrease in property prices in China may materially and adversely affect our business and financial condition.

*We may be adversely affected by fluctuations in the global economy and financial markets.*

The global financial markets have been affected by a general slowdown of economic growth globally, resulting in substantial volatility in global financial markets and tightening of liquidity in global credit markets. Since 2011, the tightening monetary policies and high inflation in the PRC, global economic uncertainties and the euro zone sovereign debt crisis have resulted in adverse market conditions and increased volatility in the PRC and overseas financial markets. While it is difficult to predict how long these conditions will exist and the extent to which we may be affected, these developments may continue to present risks to our business operations for an extended period of time, including increase in interest expenses on our bank borrowings, or reduction in the amount of banking facilities currently available to us. In June 2016, the United Kingdom held a remain-or-leave referendum on its membership within the European Union, the result of which favored the exit of the United Kingdom from the European Union (“**Brexit**”). A process of negotiation will determine the future terms of the United Kingdom’s relationship with the European Union, as well as whether the United Kingdom will be able to continue to benefit from the European Union’s free trade and similar agreements. Given the lack of precedent, it is unclear how Brexit would affect the fiscal, monetary and regulatory landscape within the United Kingdom, the European Union and globally. This event has resulted in a downgrade of the credit ratings of the United Kingdom and the uncertainty before, during and after the period of negotiation may also create a negative economic impact and increase volatility in global markets.

The outlook for the world economy and financial markets remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the unemployment rate remains relatively high. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow and outflow, or both. In the Middle East, Eastern Europe and Africa, political unrest in various countries has resulted in economic instability and uncertainty. China’s economic growth may slow due

to weakened exports and nationwide structural reforms. Moreover, as the PRC is transitioning to a consumption-based economy, the forecast growth rate of the PRC is expected to be significantly lower than its average growth rate over the past thirty years.

These and other issues resulting from the global economic slowdown or uncertainty and financial market turmoil have adversely affected, and may continue adversely affecting, homeowners and potential property purchasers, which may lead to a decline in the general demand for our products and erosion of their sale prices. In addition, any further tightening of liquidity in the global financial markets may negatively affect our access to capital and liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets continue, our business, financial condition and results of operations may be adversely affected.

***We face risks associated with the Proposed Reorganization and Strategic Investments.***

In 2016, we announced the Proposed Reorganization and related Strategic Investments. For more information see “Summary — Proposed Reorganization and Strategic Investments.”

The Proposed Reorganization and Strategic Investments involve a number of risks, including without limitation the following:

- uncertainty over whether the Proposed Reorganization can be consummated in a timely manner, or at all;
- we may be unable to satisfy certain undertakings in the Reorganization Agreement which could result in the payment of compensation or other adverse consequences;
- we may not be able to satisfy the Performance Undertaking Amount and distribute in which case we could be required to compensate the Strategic Investors;
- risks associated with the ability of our PRC subsidiaries to pay dividends to fund our cash and financing requirements and/or to provide onshore guarantees or security for offshore credit (*nei bao wai dai*) (see “— We rely principally on dividends paid by, and guarantees or security provided by, our subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our PRC subsidiaries to pay dividends to us or provide guarantees or security for our benefit could have a material adverse effect on our ability to conduct our business”);
- if we fail to complete the Proposed Reorganization by January 31, 2021, we could be required to repurchase the Hengda Real Estate equity owned by Strategic Investors and/or issue them additional equity; and
- risks generally associated with acquisitions including those described in “— Our growth strategy includes growth via acquisitions which entail risks.”

We cannot assure you that we will be able to successfully complete the Proposed Reorganization or that the Proposed Reorganization and Strategic Investments will perform as planned or prove to be beneficial to our operations and cash flow. Each of these factors may have a material effect on our business, results of operations, financial condition and prospect.

***If we are unable to comply with the restrictions and covenants in our debt agreements or the Existing Indentures, there could be a default under the terms of these agreements or the Existing Indentures, which could cause repayment of our debt to be accelerated.***

If we are unable to comply with the restrictions and covenants in the Existing Indentures or our current or future debt obligations and other agreements, there could be a default under the terms of these agreements. For example, some of the instruments in which the Company is a guarantor require the lending bank's prior consent before the Company can pledge or dispose of part or all of its material assets. We believe that we have obtained all necessary consents for pledging or disposing of our material assets, but we cannot assure you that the lending banks will have the same view. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Existing Indentures, contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds or the Existing Notes, or result in a default under our other debt agreements, including the Existing Indentures and certain other loan agreements containing cross-default provisions. From time to time, we may have defaulted under certain of our facilities, which may in turn trigger the cross-default provisions under our other facilities, and we may be required to work with our lenders to obtain consents and waivers with respect to these defaults and cross-defaults. We cannot assure you that a default or cross-default will not exist at any time or can be cured on time or at all. If any cross-default is triggered or any of the other defaults occurs and the relevant indebtedness is accelerated, which may in turn cause an acceleration of repayment of the Bonds and the Existing Notes, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

***We have substantial indebtedness and a deterioration of our cash flow position could materially and adversely affect our ability to service our indebtedness and to continue our operations.***

We maintain a significant level of indebtedness to finance our operations. As of December 31, 2014, 2015, 2016 and June 30, 2017, our aggregate outstanding borrowings were RMB156,064 million, RMB296,906 million, RMB535,070 million (US\$78,927 million) and RMB673,494 million (US\$99,346 million), respectively. Our total borrowings described above do not include our guarantees or indemnity obligations in respect of mortgage facilities for certain purchasers of our property units of approximately RMB102,698 million, RMB141,591 million, RMB252,128 million (US\$37,191 million) and RMB290,184 million (US\$42,804 million) as of December 31, 2014, 2015, 2016 and June 30, 2017, respectively. Also, our total borrowings do not include our guarantees for borrowings of independent third parties having continuous business relationship with us, which is approximately nil, RMB3,448 million, RMB6,056 million (US\$893 million) and RMB5,642 million (US\$832 million) as of December 31, 2014, 2015, 2016 and June 30, 2017, respectively. Out of our total borrowings of RMB673,494 million (US\$99,346 million) as of June 30, 2017, RMB292,302 million (US\$43,117 million) was due within a period not exceeding one year, approximately RMB333,685 million (US\$49,221 million) was due within a period of more than one year but not exceeding five years, and approximately RMB47,507 million (US\$7,008 million) was due within a period of more than five years. Subsequent to June 30, 2017 and up to December 22, 2017, we incurred additional material borrowings (net of repayments) in the aggregate amount of not less than RMB50.0 billion (US\$7.4 billion). We have incurred and will continue to incur a significant amount of interest expense in relation to our bank and other borrowings, the Existing Notes, the Bonds and other financing arrangements. Most of this interest expense has been or will be capitalized as a part of the properties under development rather than being recorded as expense in our income statement upon their incurrence. Accordingly, such capitalized interest expenses may adversely affect our gross profit margin upon recognition of the sales of the relevant properties in future periods.



We also recorded net operating cash outflow in the six months ended June 30, 2017 and for the three years ended December 31, 2014, 2015 and 2016. The PRC governmental policies in the property sector will continue to exert pressure on our operating cash flow. The PRC government requires that a land grant contract be entered into within 10 working days after the closing of the land grant, and that the down-payment of 50% of the land premium be paid within one month of signing the land grant contract, with the remaining to be paid in full according to the terms and conditions of the land grant contract and under all circumstances within one year of the date of land grant contract. We cannot assure you that we will be able to generate sufficient cash flow from operations to support the repayment of our current indebtedness. Some of our financing arrangements also contain provisions that the relevant lender has an overriding right to demand repayment at any time. If we are unable to make scheduled payments in connection with our debt and other fixed payment obligations as they become due or upon the demand of the relevant lenders before the due date of the relevant financing arrangements, we may need to renegotiate the terms and conditions of such obligations or to obtain additional equity or debt financing. We cannot assure you that our renegotiation efforts would be successful or timely or that we would be able to refinance our obligations on acceptable terms or at all. If financial institutions decline to lend additional funds to us or to refinance our existing loans when they mature as a result of our credit risk and we fail to raise financing through other means, our financial condition, cash flow position and our business prospects may be materially and adversely affected.

In addition, some of our financing arrangements contain provisions that may not work to our advantage if we encounter difficulties in servicing our debt obligations. For example, the Existing Indentures define “events of default” in a broad manner and contain cross-default provisions that will make a default under one debt a default under the other debt, including the Bonds. You may find additional information relating to “events of default” under the Bonds in the section entitled “Terms and Conditions of the Bonds.”

We cannot assure you that we will be able to maintain the relevant financial ratios under our financing agreements from time to time and that will not default. If we are unable to obtain forbearance or waiver arrangements with the relevant lenders and upon occurrence of any default, event of default or cross-default in the future, this could lead to, among other things, an acceleration in our debt obligations, which could in turn have a material adverse effect on our financial condition. See “— If we are unable to comply with the restrictions and covenants in our debt agreements or the Existing Indentures, there could be a default under the terms of these agreements or the Existing Indentures, which could cause repayment of our debt to be accelerated.”

***We rely principally on dividends paid by, and guarantees or security provided by, our subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our PRC subsidiaries to pay dividends to us or provide guarantees or security for our benefit could have a material adverse effect on our ability to conduct our business.***

We are a holding company and rely principally on dividends paid by our subsidiaries for cash requirements, including the funds necessary to service any debt we incur and to pay any dividend we declare. If any of our subsidiaries incurs debt in its own name, the instruments governing the debt may restrict dividends or other distributions on its equity interest to us. Currently, some of the instruments governing the debt for our PRC subsidiaries contain restrictions that require our PRC subsidiaries to obtain the lending banks’ approval prior to distributing any dividends. Such restrictions may adversely affect the calculation of our Consolidated EBITDA, and in turn our ability to undertake additional financing, investment or other transactions under the terms of the Bonds. In addition, the shares and assets, including dividends derived from these shares, of certain of our subsidiaries are pledged to secure some of our indebtedness. Furthermore, applicable PRC laws, rules and regulations permit payment of dividends by our PRC subsidiaries on a combined basis only out of their retained earnings, if any, determined in accordance with the PRC accounting standards.

Our ownership interest in Hengda Real Estate, which holds the Target Assets, was reduced from 100% to 63.46% following the Strategic Investments and our beneficial ownership interest in the Target Assets will be further reduced if the Proposed Reorganization is completed. After such time, our proportional interest in any dividends paid by Hengda Real Estate will be reduced. Furthermore, any dividend payments on the Target Assets through its new holding company, Shenzhen Real Estate, may be subject to restrictions or limitations imposed by, or be required to obtain approvals pursuant to, its charter or organizational documents, relevant laws and regulations and/or the Shenzhen Stock Exchange. In addition, as a listed company in the PRC, Shenzhen Real Estate and its subsidiaries may be subject to restrictions on providing onshore guarantees or security for offshore credit (*nei bao wai dai*), which we use to fund also use to fund our offshore cash and financing requirements. On April 12, 2017, Hengda Real Estate and its related subsidiaries entered into ten project agreements pursuant to which the Fund Manager will invest RMB10.9 billion in Hengda Real Estate and its related subsidiaries on the project level. Furthermore, pursuant to the terms of the Investment Agreements, Hengda Real Estate is required to distribute at least 68% of its net profit for each of the financial years in the Relevant Period to its shareholders, and if the net profit of Hengda Real Estate for a financial year in the Relevant Period is less than the Performance Undertaking Amount for that financial year, the proportional dividend to be paid by Hengda Real Estate to the Investors will be adjusted upward. In addition, if the Proposed Reorganization is not completed by January 31, 2021, the Investors and any additional investors in Hengda Real Estate will have the right to request Kailong Real Estate to either repurchase their equity interest at the original investment cost or transfer shares in Hengda Real Estate to them without consideration, which could reduce our proportional interest in dividends paid by Hengda Real Estate and negatively affect our liquidity. See “Summary — Proposed Reorganization and Strategic Investment.”

Our PRC subsidiaries are required to set aside a certain percentage of their after-tax profit based on PRC accounting standards each year for their reserve fund in accordance with the requirements of relevant laws and provisions in their respective articles of associations. As a result, our PRC subsidiaries combined may be restricted in their ability to transfer any portion of their net income to us whether in the form of dividends, loans or advances. Any limitation on the ability of our subsidiaries to pay dividends to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses, pay dividends, service our debts or otherwise fund and conduct our business. Under the PRC Enterprise Income Tax Law and its implementation regulations, PRC income tax at the rate of 10% is applicable to dividends paid by PRC enterprises from their earnings derived since January 1, 2008 to “non-resident enterprises” (non-PRC enterprises that do not have an establishment or place of business in China, or that have such establishment or place of business but the relevant income is not effectively connected with such establishment or place of business) subject to any lower withholding tax rate as may be contained in any applicable income tax treaty or agreement that China has entered into with the government of the jurisdiction where such “non-resident enterprises” were incorporated. Provided that we or our non-PRC subsidiaries are considered “non-resident enterprises” under the PRC tax law, any dividend that we or any such non-PRC subsidiary receive from our PRC subsidiaries will be subject to PRC taxation at the 10% rate unless any lower treaty rate is applicable.

***We may not have adequate financing to fund our land acquisitions and property developments.***

Property development is capital intensive. We have financed our property projects primarily through our shareholders’ contributions, bank and other borrowings, pre-sale proceeds of properties under development, proceeds from the sale of completed properties, funds raised from the capital markets such as our issuance of the Existing Notes and share placements. Our ability to obtain adequate financing for land acquisition and property development on terms which will allow us to achieve a reasonable return is dependent on a number of factors that are beyond our control, such as general economic conditions, our financial strength and performance, credit availability from financial institutions, cost of borrowing, as well as monetary policies in China and PRC regulations relating to the property sector. We cannot assure you that we will always be able to meet our sales target or the PRC government will not limit our access to capital, our flexibility and ability to use bank loans or other forms of financing to finance our property development. In November 2009, the PRC government

raised the minimum down-payment of land premium to 50%. In March 2010, the PRC government further tightened this requirement by setting the minimum land premium at no less than 70% of the prevailing price at the locality of the land parcel granted, and the bidding deposit at not less than 20% of such minimum land premium. Currently, the PRC government requires that a land grant contract must be entered into within 10 working days after the closing of the land grant, and the down-payment of 50% of the land premium must be paid within one month of signing the land grant contract, with the remaining to be paid in full within one year of the date of the land grant contract. Such change in policy may constrain our cash otherwise available for additional land acquisition and construction. The PRC government could also introduce other initiatives that may further limit our access to capital, and/or consequently reduce our flexibility and ability to use bank loans or other forms of financing to finance our acquisitions and property developments, such as restricting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties, prohibiting commercial banks from taking commodity properties that have been vacant for more than three years as security for mortgage loans, and forbidding property developers from using borrowings obtained from any local banks to fund property developments outside that local region. In addition, in April 2010, the State Council of the PRC (中華人民共和國國務院), or the State Council, issued the Notice on Resolutely Curbing the Excessive Hike of Property Prices in Some Cities 《國務院關於堅決遏制部分城市房價過快上漲的通知》, which mandates that developers who hold idle land or speculate in land will not be granted bank loans for the development of new property projects. In September 2010, People's Bank of China (中國人民銀行), the central bank of China, or the PBOC, and China Banking Regulatory Commission (中國銀行業監督管理委員會), or the CBRC, jointly issued a notice to prohibit banks from lending to any property developer for its new projects or renewal of its existing loans if such developer has a track record of maintaining idle land, changing the use and nature of land without proper approval, delaying the construction commencement or completion date, hoarding properties or other non-compliance. We cannot assure you that we will be able to secure adequate financing to fund our land acquisitions (including any unpaid land premium for past acquisitions), to finance our project construction or to renew our existing credit facilities prior to their expiration. If we are unable to secure adequate financing, or if the PRC government adopts further restrictive credit policies in the future, this may materially and adversely affect our business, financial condition and results of operations.

***Changes in interest rates may increase our financing costs.***

Changes in interest rates have affected and will continue to affect our financing costs and, ultimately, our results of operations. The benchmark one-year bank lending rates published by the PBOC for the years ended December 31, 2014, 2015, 2016 and the six months ended June 30, 2017 were 5.60%, 4.35%, 4.35% and 4.35%, respectively. As of June 30, 2017, the average annualized interest rate on our outstanding Renminbi borrowings was 8.19%, and the average annualized interest rate on our outstanding foreign currency borrowings was 5.47%. Interest expenses of borrowings we incurred in the years ended 2014, 2015, 2016 and the six months ended June 30, 2017 were RMB13,649 million, RMB20,295 million, RMB31,668 million (US\$4,671 million) and RMB25,399 million (US\$3,747 million), respectively. On July 20, 2013, pursuant to the Notice on Further Promoting the Market-oriented Interest Rate Reform 《中國人民銀行關於進一步推進利率市場化改革的通知》, the PBOC abolished the regulation of the benchmark lending rates for financial institutions and began allowing lending rates to be determined by financial institutions pursuant to market principles. We cannot assure you that financial institutions will not raise lending rates or that interest rates for U.S. dollar loans will not fluctuate significantly, and we cannot assure you that the PBOC will not take more stringent measures to increase the rates in the future. We have also not hedged against any of our interest rate exposure. Any further increase in these rates will increase our financing cost and may materially and adversely affect our business, financial condition and results of operations.

***We may not always be able to obtain land reserves that are suitable for our future property development.***

We derive our revenue principally from the sale of properties that we have developed. To have a steady stream of developed properties available for sale and continuous growth in the long term, we need to replenish and increase our land reserves that are suitable for development. We acquire land primarily through government-organized auction and the listing-for-sale process, and by acquiring equity interests in project companies that hold land use rights and by participating in the PRC government's redevelopment policies programs. Our ability to identify and acquire suitable development sites is subject to a number of factors, some of which are beyond our control, such as the overall economic conditions, our effectiveness in identifying and acquiring land parcels suitable for development and competition for such land parcels. The availability of substantially all of the land in China is controlled by the PRC government. Thus the PRC government's land policies have a direct impact on our ability to acquire land use rights for development and our costs of acquisition. In recent years, the PRC central and local governments have implemented various measures to regulate the means by which property developers obtain land for property development. The PRC government also controls land supply through zoning, land usage regulations and other means. All these measures further intensify the competition for land in China among property developers.

In March 2010, the PRC Ministry of Land and Resources issued the Circular on Strengthening Real Estate Land Supply and Supervision 《關於加強房地產用地供應和監管有關問題的通知》, under which the minimum price for a given land transfer is required to be equal to at least 70% of the benchmark price for land in the surrounding locality and the bidding deposit for such land transfer is required to be equal to at least 20% of the applicable minimum transfer price. Property developers are also required to pay 50% of the land premium (including any deposits previously paid) as a down-payment within one month of signing a land grant contract and pay the remaining land premium in full within one year from the date of the land grant contract. In addition, in September 2010, the PRC Ministry of Housing and Urban-Rural Development (中華人民共和國住房和城鄉建設部), formerly known as PRC Ministry of Construction (中華人民共和國建設部), or MOHURD, issued the Notice On Further Strengthening the Administration and Control of Real Estate Land and Construction 《關於進一步加強房地產用地和建設管理調控的通知》, which stipulates, among other things, that the planning and construction conditions and land use standards should be specified when a parcel of land is to be granted, and the restrictions on the area of any parcel of land granted for commodity properties should be strictly implemented. The development and construction of large low-density residential properties should be strictly restricted, and the plot ratio for residential land is required to be more than 1.0. In addition, a property developer and its shareholders will be prohibited from participating in any bidding to acquire additional land until any illegal behavior in which it has engaged, such as leaving its land idle for more than one year, has been completely rectified.

On June 1, 2012, the Ministry of Land and Resources promulgated the revised Measures on the Disposal of Idle Land 《閒置土地處置辦法》, which provide that, if any land parcel constitutes "idle land" due to government-related action, the holder of the relevant land use rights is required to explain to the relevant municipality or county-level land administrative department(s) the reasons for the land becoming idle, consult the relevant governmental authorities and rectify the situation accordingly.

The means of rectification include the extension of the period permitted for commencing development, the adjustment of the land use and planning conditions, and the substitution of the relevant idle land parcels with other land parcels.

On November 5, 2012, the Ministry of Land and Resources, the PRC Ministry of Finance, the PBOC and the CBRC jointly promulgated the Notice on Strengthening Land Reserves and Financing Administration 《關於加強土地儲備與融資管理的通知》 in order to strengthen land bank administration, determine the reasonable scale and structure of land bank, strengthen the administration of land pre-development, reservation and protection, and regulate the financing of land reservation and the use of land reservation funds.

On February 2, 2016, the Ministry of Land and Resources, the MOF, the PBOC and the CBRC jointly promulgated the Circular on Issues Concerning the Standardization of Land Reserve and Fund Management 《關於規範土地儲備和資金管理等相關問題的通知》 in order to further standardize land reserve behaviors and adjust financing methods for land reservation.

On April 1, 2017, the Ministry of Land and Resources and the Ministry of Housing and Urban-Rural Development jointly promulgated the Circular on Recently Tightening the Management and Control over Residential Properties and Land Supply (關於加強近期住房及用地供應管理和調控有關工作的通知), which stipulated, among other things, (i) the scale, structure and time sequence of housing land supply will be adjusted in due time according to the commercial housing inventory cycle, and the supply of land (a) with the inventory cycle of more than 36 months shall be suspended, (b) with the inventory cycle of 18 to 36 months shall be reduced, (c) with the inventory cycle of six to 12 months shall be increased, and (d) with the inventory cycle of less than six months shall be increased and accelerated; (ii) the local authority will build a fund inspection system to ensure that the real estate developers use own legal funds to acquire land use right; and (iii) the local bidding system of the land use right shall be determined in a flexible manner, according to the local actual status and specific conditions of land.

The implementation of these regulations may increase land transfer prices and require property developers to maintain a higher level of working capital.

If we fail to acquire sufficient land reserves suitable for development in a timely manner and at acceptable prices, our prospects and competitive position may be adversely affected and our business strategies, growth potential and performance may be materially and adversely affected.

***We may forfeit land to the PRC government if we fail to comply with the terms of the land grant contracts.***

Under PRC laws, if we fail to develop a property project according to the terms of the land grant contract, including those relating to the payment of land premium, demolition and resettlement costs and other fees, specified usage of the land and the time for commencement and completion of the property development, the PRC government may issue a warning, impose a penalty and/or liquidated damages, and/or order us to forfeit the land. Under the current PRC laws and regulations, if we fail to pay any outstanding land premium by the stipulated deadline, we may be subject to a late payment penalty calculated on a per-day basis. As of June 30, 2017, we had outstanding land premiums with respect to a small number of projects which we had not paid based on the underlying land grant contracts. We have obtained the relevant local governments' approvals to either extend the payment of the outstanding land premiums or pay such outstanding land premiums in installments, except for several projects that we are in discussions with the relevant local governments regarding their potential re-zoning plans. We cannot assure you that we will be able to secure similar government approvals if we fail to pay land premiums in the future. Currently, the PRC government requires that a land grant contract must be entered into within 10 working days after the closing of the land grant, and the down-payment of 50% of the land premium must be paid within one month of signing the land grant contract, with the remaining to be paid in full within one year of the date of land grant contract. Such policies may materially and adversely affect our ability to make timely payment of land premiums.

In addition, if we fail to commence development of a property project within the stipulated period as required under the current PRC laws without the approval from the relevant PRC land authorities, the relevant PRC land bureau may serve a warning notice on us and impose idle land fees up to 20% of the land premium unless such failure is caused by a government action or a force majeure event. The Notice on Promoting Economization of Land Use 《關於促進節約集約用地的通知》 issued by the State Council in January 2008 further confirmed the idle land fee at 20% of the land premium. If we fail to commence such development for more than two years, the land is subject to forfeiture to the PRC government unless the delay in development is caused by government actions or force majeure. Even if the commencement of the land development complies with the land grant contract, if the developed GFA



on the land is less than one-third of the total GFA of the project or if the total capital expenditure is less than 25% of the total investment of the project and the suspension of the development of the land is more than one year without government approval, the land will still be treated as idle land. Furthermore, the Ministry of Land and Resources issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land 《關於嚴格建設用地管理促進批而未用土地利用的通知》 in August 2009, which reiterates the current rules regarding idle land. In September 2010, the Ministry of Land and Resources and the MOHURD jointly issued the Notice On Further Strengthening the Administration and Control of Real Estate Land and Construction 《關於進一步加強房地產用地和建設管理調控的通知》, which provides that a property developer and its shareholders will be prohibited from participating in land bidding before any illegal behavior in which it engages, such as (1) having land idle for more than one year due to its own reasons; (2) illegal transfer of land use rights; (3) noncompliance with the land development requirements specified in a land grant contract; and (4) crimes such as taking land by forging official documents and illegal land speculation, has been completely rectified. We cannot assure you that circumstances leading to imposition of penalty, liquidated damages or forfeiture of our land will not arise in the future. If we are required to pay substantial idle land fees, our results of operations and our reputation may be adversely affected. If we forfeit land, we will not only lose the opportunity to develop the property projects on such land, but may also lose all our investments in the land, including land premiums paid and development costs incurred.

***We are exposed to pre-sale related contractual and legal risks.***

We make certain undertakings in our pre-sale contracts. These pre-sale contracts and PRC laws and regulations provide for remedies with respect to any breach of such undertakings. For example, if we pre-sell a property project and we fail to complete that property project, we will be liable to the purchasers for their losses. Should we fail to complete a pre-sold property project on time, our purchasers may seek compensation for late delivery pursuant to either their contracts with us or PRC laws and regulations. If our delay extends beyond a specified period, our purchasers may terminate the pre-sale contracts and claim compensation. We cannot assure you that we will not experience delays in completion and delivery of our projects, which may have a material adverse effect on our business, financial condition and results of operations.

***Our business will be adversely affected if mortgage financing becomes more costly or otherwise less attractive or available.***

Substantially all of the purchasers of our residential properties rely on mortgages to fund their purchases. An increase in interest rates may significantly increase the cost of mortgage financing and affect the affordability of residential properties. In addition, the PRC government and commercial banks may increase the down-payment requirements, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive or less available or less attractive to potential property purchasers.

Over the years, the PRC government has promulgated a range of laws, regulations and government policies regarding mortgage financing as a means to regulate the PRC property market. While the intent of these has generally been to reduce perceived speculation in the property market, during the global financial crisis the PRC government implemented a number of measures designed to stimulate the economy, including lowering the down payment requirements for purchasing residential properties and PBOC benchmark bank lending rates. However, since the fourth quarter of 2009, the PRC government has again enacted policies intended to restrain property purchases for investment or speculation purposes and to keep property prices from rising too quickly. Measures include requiring and adjusting the minimum down payment for the acquisition of residential properties, requiring and adjusting the minimum mortgage loan interest rate for purchases of residential properties, requiring commercial banks to suspend mortgage loans to customers for purchase of multiple residential properties.

For commercial property buyers, PRC banks are not allowed to finance the purchase of any pre-sold properties. The minimum down-payment for commercial property buyers has been increased to 50% of the purchase price, with minimum mortgage loan interest rates at 110% of the relevant PBOC benchmark one-year bank lending interest rate and maximum maturities of no more than 10 years. In addition, mortgagee banks may not lend to any individual borrower if the monthly repayment of the anticipated mortgage loan would exceed 50% of the individual borrower's monthly income or if the total debt service of the individual borrower would exceed 55% of such individual's monthly income. Since 2013, as a result of foregoing factors, PRC banks have generally tightened mortgage lending, which had affected the demand in the property market in general. Since September 2016, certain local governments including without limitation Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Suzhou, Zhengzhou, Wuxi, Hefei, Wuhan, Nanjing, Fuzhou, Foshan, Dongguan, Huizhou and Hangzhou have issued new property market control policies, including restoring or strengthening the restriction on purchases of residential properties and tightening credit policy. Our business, financial condition and results of operations may therefore be adversely affected. Property purchasers in the PRC have been and will continue to be affected by these regulations and their amendments as may be made thereto from time to time.

We cannot assure you that the PRC government will not further increase down payment requirements, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive to potential property purchasers. Nor can we assure you that such regulatory changes would not adversely affect our business, financial condition and results of operations.

In addition, in line with industry practice, we provide guarantees to banks for mortgages they offer to our purchasers up until the relevant property and the individual property ownership certificates with respect to the relevant properties are issued to our purchasers and the mortgage registrations for the relevant properties have been completed. If there are changes in laws, regulations, policies and practices that would prohibit property developers from providing guarantees to banks in respect of mortgages offered to property purchasers and the banks would not accept any alternative guarantees by third parties, or if no third party is available or willing in the market to provide such guarantees, it may become more difficult for property purchasers to obtain mortgages from banks and other financial institutions during sales and pre-sales of our properties. Such difficulties in financing could result in a substantially lower rate of sale and pre-sale of our properties, which would materially and adversely affect our cash flow, financial condition and results of operations.

***Intensified competition might adversely affect our business and our financial position.***

In recent years, many property developers, including overseas developers and State-owned developers have aggressively competed in the PRC property development market, including in Guangdong Province and other regions of China where we have operations. Competition among property developers may cause an increase in land premiums and raw material costs, shortages in quality construction contractors, a surplus in property supply leading to decreasing property prices, further delays in the issue of government approvals and higher costs to attract or retain talented employees.

Moreover, residential property markets across China are influenced by various other factors, including changes in economic conditions, banking practices and consumer sentiment. If we fail to compete effectively or to adapt to the changes in market conditions, our business operations and financial condition will be materially and adversely affected.

***Potential liability for environmental damages could result in substantial outflow of our resources.***

We are subject to a variety of laws and regulations concerning the protection of health and environment. The particular environmental laws and regulations that apply to any given project development site vary according to the site's location, the site's environmental condition, the present and former uses of the site, as well as adjoining properties. Efforts taken to comply with environmental laws



and regulations or address issues raised during environmental audits may result in delays in development, cause us to incur substantial compliance costs and can prohibit or severely restrict project development activity in environmentally-sensitive regions or areas. We cannot predict the impact of unforeseeable environmental contingencies on new or changed laws or regulations on our existing projects or properties that we may develop in the future.

As required by PRC laws and regulations, each project we develop is required to undergo environmental assessments and we are required to submit an environmental impact assessment report to the relevant governmental authorities for approval before commencement of its construction. According to the PRC Environment Impact Assessment Law 《中華人民共和國環境影響評價法》 as amended on July 2, 2016, the intensity of environmental supervision and law enforcement has increased. If a real estate developer required to submit an environmental impact assessment report or an environmental impact analysis table has not obtained the approval from the relevant governmental authorities before commencement of the construction, more severe punishment will be imposed on the developer, including a fine equal to 1% to 5% of the total investment amount of the project, and an order to restore the original conditions before the construction. In addition, the relevant environmental authorities have the right to conduct environmental audits on any projects. We are from time to time subject to environmental audits by relevant government authorities on our projects. Although the environmental audits conducted by the relevant PRC environmental protection agencies to date have not revealed any environmental violations that we believe would have a material adverse effect on our business, financial condition or results of operations, it is possible that there are potential material environmental liabilities that we do not expect, including but not limited to penalties or temporary suspension of the project development. In addition, we cannot ensure that our operations will not result in environmental liabilities or that our contractors will not violate any environmental laws and regulations in their operations that may be attributed to us. You should refer to the section entitled “Business — Environmental and Safety Matters” for more information in respect of environmental matters.

***We may not be able to execute our contemplated expansion plan successfully.***

As of June 30, 2017, we had completed development of 49 projects and partially completed development of 426 projects with a total GFA of 162 million square meters. As of the same date, we had 719 properties under development or held for future development with an estimated total planned GFA of 276 million square meters in 223 strategically selected cities across 31 provinces and municipalities in China. We may also continue to explore the feasibility of expanding our operations into other cities or some overseas markets. Although our planned projects are carefully chosen after rounds of screening, review and deliberation, such large-scale and rapid expansion has placed and may continue to place a substantial strain on our managerial and financial resources. The rapid increase in the volume of our developments brought by such expansion has also presented and may continue to present challenges in terms of project construction and delivery management. Although we have formulated a standardized operational model to facilitate the management of our projects nationwide, any failure to follow our standards or inconsistencies in our compliance across different geographical regions in China or outside China, should we wish to expand into other markets, may negatively impact our reputation and damage our brand. In addition, any failure in effectively managing our large volume of developments within a short period of time may adversely affect our ability to deliver properties to our buyers in a timely manner and harm our reputation and our growth prospects. Also, our expansion plans are based on our forward-looking assessment of the market prospects. We cannot assure you that our market assessment will turn out to be accurate, or that we will be able to execute our contemplated expansion plan successfully or that we will succeed in integrating our expanded operations despite our standardized operational model. We cannot assure you that we will be able to effectively manage our rapid expansion or that our expanded operations will generate adequate returns on our investments or positive operating cash flows. Any failure in effectively managing our expanded operations may materially and adversely affect our business prospects, results of operations and financial condition.

***We have limited experience in hotel management and our results in this segment may be adversely affected by our inexperience.***

Certain residential projects that we have developed or will develop include upscale hotels and other ancillary commercial facilities, such as our Hotel Evergrande within Evergrande Royal Scenic Peninsula in Foshan, Hotel Evergrande in Evergrande Splendor Chongqing, Hotel Evergrande in Evergrande Scenic Garden Zengcheng Guangzhou, Hotel Evergrande in Evergrande Splendor Qingyuan and Hotel Evergrande in Evergrande Splendor Tianjin. We believe our hotel management business primarily serves as a value enhancer to our brand and an organic component of our overall residential property market strategy. Our experience in hotel management is limited and we cannot assure you that we will be able to successfully leverage our experience in residential property development to meet challenges in the hotel management business. We currently manage the 12 hotels mentioned above through our own hotel management teams and may engage hotel management companies to manage the others upon the completion of their construction. We cannot assure you that we will be able to procure the services of professional hotel management companies for such projects. We could face considerable reputational and financial risks if such hotels are mismanaged or do not meet the expectations of our residential, business and other customers. Additionally, we cannot assure you that there will be sufficient demand for such hotel facilities in the localities of these properties. If we fail in our efforts in such hotel business, our financial condition and results of operations will be adversely affected.

***Our growth strategy includes growth via acquisitions which entail risks.***

Since 2013, we have expanded our operations through acquisitions of businesses in the healthcare, insurance, internet, football and cultural industries. For more information, see the section entitled “Business — Business Overview.” Going forward, we plan to continue pursuing business expansions through strategic acquisitions.

Acquisitions involve a number of risks, including the following:

- uncertainty in the success of our acquired businesses;
- unrevealed potential liabilities or risks associated with the acquired businesses;
- difficulty in integrating the operations, personnel, information system and other aspects of the acquired businesses into our operations or realizing any expected cost savings or other synergies from the acquisitions;
- difficulty in maintaining uniform standards, controls, procedures and policies;
- distraction of our management’s time;
- difficulty in retaining employees and customers and integrating customer base;
- higher than planned requirements to preserve and grow the value of the acquired businesses or assets; and
- adverse effects on our results of operations due to the amortization of and potential impairment provision for goodwill or other intangible assets associated with acquisitions, and losses sustained by the acquired businesses after the relevant date of acquisition.

We may not be able to continue to identify any target of strategic acquisitions that is complementary to our business. Even if we identify such target, we cannot assure you that we will be able to obtain the necessary financing for the acquisition or acquire such target on terms and conditions acceptable to us. In addition, the anticipated future expansion of our operations through acquisitions will place a significant strain on our management, internal controls and information technology systems and

resources, and could also result in additional expenditure. In addition to training, managing and integrating our workforce, we will need to continue to develop and improve our management and financial control. We cannot assure you that we will be able to successfully integrate any acquisitions that we undertake or that such acquisitions will perform as planned or prove to be beneficial to our operations and cash flow. Each of these factors may have a material effect on our business, results of operations, financial condition and prospect.

***We have started expanding our operations into other industries and such expansion may not be successful.***

We have taken significant initiatives or made significant plans to expand into the healthcare, insurance, internet, football and cultural industries with a view to establishing alternative revenue sources. For more information, see the section entitled “Business — Business Overview.” There is no assurance that we can leverage our experience in the property industry and replicate our success in other industries.

Our expansion in general will require a significant amount of capital investment and involve various risks and uncertainties, including the risk of operating in a new environment or market, navigating different regulatory regimes or obtaining necessary governmental approvals, difficulties in gaining market recognition or competing effectively with established industry participants, difficulties of integrating new businesses and employees into our existing businesses, ability to develop the necessary technology or know-how for the new businesses, and the diversion of resources and attention of our management.

Moreover, our entry into a new industry has exposed or will expose us to additional risks common in such industry. Operations in the healthcare, insurance, internet, football or cultural industries may elevate our risks in areas such as regulatory compliance, customer complaints or lawsuits. Any failure to address these risks and uncertainties may adversely affect our business, financial condition and results of operations.

***Our land appreciation tax provisions and prepayments may not be sufficient to meet our LAT obligations.***

In accordance with the current PRC laws and regulations on land appreciation tax, or LAT, all persons, including companies and individuals, that receive income from the sale or transfer of state-owned land use rights, buildings and their attached facilities are subject to LAT at progressive rates ranging from 30% to 60% of the appreciated value of the property, with certain exemptions available for the sale of ordinary residential properties if the appreciated value does not exceed 20% of the deductible items as defined in the relevant LAT regulations. Pursuant to the relevant rules issued by the State Administration of Taxation of China (中華人民共和國國家稅務總局), or SAT, LAT obligations must be settled with the relevant tax bureaus within specific timeframes subsequent to the delivery of the completed projects. Accordingly, we have settled LAT payments on our four completed property projects in China that are subject to LAT settlement.

We prepaid LAT in the aggregate amount of RMB16,866 million (US\$2,488 million) with respect to our pre-sales made during the years ended December 31, 2014, 2015, 2016 and the six months ended June 30, 2017. For the years ended December 31, 2014, 2015, 2016 and the six months ended 2017, we made LAT provisions in the amount of RMB5,716 million, RMB5,916 million, RMB8,824 million (US\$1,302 million) and RMB10,757 million (US\$1,587 million), respectively. In May 2010, the SAT issued the Notice on Strengthening the Collection of Land Appreciation Tax 《關於加強土地增值稅徵管工作的通知》, which requires that the minimum LAT prepayment rate be at 2% for provinces in the eastern region of China, 1.5% for provinces in the central and northeastern regions of China and 1% for provinces in the western region of China. According to the notice, the local tax bureaus will determine the applicable LAT prepayment rates based on the types of the properties. However, there are uncertainties in the interpretation and implementation of the LAT regulations and the relevant tax

authorities may change their requirements as to the amount or timing of payment of provisional LAT. Although we believe we have made sufficient prepayments and/or provisions for LAT in compliance with PRC laws and regulations as interpreted by local tax authorities, we cannot assure you that our LAT prepayments and provisions will be sufficient to cover our LAT liabilities and that the relevant tax authorities will agree with the basis on which we calculated our LAT liabilities. Our results of operations, cash flow and financial condition may be materially and adversely affected if our LAT liabilities, as finally determined by the relevant tax authorities, are substantially higher than our LAT provisions and prepayments.

***The full-fledged levy of value added tax on revenues from a comprehensive list of service sectors may subject our revenues to an average higher tax rate.***

Pursuant to the Notice on Adjustment of Transfer Business Tax to Appreciation Tax 《關於全面推開營業稅改繳增值稅試點的通知》 issued on March 23, 2016 and implemented on May 1, 2016 (“**Circular 36**”) by the MOF and the SAT, PRC tax authorities have started imposing value added tax (“**VAT**”) on revenues from various service sectors, including real estate, construction, financial services and insurance, as well as other lifestyle service sectors, to replace the business tax that co-existed with VAT for over 20 years. Since the issuance of Circular 36, the MOF and SAT have subsequently issued a series of tax circulars in March and April 2016 to implement the collection of VAT on revenues from construction, real estate, financial services and lifestyle services. The VAT rates applicable to us may be generally higher than the business tax rate we were subject to prior to the implementation of Circular 36. For example, the VAT rate for the sale of self developed real estate projects will be increased from 5% (the current business tax rate) to 11%. Unlike business tax, the VAT will only be imposed on added value, which means the input tax incurred from our construction and real estate can be offset from our output tax. However, details of concrete measures are still being formulated in accordance with Circular 36. We are still in the process of assessing the comprehensive impact of the new VAT regime on our tax burden, our revenues and results of operations, which remains uncertain.

***Our success depends on the continuing services of our key management members.***

We depend on the services provided by our senior management and other skilled and experienced key staff members, in particular, our chairman, Dr. Hui, and our other executive officers. Most of them have more than 10 years of experience in the PRC property markets and have in-depth knowledge of various aspects of the property development. As competition for experienced managerial talents and skilled personnel in the property development market is intense and the pool of qualified candidates is limited, we may not be able to retain the services of our senior executives or key personnel, or attract and retain high-quality senior executives or key personnel in the future. We cannot assure you that Dr. Hui or our other executive officers or members of our key staff are willing and able to continue in their present positions. The loss of the services of our senior management or other key personnel and failure to find qualified replacements could disrupt and adversely affect our operations. Any negative news regarding our senior management team may also adversely affect our reputation or business. Moreover, along with our rapid growth and expansion into other regional markets in China, we will need to hire and retain skilled managers to lead and manage our regional operations. If we cannot attract and retain qualified personnel, our business and future growth may be adversely affected.

***We may not be able to complete our development projects on time or at all.***

Property development projects require substantial capital expenditures prior to and during the construction period, and construction of a property project may take many months or several years before it generates positive cash flow through pre-sales or sales. Meanwhile, the progress and cost for a development project can be adversely affected by many factors, including:

- delays in obtaining necessary licenses, permits or approvals from governmental agencies or authorities;

- relocation of existing residents and/or demolition of existing structures;
- shortages of materials, equipment, contractors and skilled labor;
- labor disputes;
- construction accidents;
- natural catastrophes;
- adverse weather conditions; and
- changes in city zoning, planning and plot ratios.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedules or budgets as a result of the above factors may adversely affect our results of operations and financial position and may also cause reputational damage. We cannot assure you that we will not experience such delays in delivery of our property projects in the future or that we will not be subject to any liabilities for any such delays.

***Our business will be adversely affected if we fail to obtain, or experience material delays in obtaining, necessary governmental approvals for any major property development.***

Real estate markets in China are strictly regulated by the PRC government. Property developers must comply with various laws and regulations of the PRC government, including rules issued by local governments to enforce these laws and regulations. To develop and complete a property project, we must apply for various licenses, permits, certificates and approvals, including land use rights certificates, construction land planning permits, construction works planning permits, construction permits, pre-sale permits and certificates of completion, at the relevant government departments. Before the government issues any certificate or permit, we must first meet specific conditions. We cannot assure you that we will not encounter serious delays or other difficulties in fulfilling such conditions, or that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to the property industry. There may also be delays on the part of the relevant regulatory bodies in reviewing our applications and granting approvals. In the event that we fail to obtain, or encounter significant delays in obtaining, the necessary governmental approvals for any of our major property projects, we will not be able to continue with our development plans, and our business, financial condition and results of operations will be adversely affected.

***Our failure to meet all requirements for the issue of property ownership certificates may lead to compensatory liability to our customers.***

According to PRC law, property developers must meet various requirements within 90 days after delivery of property or such other time period provided in sales contracts for the customers to apply for property ownership certificates, including passing various governmental clearances, formalities and procedures. We usually stipulate the delivery dates in our sales contracts so as to leave sufficient time for us to complete the formalities and obtain the relevant approvals. However, we cannot assure you that there will not be delays in our property development. There may also be factors beyond our control that may delay the delivery of property ownership certificates, including a shortage in human resources at various governmental offices and time-consuming inspections and approval processes at various government agencies. Under current PRC laws and regulations and under our sales contracts, we are required to compensate our customers for delays in our deliveries. If our delay extends beyond a specified period, our customers are also entitled to terminate the sales contracts. We cannot assure you that we will be able to timely deliver all property ownership certificates in the future or that we will not be subject to any liabilities as a result of any delays in delivery of property ownership certificates. In the case of serious delays on one or more property projects, our business and reputation will be harmed.



***If we cannot continue to obtain qualification certificates, our business may be adversely affected.***

As a precondition to engaging in real estate property development in China, a property developer must obtain a qualification certificate and renew it on an annual basis unless the rules and regulations allow a longer renewal period. According to the current PRC regulations on qualification of property developers, a newly established property developer must first apply for a provisional qualification certificate with a one-year validity, which can be extended for a maximum of two years. If the newly established property developer fails to commence a property development project within the one-year period when the provisional qualification certificate is in effect, it will not be allowed to extend its provisional qualification certificate. Experienced property developers must also apply for renewal of their qualification certificates once every two to three years in most cities, subject to an annual verification by relevant governmental authorities. It is mandatory under government regulations that developers fulfill all statutory requirements before obtaining or renewing their qualification certificates.

Property developers in China must also produce valid qualification certificates when they apply for pre-sale permits. We cannot assure you that we will be able to pass the annual verification of the qualification certificates or that we or each of our project companies will be able to obtain formal qualification certificates in a timely manner, or at all, as and when they become due to expire. For example, qualification certificates of certain of our project companies have expired and we are in the process of renewing them. If we or our project companies do not possess valid qualification certificates, the government will refuse to issue pre-sale and other permits necessary for our property development business. In addition, the government may impose a penalty on us and our project companies for failure to comply with the relevant licensing requirements. If we or any of our project companies are unable to meet the relevant requirements, and are therefore unable to obtain or renew the qualification certificates or pass the annual verification, our business and financial condition could be materially and adversely affected.

Moreover, as an entity engaged in property management, we must obtain qualification certifications before commencing our property management business, pursuant to the Measures on Administration of Qualification Certificates of Property Service Enterprises 《物業服務企業資質管理辦法》 issued by the MOHURD. In addition, laws and regulations on our recently expanded business, such as insurance also require relevant qualification certificates. We cannot assure you that we will not encounter significant problems in making payment of registered capital in a timely manner or at all, or satisfying other conditions necessary for the issuance of other licenses, certificates, permits or approvals. If we fail to obtain or renew the necessary licenses, certificates, permits or approvals for any of our PRC subsidiaries, property projects, or our expanded new businesses, our business, results of operations and financial condition may be materially and adversely affected.

***The fair value of our investment properties is likely to fluctuate from time to time and may decrease significantly in the future, which may materially and adversely impact our profitability.***

We are required to reassess the fair value of our investment properties at every balance sheet date for which we issue financial statements. Under HKFRS, gains or losses arising from changes in the fair value of our investment properties are included in our income statements in the period in which they arise. Our valuations are based on a direct comparison approach, under which our investment properties are directly compared with other comparable properties of similar size, character and location, in order to provide a fair comparison of capital values.

A capitalization approach has also been adopted, under which the estimated net income generated from the investment properties is capitalized at an appropriate rate to arrive at the value conclusions. Our investment properties were revalued by an independent property valuer as of December 31, 2014, 2015, 2016 and June 30, 2017, on an open market, existing use basis, which reflected market conditions on those dates. Based on such valuation, we recognized the aggregate fair market value of our investment properties on our consolidated balance sheets, and recognized fair value gains on investment properties and the relevant deferred tax on our consolidated income statements. For the years ended

December 31, 2014, 2015, 2016 and June 30, 2017, the fair value gains on our investment properties were RMB9,393 million, RMB12,859 million, RMB5,124 million (US\$756 million) and RMB6,001 million (US\$885 million), respectively, and accounted for approximately 30.1%, 40.9%, 13.9% and 12.4%, respectively, of our profit before tax.

The significant increase in the fair market value of our investment properties in the years ended December 31, 2014, 2015, 2016 and six months ended June 30, 2017 was primarily due to the addition of commercial shops GFA and carpark units in our investment properties portfolio. Fair value gains or losses do not, however, change our cash position as long as the relevant investment properties are held by us and, therefore, do not increase our liquidity in spite of the increased profit. The amount of revaluation adjustments has been, and will continue to be, subject to market fluctuations. We cannot assure you that changes in the market conditions will continue to create fair value gains on our investment properties at the previous levels or at any level at all, or that the fair value of our investment properties will not decrease in the future. In particular, the fair value of our investment properties could decline in the event that our industry experiences a downturn as a result of PRC government regulatory policies or a global economic downturn. All these factors are beyond our control. Any significant decrease in the fair value of our investment properties may materially and adversely impact our profitability.

***We may not be able to obtain land use rights certificates with respect to certain parcels of land under contract.***

We have entered into land grant contracts, transfer agreements or certain land transaction confirmation letters, but have not obtained all land use rights certificates in respect of some projects as disclosed in the section entitled “Business — Project Overview — Properties Under Development and Held for Future Development.” If we fail to obtain, or experience material delays in obtaining, the land use rights certificates with respect to these parcels of land, our business, financial condition and results of operations may be materially and adversely affected.

***We rely on third-party contractors for certain services in our property development.***

We engage third-party contractors to provide various services, including construction, landscaping, gardening, equipment installation, interior decoration, mechanical and electrical installation and utilities installation. We generally select third-party contractors through our standardized tender process. We endeavor to employ only companies with good reputations, strong track records, performance reliability and adequate financial resources, and we have implemented strict quality control procedures and closely monitor the construction progress. However, we cannot assure you that such third-party contractors will always provide satisfactory services of the quality required by us. If the performance of any third-party contractor is not satisfactory, we may need to replace such contractor or take other remedial actions, which could adversely affect the cost and development schedule of our projects. In addition, as we are expanding our business into additional cities in China, there may be a shortage of third-party contractors that meet our quality requirements in such regions. Moreover, the contractors may undertake projects from other developers, engage in risky undertakings or otherwise encounter financial or other difficulties, which may adversely affect their ability to complete our property projects on time, within budget or at all. All of these third-party related factors may have material adverse impact on our reputation, credibility, financial position and business operations.

***Our profit margin is sensitive to fluctuations in the cost of construction materials.***

Construction costs are one of the predominant components of our cost of sales. Construction costs encompass all costs for the design and construction of a project, including payments to third-party contractors, costs of construction materials, foundation and substructure, fittings, facilities for utilities and related infrastructure such as roads and pipelines. Historically, material costs have been the



principal driver of the construction costs of our property development projects, with the cost of third-party contractors remaining relatively stable. However, as most of the material costs are often included in the construction costs paid to our contractors, it has been difficult for us to estimate such costs.

Construction costs may fluctuate as a result of the volatile price movement of construction materials such as steel and cement. We seek to reduce our exposure to short-term price fluctuations of construction materials and limit project cost overruns by centralizing our procurement to lower our purchase costs. We also manage the cost of outsourced construction work through a process of tenders which, among other things, takes into account procurement of principal construction materials such as steel and cement at fixed prices. In line with industry practice, if there is a significant price fluctuation (depending on the specific terms of each contract), we will be required to re-negotiate, top up or refund, depending on the price movement, existing construction contracts. Additionally, should our existing contractors fail to perform under their contracts, we might be required to pay more to contractors under replacement contracts. Our profit margin is sensitive to changes in market prices for construction materials and our project margins will be materially and adversely affected if we are not able to pass all of the increased costs onto our customers.

***If we are not properly insulated from the rising cost of labor, our results of operations may be adversely affected.***

As the result of economic growth and the boom in the property industry in the PRC, wages for construction workers have experienced increases in recent years. In addition, the PRC Labor Contract Law 《中華人民共和國勞動合同法》 that came into effect on January 1, 2008 enhanced the protection for employees and increased employers' liability which may further increase our labor costs. Under the terms of most of our construction contracts, the construction contractors are responsible for the wages of construction workers for our property development and bear the risk of fluctuations in wages during the term of the relevant contract. The contractors are also liable if they do not purchase work injury insurance for their workers as required. However, we are exposed to the price volatility of labor to the extent that we periodically enter into new or renew existing construction contracts at different terms during the life of a project, which may span several years, or if we choose to hire the construction workers directly. If we are unable to pass on any increase in the cost of labor, to either our construction contractors or to the purchasers of our properties, our results of operations may be adversely affected.

***We guarantee mortgage loans of our customers and may become liable to mortgagee banks if our customers default on their mortgage loans.***

As we pre-sell properties before their actual completion of construction, in accordance with industry practice, banks require us to guarantee our customers' mortgage loans. Typically, we guarantee mortgage loans taken out by our customers up until we complete the relevant properties and the property ownership certificates and certificates are delivered to the mortgagee banks. If a purchaser defaults on a mortgage loan, we may have to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans. In line with industry practice, we do not conduct any independent credit checks on our customers whose mortgage loans we guarantee but rely on the evaluation of such customers by the mortgagee banks.

As of December 31, 2014, 2015, 2016 and June 30, 2017, our outstanding guarantees in respect of our customers' mortgage loans amounted to RMB102,698 million, RMB141,591 million, RMB252,128 million (US\$37,191 million) and RMB290,184 million (US\$42,804 million), respectively. Should substantial defaults occur and if we are called upon to honor our guarantees, our financial condition and results of operations could be materially and adversely affected.

***We bear demolition and resettlement costs associated with some of our property developments and such costs may increase.***

We are required to compensate owners and residents of demolished buildings on some of our property developments for their relocation and resettlement in accordance with the PRC urban housing demolition and relocation regulations. The compensation we pay is calculated in accordance with formulas published by the relevant local authorities. These formulas take into account the location, type of building subject to demolition, local income levels and many other factors. We cannot assure you that these local authorities will not change or adjust their formulas from time to time without sufficient advance notice. If they do so, the land costs may be subject to substantial increases, which can adversely affect our cash flow, financial condition and results of operations. In addition, despite these government-sanctioned formulas, if we fail to reach an agreement over the amount of compensation with any existing owner or resident, either we or such owner or resident may apply to the relevant authorities for a ruling on the amount of compensation. Dissenting owners and residents may also refuse to relocate. This administrative process or such resistance or refusal to relocate may delay the timetable of our development projects, and an unfavorable final ruling may result in us paying more than the amount calculated under the formulas. Such delays in our development projects will also lead to an increase in the cost and delay the cash inflow from pre-sales of the relevant projects, and the recognition of sales as revenue upon completion, which may in turn materially and adversely affect our business, results of operations and financial condition.

***Property owners may cease to engage us as the provider of property management services.***

We provide property management services to our property owners through our wholly owned property management subsidiary, Jinbi Property Management Co., Ltd. (金碧物業有限公司), or Jinbi Property Management. Under PRC laws and regulations, the property owners of a residential development have the right to change the property management service provider upon the approval by a certain percentage of the property owners. If owners of the properties that we have developed choose to terminate our property management services, or our property management services receive unsatisfactory reviews by property owners, our reputation, future sales of our properties and our results of operations could be materially and adversely affected.

***We have limited insurance to cover our potential losses and claims.***

We do not carry insurance against all potential losses or damages with respect to our properties before their delivery to customers other than those buildings over which our lending banks have security interests and for which we are required to maintain insurance coverage under the relevant loan agreements. In addition, we do not maintain insurance coverage against liability from tortious acts or other personal injuries related to our project constructions or for business interruption. We cannot assure you that we would not be sued or held liable for damages due to such tortious acts and other personal injuries. Moreover, there are certain losses for which insurance is not available on commercially practicable terms in China, such as losses suffered due to earthquakes, typhoons, flooding, war and civil disorder. If we suffer from any losses, damages or liabilities in the course of our operations and property development, we may not have sufficient financial resources to remedy the damages or to satisfy our potential obligations. In addition, any payments we make to cover any losses, damages or liabilities may have a material adverse effect on our business, results of operations and financial condition.

***Our results of operations may vary significantly from period to period.***

We derive a majority of our revenue from the sale of residential properties that we have developed. In accordance with our accounting policy, we recognize revenue upon the completion and delivery of the properties to purchasers, which may take place up to 18 months after the commencement of pre-sale. As a result, our results of operations may vary significantly from period to period due to the construction timetables and timing of sales and delivery of our various development projects. Additionally, selling prices of properties vary and are largely determined by local market conditions.

Although our properties are developed under the standardized operational model, the average selling price for properties in the same series may vary from city to city, which may affect our business, results of operations and financial condition. Seasonal variations may cause further fluctuations in our interim revenue and profits. For example, we have a number of projects in northern China where winter weather conditions can hinder the execution of our development projects and delay our timetable and revenue recognition. In light of the above, we believe that period-to-period comparisons of our results of operations may not be as meaningful as they would be for a business with mostly recurring revenue from period to period.

***We may be deemed a PRC resident enterprise under the PRC Enterprise Income Tax Law, which may subject us to PRC taxation on our worldwide income, require us to withhold taxes on interest we pay on the Bonds and dividends we pay on the Shares and require holders of the Bonds and Shares to pay taxes on gains realized from the sale of the Bonds and Shares.***

We are a Cayman Islands exempted holding company with substantially all of our operations conducted through our operating subsidiaries in China. Under the PRC Enterprise Income Tax Law that took effect on January 1, 2008 as amended, enterprises established outside China whose “de facto management bodies” are located in China are considered “resident enterprises” for PRC tax law purposes and will generally be subject to the uniform 25% enterprise income tax rate as to their global income. Under the implementation regulations issued by the State Council relating to the PRC Enterprise Income Tax Law, a “de facto management body” is defined as a body that has significant and overall management control over the business, personnel, accounts and properties of an enterprise. In April 2009, the SAT promulgated a circular to clarify the definition of “de facto management bodies” for enterprises incorporated overseas with controlling shareholders that are PRC enterprises. However, there are no official implementation rules regarding the determination of the “de facto management bodies” for overseas enterprises that are not controlled by PRC enterprises. Therefore, it remains unclear how the tax authorities will treat an overseas enterprise invested or controlled by another overseas enterprise and ultimately controlled by a Hong Kong permanent resident as is in our case. Although we are currently not treated as a PRC resident enterprise by the relevant PRC tax authorities, substantially all of our management is currently based in China and will remain in China in the future. As a result, we may be treated as a PRC resident enterprise for PRC enterprise income tax purposes. If we are deemed to be a PRC resident enterprise, we would be subject to the PRC enterprise income tax at the rate of 25% on our worldwide income. Furthermore, we may be obligated to withhold PRC income tax of 10% on payments of interest and other amounts on the Bonds and dividends on the Shares to investors that are non-resident enterprises (or 20% for non-resident individual holders of the Bonds) or Shares or lower rates for holders who qualify for the benefits of a double-taxation treaty with China, because the interest, dividends and other distributions may be regarded as being derived from sources within China. If we are required to withhold PRC tax from interest payments on the Bonds, we may be required, subject to certain exceptions, to pay such additional amounts as will result in receipt by the holders of the Bonds of such amounts as would have been received had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Bonds and could have an adverse effect on our financial condition. Any gain realized by non-PRC investors from the transfer of the Bonds or Shares may be regarded as being derived from sources within China and accordingly may be subject to a 10% PRC income tax for non-PRC enterprise holders of the Bonds (20% in the case of non-resident individuals) if we are treated as a PRC resident enterprise, subject to the provisions of an applicable treaty.

***Any disputes with our joint venture or co-development partners may materially and adversely affect our business.***

We carry out and plan to carry out some of our business through joint ventures or in collaboration with third parties. Such joint venture arrangements or collaborations involve a number of risks, including:

- disputes with our partners in connection with the performance of their obligations under the relevant project, joint venture or cooperative property development agreements;
- disputes as to the scope of each party's responsibilities under these arrangements;
- financial difficulties encountered by our partners affecting their ability to perform their obligations under the relevant project, joint venture or cooperative property development agreements with us; or
- conflicts between the policies or objectives adopted by our partners and those adopted by us.

Any of these and other factors may materially and adversely affect our business.

***Our controlling shareholder may take actions that are not in, or may conflict with, our or our creditors', including the holders of the Bonds, best interests.***

As of the date of this offering circular, Dr. Hui beneficially owned 77.14% of our outstanding shares through Xin Xin (BVI) Limited. Xin Xin (BVI) Limited, and ultimately Dr. Hui, have and will continue to have the ability to exercise a controlling influence over our business, and may cause us to take actions that are not in, or may conflict with, our or our creditors, including the holders of the Bonds, best interests, including matters relating to our management and policies and the election of our directors and senior management. Xin Xin (BVI) Limited, and ultimately Dr. Hui, will be able to influence our major policy decisions, including our overall strategic and investment decisions, by controlling the election of our directors and, in turn, indirectly controlling the selection of our senior management, determining the timing and amount of any dividend payments, approving our annual budgets, deciding on increases or decreases in our share capital, determining our issuance of new securities, approving mergers, acquisitions and disposals of our assets or businesses, and amending our articles of association.

***We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.***

Pursuant to The Announcement on Matters Concerning Withholding of Income Tax of Non-resident Enterprises at Source (國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告) (the "SAT Circular 37"), which was issued by the SAT on October 17, 2017 and was made effective from December 1, 2017, gains derived from indirect transfer of equity interests in PRC resident enterprises may be subject to PRC withholding tax. SAT Circular 37 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant PRC tax authorities have the power to make a reasonable adjustment with respect to the taxable income of the transaction.

On February 3, 2015, the SAT promulgated the Announcement of Certain Issues on Enterprise Income Tax Regarding Indirect Transfer of Properties by Non-resident Enterprises 《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》, or the Announcement 7, which clarifies certain issues under the SAT Circular 37. For example, the Announcement 7 (1) defines what "indirect transfer of taxable properties of China" is; (2) clarifies how to tax gains derived from indirect transfer of taxable properties of China; (3) clarifies how to determine reasonable commercial purposes; and (4) provides procedures and required documents for reporting indirect transfer of taxable properties of China to competent tax authorities. In order to implement the Announcement 7, the SAT promulgated the Circular on Issuing the Work Procedures concerning the Enterprise Income Tax on the Indirect Transfer of Properties by Non-resident Enterprises (Trial) 《非居民企業間接轉讓財產企業所得稅工作規程(試行)》 on May 13, 2015 which specifies tax authorities' corresponding responsibilities and operating procedures concerning the collection of enterprise income tax on the indirect transfer of properties by non-resident enterprises. As a result, we may become at risk of being taxed under SAT Circular 37 and Announcement 7 due to any future indirect transfer of equity interests in our PRC subsidiaries. We may be required to allocate

significant resources to comply with SAT Circular 37 and Announcement 7 or to establish that we should not be taxed under SAT Circular 37, and Announcement 7 which may have a material adverse effect on our financial condition and results of operations.

***We may be involved from time to time in material disputes, administrative, legal and other proceedings arising out of our operations or subject to fines and sanctions in relation to our non-compliance with certain PRC laws and regulations and may face significant liabilities or damage to our reputation as a result.***

We may be involved from time to time in material disputes with various parties involved in the acquisition, development and sale of our properties, including contractors, suppliers, construction workers, original residents, co-development or other partners, banks and purchasers. These disputes may lead to protests, legal or other proceedings and may result in damage to our reputation, substantial costs and diversion of resources and management's attention. As most of our projects are composed of multiple phases, purchasers of our properties in earlier phases may commence legal actions against us if our subsequent planning and development of the projects are perceived to be inconsistent with our representations and warranties made to such earlier purchasers. In addition, we may have compliance issues with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavorable decrees that result in liabilities, fines or sanctions and cause damage to our reputation and delays to our property developments. For example, in February 2017, Evergrande Life was sanctioned by the China Insurance Regulatory Commission due to its irregular investment operations, restricting it from stock trading for one year and lowering its cap on equity investment to 20% of its total assets. We may also be involved in disputes or legal proceedings in relation to delays in the completion and delivery of our projects. The occurrence of any of the above events, and failure to comply with any applicable PRC laws or regulations, may have a material adverse effect on our business, financial condition and results of operations. Additionally, we may also be involved in disputes relating to our equity interests in the project companies and relevant projects, which may adversely affect our reputation and business. For example, in January 2016, Winlok Investment Ltd. (威諾投資有限公司) filed two lawsuits in a local court in Beijing against four defendants, including a wholly-owned subsidiary of ours, Marche Limited (麗來富華集團有限公司), which holds the entire equity interest of two of our project companies in Beijing. The claims alleged that two equity transfer agreements entered into between Niceline Company Limited (麗來有限公司) and Marche Limited were invalid and the investment interests in the aforesaid project companies remained with Niceline Company Limited. This case is currently pending trial in court. Finally, any failure or alleged failure by us or any of our directors, officers or other agents to fully adhere to the PRC or other applicable anti-corruption laws, or any investigation in relation to such failure or alleged failure by any regulatory body, could also materially and adversely affect our reputation and our business, financial condition and results of operations. For more information, you should refer to the section entitled "Business — Legal Proceedings."

***We may face negative publicity or unfavorable research reports.***

From time to time, our Company may face negative publicity or unfavorable research reports relating to our business, financial performance, financial reporting or operations. We may defend ourselves against such allegations through legal and administrative proceedings as appropriate. However, we cannot assure you that such proceedings will result in a ruling or decision to our favor nor that the negative publicity effect imposed by those allegations would be eliminated or reduced upon a positive ruling.

Any such negative publicity or unfavorable research report, even if malicious or prepared on an unfounded factual basis, could have a material adverse effect on the trading price of the Bonds or have a materially adverse effect on the image or reputation of our Company.



***We may be exposed to intellectual property infringement, misappropriation or other claims by third parties and a deterioration in our brand image could adversely affect our business.***

We believe that we have built an excellent reputation in China for the quality of our various product series. We have also placed great importance on the continuous enhancement of our brand name and the increase in our brand recognition. Our brand strategy, however, depends on our ability to use, develop and protect our intellectual properties, such as our trademarks. Although we have applied for trademark registration for our names and logos, we have not successfully registered all of these trademarks in China or elsewhere. As a result, we could be subject to trademark disputes. The defense and prosecution of intellectual property lawsuits and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert our resources and the time and attention of our management personnel. An adverse ruling in any such litigation or proceedings could subject us to significant liabilities to third parties, require us to seek licenses from third parties, to pay ongoing royalties, or subject us to injunctions prohibiting the use of our name and logo.

***Any recurrence of the global financial crisis and economic downturn or a deterioration of our cash flow position may have a material adverse effect on our ability to service our indebtedness and continue our operations.***

The global capital and credit markets have in recent years experienced periods of extreme volatility and disruption. The global financial crisis in recent years has caused banks and other credit providers to restrict the availability of new credit facilities and to require more collateral and higher pricing upon the renewal of existing credit facilities. The recurrence of the global financial crisis or prolonged disruptions to the credit market may further slow down the growth of the PRC economy and sales of property, limiting our ability to raise funds from current or other funding sources, or cause our access to funds to be more expensive, which may materially and adversely affect our business, financial position and operating results.

In addition to bank loans and other borrowings, we rely on internally generated funds, in particular, pre-sale proceeds of our properties as a major source of funding for our operations. If our pre-sale activities are significantly limited or otherwise materially and adversely affected as a result of changes in the relevant PRC laws and regulations, the occurrence of a global economic downturn or a significant economic slowdown in China generally or in the cities where we have properties, our cash flow position and ability to service our indebtedness may be materially and adversely affected. Furthermore, if banks or other financial institutions decline to provide additional loans to us or to re-finance our existing loans when they mature as a result of our perceived credit risk, and we fail to raise financing through other channels, our business and financial position may be materially and adversely affected.

***All employee participants in our share option scheme who are PRC citizens may be required to register with SAFE. We may also face regulatory uncertainties that could restrict our ability to adopt additional option plans for our directors and employees under PRC law.***

PRC regulations require that individuals in China (including PRC citizens and foreign individuals who have lived in China over one year) who intend to participate in the share incentive plan of an overseas listed company shall appoint a qualified PRC domestic agent or a PRC subsidiary of such overseas listed company (defined as a “**PRC agency**”) to conduct foreign exchange registration, opening of accounts and transfer and exchange of funds, and an overseas agency shall be appointed to conduct any exercise of options, buying and selling of relevant shares or equities and transfer of relevant funds. After such individuals’ foreign exchange income received from participation in the share incentive plan is remitted to the PRC, relevant banks shall distribute the above funds from the account opened and managed by the PRC agency to such individuals’ foreign exchange accounts. We and our PRC employees who have been granted share options or restricted shares will be subject to these regulations.

If we or our PRC employees fail to comply with such registration requirements, it may subject us and the participants of our share option scheme who are in the PRC to fines and legal sanctions which are imposed pursuant to Regulations on the Foreign Exchange System 《外匯管理條例》 and the Measures for the Administration of Individual Foreign Exchange 《個人外匯管理辦法》 which could adversely affect our business operations.

***We may not be able to continue to attract and retain quality tenants for our investment properties and the illiquid nature of investment properties could restrain our revenue and cash flow and limit our ability to respond to adverse changes in the performance of our properties.***

Our investment properties compete for tenants with other properties based on, among other things, location, quality, maintenance, property management, rent levels and other lease terms. We cannot assure you that existing or prospective tenants will not choose other properties. Any future increase in the supply of properties which compete with ours would increase the competition for tenants and as a result we may have to reduce rent or incur additional costs to make our properties more attractive. If we are not able to retain our existing tenants or attract new tenants to replace those that leave or to lease our new properties, our occupancy rates may decline. If we fail to attract well-known brands as our tenants or keep our existing tenants, our investment properties may become less attractive and competitive.

Moreover, holding a large amount of investment properties and collecting rents, as compared to selling them, could restrain our revenue and cash flow in the short term. The property market is also affected by many factors that are beyond our control, including but not limited to general economic conditions, the availability of mortgage financing and interest rates, and we cannot accurately determine the market price of our investment properties nor are we able to predict whether we will be able to sell any of our investment properties at the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. In addition, investment properties may not be readily convertible for alternative uses without substantial capital expenditure. These factors and any others that would impede our ability to respond to adverse changes in the performance of our investment properties could materially and adversely affect our business, financial condition and results of operations.

### **Risks Relating to the Property Industry in China**

***The PRC government may adopt further measures to slow down growth in the property sector.***

Along with the economic growth in China, investments in the property sectors have increased significantly in the past few years. In response to concerns over the increase in property investments, the PRC government has, since 2004, introduced various policies and measures to curtail property developments, including:

- suspending land supply for villa construction and restricting land supply for high-end residential property construction;
- requiring that at least 70% of the land supply approved by any local government for residential property development during any given year must be used for developing low- to medium-cost and small- to medium-size units for sale or as low-cost rental properties;
- requiring that at least 70% of the total development and construction area of residential projects approved or constructed on or after June 1, 2006 in any administrative jurisdiction must consist of units with a unit floor area of less than 90 square meters and that projects which have received project approvals prior to this date but have not obtained construction permits must adjust their planning in order to comply with this new requirement, with the exception that municipalities under direct administration of the PRC central government and provincial capitals and certain cities may deviate from such ratio under special circumstances upon approval from MOHURD;



- suspending mortgage loans to purchasers for their third residential properties and beyond, and to non-local residents who have not paid local tax or social security for longer than a one-year period;
- for a commercial property buyer, (i) requiring banks not to finance any purchase of pre-sold properties, (ii) increasing the minimum amount of down-payment to 50% of the purchase price of the underlying property, (iii) increasing the minimum mortgage loan interest rate to 110% of the relevant PBOC benchmark one-year bank lending interest rate and (iv) limiting the terms of such bank borrowings to no more than 10 years, with commercial banks allowed flexibility based on their risk assessment;
- for a buyer of commercial/residential dual-purpose properties, increasing the minimum amount of down-payment to 45% of the purchase price of the underlying property, with the other terms similar to those for commercial properties;
- limiting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- limiting the number of homes that local residents can buy in a specified period; and
- proposing to enlarge the scope of trials in levying property tax.

Although the various control measures are intended to promote more balanced property development in the long term, we cannot assure you that these measures will not adversely affect the development and sales of our properties. Many of the property industry policies carried out by the PRC government are unprecedented and are expected to be amended and revised over time. Other political, economic and social factors may also lead to further adjustments and changes of such policies. The PRC government could adopt additional and more stringent industry policies, regulations and measures in the future, which could further slow down the property development in China. Our results of operations may be materially affected by these factors. If we fail to adapt our operations to new policies, regulations and measures that may come into effect from time to time with respect to the real property industry, or such policy changes disrupt our business, reduce our sales or average selling prices, or cause us to incur additional costs, our business prospects, results of operations and financial condition may be materially and adversely affected.

***Changes of laws and regulations with respect to pre-sale may adversely affect our cash flow position and performance.***

We depend on cash flows from pre-sale of properties as an important source of funding for our property projects. Under current PRC laws and regulations, property developers must fulfill certain conditions before they can commence pre-sale of the relevant properties and may only use pre-sale proceeds to finance the development of such properties. In August 2005, PBOC in a report entitled “2004 Real Estate Financing Report” recommended to discontinue the practice of pre-selling unfinished properties because such practices, in PBOC’s opinion, create significant market risks and generate transactional irregularities. In July 2007, an economic research group under the PRC National Development and Reform Commission (中華人民共和國國家發展和改革委員會), or NDRC, recommended the abolishment of the pre-sale system. These recommendations have not been adopted by any PRC governmental authority and have no mandatory effect. In April 2010, MOHURD issued the Notice on Further Strengthening the Supervision of Real Estate Market and Improving the Pre-Sale System of Commodity Housing 《關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知》. The notice urges local governments to enact regulations on the sale of completed residential properties in light of local conditions and encourages property developers to sell residential properties only when they are completed. We cannot assure you that the PRC governmental authority will not ban the practice of pre-selling residential properties prior to completion or implement further restrictions on the pre-sale of such properties, such as imposing additional conditions for a pre-sale permit or further

restrictions on the use of pre-sale proceeds. Proceeds from the pre-sale of our properties are an important source of financing for our property developments. Consequently, any restriction on our ability to pre-sell our properties, including any increase in the amount of up-front expenditure we must incur prior to obtaining the pre-sale permit, would extend the time period required for recovery of our capital outlay and would require that we seek alternative means to finance the various stages of our property developments. This, in turn, could have an adverse effect on our business, cash flow, results of operations and financial condition.

***PRC regulations relating to acquisitions of PRC companies by foreign entities may limit our ability to acquire PRC companies and adversely affect the implementation of our strategy as well as our business and prospects.***

The Provisions on the Acquisition of Domestic Enterprises by Foreign Investors 《關於外國投資者併購境內企業的規定》(the “**M&A Provisions**”) issued by six PRC ministries, including MOFCOM, effective from September 8, 2006, provide the rules with which foreign investors must comply should they seek to purchase by agreement the equities of the shareholders of a domestic non-foreign-invested enterprise or subscribe to the increased capital of a domestic non-foreign funded enterprise, and thus convert the domestic non-foreign-invested enterprise into a foreign invested enterprise to conduct asset merger and acquisition. It stipulates that the business scope upon acquisition of domestic enterprises must conform to the Catalog of Guidance on Industries for Foreign Investment as revised in 2017 《外商投資產業指導目錄(2017)》 issued by NDRC and MOFCOM, which restricts the scope of permitted foreign investment. It also provides the takeover procedures for equity interests in domestic companies. On September 3, 2016, the National People’s Congress Standing Committee (NPCSC) adopted a decision on amending the law of foreign invested companies which became effective from October 1, 2016. Upon the effectiveness of the decision, the establishment of the foreign invested enterprise and its subsequent changes will be required to be filed with the relevant authorities instead of obtaining approvals from relevant commerce authorities as required by the existing PRC laws, except for the foreign invested enterprises which are subject to the special administrative measures regarding foreign investment entry. On October 8, 2016, the NDRC and the MOFCOM jointly issued a notice regarding the scope of industries subject to the special administrative measures for foreign investment entry, according to which the M&A Provisions still apply to convert the domestic non-foreign-invested enterprises into foreign invested enterprises.

Our PRC legal advisors have advised us that there are uncertainties as to how the M&A Provisions will be interpreted or implemented after the revision of the law of foreign invested companies.

***Our investments in China are subject to PRC government’s control over foreign investment in the property sector.***

The PRC government has in the past imposed restrictions on foreign investment in the property sector to curtail the overheating of the property sector by, among other things, increasing the capital and other requirements for establishing foreign-invested real estate enterprises, tightening foreign exchange control and imposing restrictions on purchases of properties in China by foreign persons. In May 2007, the PRC Ministry of Commerce (中華人民共和國商務部), or MOFCOM, and PRC State Administration of Foreign Exchange (中華人民共和國國家外匯管理局), or SAFE, jointly issued the Notice on Further Strengthening and Regulating the Approval and Supervision on Foreign Investment in Real Estate Sector in China 《關於進一步加強、規範外商直接投資房地產業審批和監管的通知》, which, among other things, provides that:

- foreign investment in the PRC property sector relating to high-end properties should be strictly controlled;

- prior to obtaining approval for the establishment of foreign-invested real estate enterprises, or FIREEs, either (i) both the land use right certificates and property ownership certificates should be obtained or (ii) contracts for obtaining land use rights or property ownership should be entered into; and
- FIREEs approved by local authorities must immediately register with MOFCOM through a filing made by the local authorities; and the SAFE authorities and banks authorized to conduct foreign exchange businesses may not effect foreign exchange settlements of capital account items for those FIREEs which have not completed their filings with MOFCOM or have failed to pass the annual inspection.

In June 2008, MOFCOM issued the Notice Regarding Completing the Registration of Foreign Investment in the Real Estate Sector 《關於做好外商投資房地產業備案工作的通知》, often known as Notice 23. According to Notice 23, MOFCOM has entrusted provincial MOFCOM departments to verify materials on file by foreign-invested real estate enterprises. Notice 23 requires that each FIREE may engage in one approved real estate project only.

In December 2010, MOFCOM promulgated the Notice on Strengthening Administration of the Approval and Registration of Foreign Investment into Real Estate Industry 《關於加強外商投資房地產業審批備案管理的通知》, which provides that, among other things, in the case that a real estate enterprise is established in China with overseas capital, it is prohibited to purchase and/or sell real estate properties completed or under construction for arbitrage purposes. The local MOFCOM authorities are not permitted to approve foreign-invested investment companies to engage in real estate development and management.

On June 24, 2014, MOFCOM and SAFE jointly promulgated the Circular on Improving the Record-filing for Foreign Investment in Real Estate 《關於改進外商投資房地產業備案工作的通知》, which simplifies the procedures of record-filing for foreign investment in real estate and the record-filing with MOFCOM has been changed from the record-filing in the form of paper materials to that in the form of electronic data and selective examination will be conducted during and after the record-filing.

On November 6, 2015, MOFCOM and SAFE jointly promulgated the Circular on Further Improving the Record-filing of Foreign Investments in Real Estate 《關於進一步改進外商投資房地產業備案工作的通知》, which further simplifies the record-filing procedures for foreign-invested real estate enterprises and cancels the registry publication procedures on the website of MOFCOM.

Restrictions imposed by the PRC government on foreign investment in the property sector may affect our ability to make further investments in our PRC subsidiaries and, as a result, may limit our business growth and have an adverse effect on our business, financial condition and results of operations.

***The property market in the PRC is still at a relatively early stage of development.***

The property development industry and ownership of private property in the PRC are still in a relatively early stage of development. Although demand for private residential property in the PRC has been growing rapidly in recent years, such growth is often coupled with volatility in market conditions and fluctuation in property prices. We cannot predict how much and when demand will develop, as many social, political, economic, legal and other factors may affect the development of the market. The level of uncertainty is increased by limited availability of accurate financial and market information as well as the overall low level of transparency in the PRC.

The lack of an effective liquid secondary market for residential property may discourage investors from acquiring new properties because resale is not only difficult, but can also be a long and costly process. The limited amount of property mortgage financing available to PRC individuals compounded by the lack of security of legal title and enforceability of property rights may further inhibit demand for residential developments.

In addition, risk of property over-supply is increasing in parts of China, where property investment, trading and speculation have become overly active. In the event of actual or perceived over-supply, property prices may fall significantly and our revenue and profitability will be adversely affected.

## **Risks Relating to China**

***PRC economic, political and social conditions as well as governmental policies can affect our business.***

The PRC economy differs from the economies of most of the developed countries in many aspects, including:

- political structure;
- degree of government involvement and control;
- degree of development;
- level and control of capital investment and reinvestment;
- control of foreign exchange; and
- allocation of resources.

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For approximately three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. Although we believe these reforms will have a positive effect on the overall and long-term development of China, we cannot predict whether changes in the PRC economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations.

In May 2017, Moody's Investors Service downgraded China's sovereign credit rating for the first time since 1989 and changed its outlook from stable to negative, citing concerns on the country's rising levels of debt and expectations of slower economic growth. In September 2017, S&P Global Ratings downgraded China's sovereign credit rating for the first time since 1999, citing similar concerns. The full impact of such actions by international rating agencies remains to be seen, but the perceived weaknesses in China's economic development model, if proven and left unchecked, would have profound implications. If China's economic conditions worsen, or if the banking and financial systems experience difficulties from over-indebtedness, businesses in China may face a more challenging operating environment.

***Inflation in China may have a material adverse effect on our business, financial condition and results of operations.***

While the PRC economy has experienced rapid growth, such growth has been uneven among various sectors of the economy and in different geographic areas of the country. Rapid economic growth can lead to growth in money supply and inflation. If prices of our properties rise at a rate that is

insufficient to compensate for the rise in our costs, our business, financial condition and results of operation may be materially and adversely affected. To control inflation in the past, the PRC government has imposed control on bank credits, limits on loans for fixed assets and restrictions on state bank lending. Such austerity measures can lead to a slowdown in the economic growth and may materially and adversely affect our business, financial condition and results of operations.

***Changes in PRC foreign exchange regulations may adversely affect our business operations.***

The PRC government imposes controls on the convertibility between Renminbi and foreign currencies and the remittance of foreign exchange out of China. We receive substantially all our revenue in Renminbi. Under our current corporate structure, our income is primarily derived from dividend payments from our PRC subsidiaries. Our PRC subsidiaries must convert their Renminbi earnings into foreign currency before they may pay cash dividends to us or service their foreign currency-denominated obligations. Under existing PRC foreign exchange regulations, payments of current-account items may be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements.

However, approval from appropriate governmental authorities is required when Renminbi is converted into foreign currencies and remitted out of China for capital-account transactions, such as the repatriation of equity investment in China and the repayment of the principal of loans denominated in foreign currencies. Such restrictions on foreign exchange transactions under capital accounts also affect our ability to finance our PRC subsidiaries. Subsequent to this offering, we have the choice, as permitted by the PRC foreign investment regulations, to invest our net proceeds from this offering in the form of registered capital or a shareholder loan into our PRC subsidiaries to finance our operations in China. Our choice of investment is affected by the relevant PRC regulations with respect to capital-account and current-account foreign exchange transactions in China. Our investment decisions are additionally affected by various other measures taken by the PRC government relating to the PRC property market. In addition, our transfer of funds to our subsidiaries in China is subject to approval by PRC governmental authorities in the case of an increase in registered capital, and subject to approval by and registration with PRC governmental authorities in case of shareholder loans to the extent that the existing foreign investment approvals received by our PRC subsidiaries permit any such shareholder loans at all. These limitations on the flow of funds between us and our PRC subsidiaries could restrict our ability to act in response to changing market conditions.

***Fluctuations in the value of Renminbi may adversely affect our business and the value of distributions by our PRC subsidiaries.***

The value of Renminbi depends, to a large extent, on the PRC domestic and international economic, financial and political developments and governmental policies, as well as the currency's supply and demand in the local and international markets. From 1994 to 2005, the conversion of Renminbi into foreign currencies was based on exchange rates set and published daily by PBOC in light of the previous day's interbank foreign exchange market rates in China and the then current exchange rates on the global financial markets. The official exchange rate for the conversion of Renminbi into the U.S. dollar was largely stable until July 2005. On July 21, 2005, PBOC revalued Renminbi by reference to a basket of foreign currencies, including the U.S. dollar. As a result, the value of Renminbi appreciated by more than 2% on that day. Since then, the PBOC has allowed the official Renminbi exchange rate to float against a basket of foreign currencies. The PBOC doubled the width of US\$-RMB onshore trading band to +/-2% from +/-1% on March 17, 2014, which further increased the volatility between US\$-RMB exchanges. For the year ended December 31, 2014, Renminbi depreciated 0.36% against the U.S. dollar, the first depreciation since the Renminbi exchange reform in 2005. The PBOC announced on August 11, 2015 that it would improve the middle price quotation mechanism for determining the US\$-RMB exchange rates. On the same day, the daily reference rate for Renminbi against U.S. dollars depreciated by 1.9% to 6.2298 compared with 6.1162 for August 10, 2015. The International Monetary Fund announced on September 30, 2016 that, effective from October 1, 2016, the Renminbi will be added to its Special Drawing Rights currency basket. Such change and additional



future changes may increase the volatility in the trading value of the Renminbi against foreign currencies. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. We cannot assure you that such exchange rate will not fluctuate widely against the U.S. dollar or any other foreign currency in the future. Since our income and profits are denominated in Renminbi, any appreciation of Renminbi will increase the value of dividends and other distributions payable by our PRC subsidiaries in foreign currency terms. Conversely, any depreciation of Renminbi will decrease the value of dividends and other distributions payable by our PRC subsidiaries in foreign currency terms. Fluctuation of the value of Renminbi will also affect the amount of our foreign debt service in Renminbi terms since we have to convert Renminbi into foreign currencies to service our indebtedness denominated in foreign currencies.

There are limited hedging instruments available in China to reduce our exposure to exchange rate fluctuations between Renminbi and other currencies. To date, we have not entered into any hedging transactions to reduce our exposure to such risks. Following the issuance of the Bonds, we may enter into foreign exchange or interest rate hedging arrangements in respect of our U.S. dollar-denominated liabilities under the Bonds. These hedging arrangements may require us to pledge or transfer cash and other collateral to secure our obligations under the arrangements, and the amount of collateral required may increase as a result of mark-to-market adjustments. The Managers and their respective affiliates may enter into such hedging arrangements permitted under the Existing Indentures, and these arrangements may be secured by pledges of our cash and other assets as permitted under the Existing Indentures. If we were unable to provide such collateral, it could constitute a default under such hedging arrangements.

***Interpretation of PRC laws and regulations involves uncertainty.***

Our core business is conducted within China and is governed by PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can only be used as a reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law, including laws relating to property ownership and development. However, due to the fact that these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of PRC laws and regulations involves a degree, sometimes a significant degree, of uncertainty. Furthermore, the legal protections available to us under these laws, rules and regulations may be limited. Any litigation or regulatory enforcement action in China may be protracted and could result in substantial costs and diversion of resources and management attention.

Depending on the governmental agency or the presentation of an application or case to such agency, we may receive less favorable interpretations of laws and regulations than our competitors. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. All these uncertainties may cause difficulties in the enforcement of our land use rights, entitlements under our permits, and other statutory and contractual rights and interests.

***You may experience difficulty in effecting service of legal process, enforcing foreign judgments or bringing original actions in China based on foreign laws against us, our directors and our senior management.***

We conduct substantially all of our operations in China and substantially all of our assets are located in China. In addition, the substantial majority of our directors and senior management reside within China. As a result, it may not be possible for investors to effect service of process outside China upon the substantial majority of our directors and senior management. Moreover, China does not have treaties with the United States, the United Kingdom or many other countries providing for the reciprocal recognition and enforcement of the judgment of courts. As a result, recognition and enforcement in China of judgments of a court in any of these jurisdictions may be difficult.

***The national and regional economies in China and our prospects may be adversely affected by natural disasters, acts of God, and occurrence of epidemics.***

Our business is subject to general economic and social conditions in China. Natural disasters, epidemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in China. Some regions in China, including the cities where we operate, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought or epidemics such as Severe Acute Respiratory Syndrome, or SARS, H5N1 avian flu or the human swine flu, also known as Influenza A (H1N1). For instance, a serious earthquake and its successive aftershocks hit Sichuan Province in April 2013 and resulted in tremendous loss of lives and destruction of assets in the region. We have projects located in Chengdu, approximately 100 kilometers from the earthquake's epicenter in Lushan County, Sichuan Province. Earthquakes with such magnitude may adversely affect our ability to complete and sell or lease our properties as scheduled or cause material damage or loss to our properties. In addition, past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. A recurrence of SARS or an outbreak of any other epidemics in China, such as the H5N1 avian flu or the human swine flu, especially in the cities where we have operations, may result in material disruptions to our property development and our sales and marketing, which in turn may adversely affect our financial condition and results of operations.

***We cannot guarantee the accuracy of facts, forecasts and other statistics with respect to China, the PRC economy, the PRC real estate industry and the selected PRC regional data contained in this offering circular.***

Facts, forecasts and other statistics in this offering circular relating to China, the PRC economy, the PRC real estate industry and the selected PRC regional data have been derived from various official or other publications available in China and may not be consistent with other information compiled within or outside China. However, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Managers or any of our or their respective affiliates or advisors (including legal advisors), or other participants in this offering and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics. We have, however, taken reasonable care in the reproduction and/or extraction of the official and other publications for the purpose of disclosure in this offering circular. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts, forecasts and statistics in this offering circular may be inaccurate or may not be comparable to facts, forecasts and statistics produced with respect to other economies. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as in other jurisdictions. Therefore, you should not unduly rely upon the facts, forecasts and statistics with respect to China, the PRC economy, the PRC real estate industry and the selected PRC regional data contained in this offering circular.

### **Risks Relating to the Bonds and the Shares**

***We are a holding company and payments with respect to the Bonds are structurally subordinated to liabilities, contingent liabilities and obligations of our subsidiaries.***

We are a holding company with no material operations. We conduct our operations mainly through our PRC subsidiaries. The Bonds will not be guaranteed by any current or future PRC subsidiaries and certain of our offshore subsidiaries. Our primary assets are ownership interests in our PRC subsidiaries, which are held through the Subsidiary Guarantors and certain Subsidiaries that are not Subsidiary Guarantors (“**Non-Guarantor Subsidiaries**”). The Subsidiary Guarantors do not have material operations. Accordingly, our ability to pay principal and interest on the Bonds and the ability of the Subsidiary Guarantors to satisfy their obligations under the Subsidiary Guarantees will depend upon our receipt of principal and interest payments on the intercompany loans and distributions of dividends from our subsidiaries.



Creditors, including trade creditors of Non-Guarantor Subsidiaries and any holders of preferred shares in such entities, would have a claim on these subsidiaries' assets that would be prior to the claims of holders of the Bonds. As a result, our payment obligations under the Bonds will be effectively subordinated to all existing and future obligations of our Non-Guarantor Subsidiaries, including their obligations under guarantees they have issued or will issue in connection with our business operations, and all claims of creditors of our Non-Guarantor Subsidiaries will have priority as to the assets of such entities over our claims and those of our creditors, including holders of the Bonds. As of June 30, 2017, our Non-Guarantor Subsidiaries had total borrowings of approximately RMB609,264 million (US\$89,871 million), capital commitments of approximately RMB246,116 million (US\$36,304 million) and contingent liabilities arising from guarantees of approximately RMB295,826 million (US\$43,637 million). In addition, since June 30, 2017, we have incurred additional indebtedness in the ordinary course of business. The Bonds, the Existing Notes and their respective indentures permit us, the Subsidiary Guarantors and our Non-Guarantor Subsidiaries to incur additional indebtedness (including secured indebtedness) and issue additional guarantees, subject to certain limitations. In addition, our secured creditors or those of any Subsidiary Guarantor would have priority as to our assets or the assets of such Subsidiary Guarantor securing the related obligations over claims of holders of the Bonds.

***We have substantial indebtedness and may incur substantial additional indebtedness in the future, which could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding and future debt obligations.***

We now have, and will continue to have after the issuance of the Bonds, a substantial amount of indebtedness. Our total borrowings, including both current and non-current borrowings, and the Existing Notes as of December 31, 2014, 2015 and 2016, and as of June 30, 2017 were RMB156,064 million, RMB296,906 million, RMB535,070 million (US\$78,927 million) and RMB673,494 million (US\$99,346 million), respectively. Since June 30, 2017, we have also incurred additional debt in the ordinary course of business to finance our operations and to refinance our short-term debt. Subsequent to June 30, 2017 and up to December 22, 2017, we incurred additional material borrowings (net of repayments) in the aggregate amount of not less than RMB50,000 million (US\$7,375 million).

Our substantial indebtedness could have important consequences to you. For example, it could:

- limit our ability to satisfy our obligations under the Bonds and the Existing Notes and other debt;
- increase our vulnerability to adverse general economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to servicing and repaying our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and for other general corporate purposes;
- limit our flexibility in planning for or reacting to changes in our businesses and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- limit, along with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds; and
- increase the cost of additional financing.

In the future, we may from time to time incur substantial additional indebtedness and contingent liabilities.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We anticipate that our operating cash flow will be sufficient to meet our anticipated operating expenses and to service our debt obligations as they become due. However, we cannot assure you that we will be able to generate sufficient cash flow for these purposes. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing our indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

In addition, the terms of the indentures of the Existing Notes (the “**Existing Indentures**”) prohibit us from incurring additional indebtedness unless (i) we are able to satisfy certain financial ratios or (ii) we are able to incur such additional indebtedness pursuant to any of the exceptions to the financial ratio requirements, and meet any other applicable restrictions. Our ability to meet our financial ratios may be affected by events beyond our control. We cannot assure you that we will be able to meet these ratios. Certain of our financing arrangements also impose operating and financial restrictions on our business. Such restrictions in the Existing Indentures and our other financing arrangements may negatively affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund required capital expenditures, or withstand a continuing or future downturn in our business or the general economy. We might in certain circumstances be able to make distributions on the Perpetual Capital Instruments that we would not otherwise be entitled to under the covenants governing our bank facilities and senior notes. Any of these factors could materially and adversely affect our ability to satisfy our obligations under the Existing Notes and other debt.

***Our subsidiaries are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to us and our subsidiaries.***

As a holding company, we depend on the receipt of dividends and the interest and principal payments on intercompany loans or advances from our subsidiaries, including our PRC subsidiaries, to satisfy our obligations, including our obligations under the Bonds and the Existing Notes. The ability of our subsidiaries to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of our subsidiaries, applicable laws and restrictions contained in the debt instruments or agreements of such subsidiaries. Currently, some of the instruments governing debt for our PRC subsidiaries contain restrictions that require such PRC subsidiaries to obtain approval from lending banks or other financial institutions prior to distributing any dividends. In addition, the shares and assets, including dividends derived from these shares, of certain of our subsidiaries are pledged to secure some of our indebtedness. Furthermore, if any of our subsidiaries raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such equity securities would not be available to us to make payments on the Bonds. These restrictions could reduce the amounts that we receive from our subsidiaries, which would restrict our ability to meet our payment obligations under the Bonds and the obligations of the Subsidiary Guarantors under the Subsidiary Guarantees as the case may be.

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations and such profits differ from profits determined in accordance with HKFRS in certain significant respects, including the use of different bases of recognition of revenue and expenses. Our PRC subsidiaries are also required to set aside a portion of their after-tax profits according to PRC accounting standards and regulations to fund certain reserves that are not distributable as cash dividends. In practice, our PRC project companies may pay dividends when (i) they have completed the project development, or at least have completed a phase of the project or a stand-alone tower or building and its revenue is recognized and (ii) the required government tax clearance and foreign exchange procedures have been completed. In addition, starting from January 1, 2008, dividends for the year 2008 and onward paid by our PRC subsidiaries to their non-PRC parent companies will be subject to a 10% withholding tax, unless there is a tax treaty between

the PRC and the jurisdiction in which the overseas parent company is incorporated that specifically exempts or reduces such withholding tax. Pursuant to an avoidance of double taxation arrangement between Hong Kong and the PRC, if the non-PRC parent company is a Hong Kong resident and directly holds a 25% or more interest in the PRC enterprise, such PRC withholding tax rate may be lowered to 5%, although there exists uncertainty due to several PRC governmental circulars regarding whether and the extent to which Hong Kong holding companies may be eligible for the benefits under this arrangement. As a result of such restrictions, there could be limitations on payments from our PRC subsidiaries to meet payments required by the Bonds or to satisfy the obligations of the Subsidiary Guarantors under the Subsidiary Guarantees, and there could be restrictions on payments required to redeem the Bonds at maturity or as required for any early redemption.

Furthermore, although we currently do not have any offshore shareholder loan to our PRC subsidiaries, we may resort to such offshore lending in the future, rather than equity contribution, to our PRC subsidiaries to finance their operations. In such event, the market interest rates that our PRC subsidiaries can pay with respect to offshore loans generally may not exceed comparable interest rates in the international finance markets. The interest rates on shareholder loans paid by our subsidiaries, therefore, are likely to be lower than the interest rate for the Bonds, or any of the Existing Notes. Our PRC subsidiaries are also required to pay a 10% (or 7% if the interest is paid to a Hong Kong resident under certain circumstances) withholding tax on our behalf on the interest paid under any shareholder loan. Prior to payment of interest and principal on any such shareholder loan, the PRC subsidiaries (as foreign-invested enterprises in China) must present evidence of payment of the withholding tax on the interest payable on any such shareholder loan and evidence of registration with SAFE, as well as any other documents that SAFE or its local branch may require.

As a result of the foregoing, we cannot assure you that we will have sufficient cash flow from dividends or payments on intercompany loans or advances from our subsidiaries to satisfy our obligations under the Bonds, the Existing Notes or the obligations of the Subsidiary Guarantors under the Subsidiary Guarantees.

***Under PRC regulations, we may not be able to transfer to our PRC subsidiaries proceeds from this offering in the form of a loan, which could impair our ability to make timely payments of interest, or even principal, under the Bonds or the Existing Notes.***

According to the existing PRC rules and regulations relating to supervision of foreign debt, loans by foreign companies to their subsidiaries in China, such as our PRC subsidiaries established as foreign-invested enterprises in China, are considered foreign debt, and such loans must be registered with the relevant local branches of SAFE. Such rules and regulations also provide that the total outstanding amount of such foreign debt borrowed by any foreign-invested enterprise may not exceed the difference between its total investment and its registered capital, each as approved by the relevant PRC authorities. According to the Guide for Foreign Debt Registration Management 《外債登記管理操作指引》 promulgated in April 2013, for a foreign-invested real estate enterprise that was established prior to June 1, 2007, SAFE could process such enterprise's foreign debt registration in an amount not exceeding the difference between the total investment in such enterprise and its registered capital. However, it is uncertain how the SAFE and local authorities will interpret and implement this Guide. Foreign-invested enterprises include joint ventures and wholly foreign-owned enterprises established in China, such as most of our PRC subsidiaries. Therefore, the proceeds of this offering that will be used for land acquisitions and developments in China may only be transferred to our PRC subsidiaries as equity investments and not as loans. Without having the flexibility to transfer funds to our PRC subsidiaries as loans, we cannot assure you that the dividend payments from our PRC subsidiaries will be available on each interest payment date to pay the interest due and payable under the Bonds or the Existing Notes, or on the maturity date to pay the principal of the outstanding Bonds or the Existing Notes.

***We may not be able to repurchase the Bonds and the Existing Notes upon a change of control event.***

Under the terms and conditions of the Bonds, we will be required by the Bondholders to redeem the Bonds upon the occurrence of a change of control event. We must also offer to purchase the Existing Notes upon the occurrence of a change of control event, at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest.

The source of funds for any such purchase would be our available cash or third-party financing. However, we may not have sufficient available funds at the time of the occurrence of any change of control event to make purchases of the Bonds and the outstanding Existing Notes. Our failure to make the offer to purchase or to purchase the Bonds and the outstanding Existing Notes would constitute an event of default under the Bonds and the outstanding Existing Notes. The event of default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If our other debt were to be accelerated, we may not have sufficient funds to redeem the Bonds, the Existing Notes, and repay the debt. Moreover, the ability of the Collateral Agent, on behalf of the holders of the Bonds, to foreclose on the Collateral upon the occurrence of an Event of Default or otherwise will be subject to the terms of the Intercreditor Agreement and the Security Documents as well as in certain instances to perfection and priority status. See “— Risks Relating to the Subsidiary Guarantees and the Collateral.”

In addition, the definition of change of control event for purposes of the Trust Deed does not necessarily afford protection for the holders of the Bonds in the event of some highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations. These types of transactions could, however, increase our indebtedness or otherwise affect our capital structure or credit ratings. The definition of change of control event for purposes of the Trust Deed also includes a phrase relating to the sale of “all or substantially all: of our assets. Although there is a limited body of case law interpreting the phrase “substantially all”, there is no precise established definition under applicable law. Accordingly, our obligation to redeem the Bonds and the ability of a holder of the Bonds to require us to redeem its Bonds pursuant to the offer as a result of a highly leveraged transaction or a sale of less than all of our assets may be uncertain.

***The insolvency laws of the Cayman Islands, the British Virgin Islands, Hong Kong and other local insolvency laws may differ from U.S. bankruptcy law or those of another jurisdiction with which holders of the Bonds are familiar.***

Because we and some of the Subsidiary Guarantors are incorporated under the laws of the Cayman Islands, an insolvency proceeding relating to us or any such Subsidiary Guarantor, would likely involve Cayman Islands insolvency laws. In addition, our other Subsidiary Guarantors are incorporated or may be incorporated in the British Virgin Islands or Hong Kong and the insolvency laws of the British Virgin Islands and Hong Kong may also differ from the laws of the United Kingdom or other jurisdictions with which the holders of the Bonds are familiar.

We conduct substantially all of our business operations through PRC-incorporated subsidiaries in China. The Subsidiary Guarantors, as equity holders in our PRC subsidiaries, are necessarily subject to the bankruptcy and insolvency laws of China in a bankruptcy or insolvency proceeding involving any of such PRC subsidiaries. The PRC laws and regulations relating to bankruptcy and insolvency and the legal proceedings in that regard may differ significantly from those of the United Kingdom and other jurisdictions with which the holders of the Bonds are familiar. You should analyze the risks and uncertainties carefully before you invest in our Bonds.

***We may not be able to obtain and remit foreign exchange.***

Our ability to satisfy our obligations under the Bonds depends solely upon the ability of our PRC subsidiaries to obtain and remit sufficient foreign currency to pay dividends to us and, if applicable, to repay shareholder loans. Our PRC subsidiaries must present certain documents to the SAFE, its

authorized branch or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of China, including, in the case of dividends, evidence that the relevant PRC taxes have been paid and, in the case of shareholder loans, evidence of the registration of the loan with the SAFE. Prior to payment of interest and principal on any shareholder loan we make to our PRC subsidiaries, the relevant PRC subsidiary must also present evidence of payment of the 10% (or 7% if the interest is paid to a Hong Kong resident under certain circumstances) withholding tax on the interest payable in respect of such shareholder loan. If any PRC subsidiary for any reason fails to satisfy any of the PRC legal requirements for remitting foreign currency payments, the PRC subsidiary will be unable to pay us dividends or interest and principal on shareholder loans, which may affect our ability to satisfy our obligations under the Bonds or the Existing Notes.

The Bonds do not contain restrictive financial or operating covenants.

The terms and conditions of the Bonds contain covenants intended to benefit the interests of the Bondholders and that limit our ability to, among other things:

- incur encumbrances; and
- consolidate or merge with or into, or sell substantially all of our assets to, another person.

The terms and conditions of the Bonds, however, does not contain any significant covenants which restrict, among other things, our ability and the ability of our subsidiaries to incur or guarantee additional indebtedness, pay dividends or make distributions on our capital stock, make investments or enter into transactions with affiliates. As a result, we are able to incur a significant amount of indebtedness, make significant amounts of investments and provide significant amounts of guarantees to third parties under the terms and conditions of the Bonds, any of which may affect our ability to satisfy our obligations under the under the Bonds. For a more detailed description of the restrictions provided under the terms and conditions of the Bonds, see “Terms and Conditions of the Bonds”.

***Our operations are restricted by the terms of the Existing Notes, which could limit our ability to plan for or to react to market conditions or meet our capital needs, which could increase your credit risk.***

The Existing Indentures include a number of significant restrictive covenants. These covenants restrict, among other things, our ability, and the ability of our Restricted Subsidiaries, to:

- incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- declare dividends on capital stock or purchase or redeem capital stock;
- make investments or other specified payments;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness of Restricted Subsidiaries;
- sell assets;
- create liens;
- enter into sale and leaseback transactions;
- engage in any business other than permitted business;
- enter into agreements that restrict the Restricted Subsidiaries’ ability to pay dividends, transfer assets or make intercompany loans;

- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

These covenants could limit our ability to plan for or react to market conditions or to meet our capital needs. Our ability to comply with these covenants may be affected by events beyond our control, and we may have to curtail some of our operations and growth plans to maintain compliance.

***Holders of the Bonds are not entitled to rights with respect to the Shares, but are subject to changes made with respect to the Shares.***

Holders of the Bonds are not entitled to any rights with respect to the Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Shares) prior to the time such Bondholders convert the Bonds for Shares and are themselves registered as holders thereof. However, such Bondholders are subject to all changes affecting the Shares. For example, in the event that an amendment is proposed to the Company's articles requiring shareholder approval, and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the date of conversion of the Bonds for such Shares and (as applicable) the date of registration by the relevant Bondholder as the holder thereof, that Bondholder would not be entitled to vote on the amendment but would nevertheless be subject to any resulting changes in the powers, preferences or special rights that affect the Shares after conversion.

***Short selling of the Shares by purchasers of the Bonds could materially and adversely affect the market price of the Shares.***

The issuance of the Bonds may result in downward pressure on the market price of the Shares. Many investors in convertible bonds seek to hedge their exposure in the underlying equity securities, often through short selling the underlying equity securities or similar transactions. Any short selling or similar hedging activity could place significant downward pressure on the market price of the Shares, thereby having a material adverse effect on the market value of the Shares as well as on the trading price of the Bonds.

***Future issuances of Shares or equity-related securities may depress the trading price of the Shares.***

Any issuance of the Company's equity securities after this offering of the Bonds could dilute the interest of the existing shareholders and could substantially decrease the trading price of the Shares. The Company may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust its ratio of debt to equity, to satisfy its obligations upon the exercise of outstanding warrants, options or other convertible bonds or for other reasons. Sales of a substantial number of Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Shares, and impair the Company's ability to raise capital through the sale of additional equity securities. There is no restriction on the Company's ability to issue bonds or the ability of any of the Company's shareholders to dispose of, encumber or pledge the Shares, and there can be no assurance that the Company will not issue bonds or that the Company's shareholders will not dispose of, encumber or pledge the Shares. The Company cannot predict the effect that future sales of the Shares or other equity-related securities would have on the market price of the Shares. In addition, the price of the Shares could be affected by possible sales of the Shares by investors who view the Bonds as a more attractive means of obtaining equity participation in the Company and by hedging or engaging in arbitrage trading activity involving the Bonds.



***Bondholders will bear the risk of fluctuations in the price of the Shares.***

The market price of the Bonds at any time will be affected by fluctuations in the price of the Shares. The Shares are currently listed on the Hong Kong Stock Exchange. There can be no certainty as to the effect, if any, that future issues or sales of Shares, or the availability of Shares for future issue or sale, will have on the market price of the Shares prevailing from time to time and therefore on the price of the Bonds. Sales of substantial numbers of Shares in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Shares and the Bonds.

***The Company's results of operations, financial condition, future prospects and business strategy could also affect the value of the Shares.***

The trading price of the Shares will be influenced by the Company's operational results (which in turn are subject to the various risks to which its businesses and operations are subject) and by other factors such as changes in the regulatory environment that may affect the markets in which the Company operates and capital markets in general. Corporate events such as share sales, reorganizations, takeovers or share buy-backs may also adversely affect the value of the Shares. Any decline in the price of the Shares would adversely affect the market price of the Bonds.

***Conversion of the Bonds would dilute the ownership interest of existing shareholders and could also adversely affect the market price of the Shares.***

The conversion of some or all of the Bonds would dilute the ownership interests of existing shareholders. Any sales in the public market of the Shares issuable upon such conversion could adversely affect prevailing market prices for the Shares. In addition, the conversion of the Bonds might encourage short selling of the Shares by market participants.

***Holders have limited anti-dilution protection.***

The Conversion Price (as defined in the Conditions) will be adjusted on the occurrence of certain events, including a consolidation, subdivision or reclassification of Shares, capitalization of profits or reserves, capital distributions, rights issue of Shares or options over Shares or other events as specified in Condition 6 (*Conversion*) (see "*Terms and Conditions of the Bonds.*") There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the value of the Shares and, therefore, adversely affect the value of the Bonds.

***A trading market for the Bonds may not develop, and there are restrictions on resale of the Bonds.***

The Bonds are a new issue of securities for which there is currently no trading market. Although approval in-principle has been received from the SGX-ST for the listing and quotation of the Bonds on the SGX-ST, we cannot assure you that we will obtain or be able to maintain a listing on the SGX-ST, or that if listed, a liquid trading market will develop. We have been advised that the Managers intend to make a market in the Bonds, but the Managers are not obligated to do so and may discontinue such market making activity at any time without notice. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, you will only be able to resell your Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. See "Subscription and Sale — Selling Restrictions." We cannot predict whether an active trading market for the Bonds will develop or be sustained. If an active trading market does not develop or does not continue, the market price and liquidity of the Bonds could be adversely affected.

***The Bonds contain provisions regarding modification and, waivers, which could affect the rights of Bondholders.***

The Trust Deed contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of Bonds, including holders of Bonds who did not attend and vote at the relevant meeting and holders of Bonds who voted in a manner contrary to the majority. In addition, the Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding or by way of electronic consents through the Clearing Systems (in a form satisfactory to the Trustee) by or on behalf of holders of not less than 90 per cent. of the aggregate principal amount of the Bonds for the time being outstanding) shall be as valid and effective as duly passed Extraordinary Resolution of the Bondholders. The Conditions also provide that the Trustee may agree, without the consent of the Bondholders, to (i) any modification (except for certain reserved matters as set out in Condition 14(A) (*Meetings*)) to, or the waiver or authorization of any breach or proposed breach of, the Bonds, the Agency Agreement, the Intercreditor Agreement, the Security Documents or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds, the Agency Agreement, the Intercreditor Agreement, the Security Documents or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, authorization or waiver shall be binding on the holders of Bonds.

***The Issuer may not have the ability to redeem the Bonds.***

Bondholders may require the Issuer, subject to certain conditions, to redeem for cash all or some of their Bonds upon a transaction or event constituting a change of control or delisting or suspension of trading as described in Terms and Conditions of Bonds. The Issuer may not have sufficient funds or other financial resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Issuer's ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Issuer would constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness it holds.

***The Bonds will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant Clearing System to exercise any rights and remedies.***

The Bonds will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the global certificate, will trade in book-entry form only, and the Bonds in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of the Bonds. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the Bonds will be made to the paying agent which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to accounts of participants that hold book-entry interests in the global certificate representing the Bonds and credited by such participants to indirect participants. After payment to the common depository for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the beneficial owners of book-entry interests. Accordingly, if you beneficially own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you beneficially own your interest, to exercise any rights and obligations of a holder of the Bonds under the Trust Deed. Unlike the holders of the Bonds themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Bonds. Instead, if you beneficially own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on

a timely basis. Similarly, upon the occurrence of an event of default under the Trust Deed, unless and until definitive registered notes are issued in respect of all book-entry interests, as a beneficial owner of a book-entry interest, you will be restricted to acting through Euroclear and Clearstream and their respective direct and indirect participants. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Bonds.

***Our corporate ratings may be lowered or withdrawn in the future.***

We have 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. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We cannot assure you that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant, including as a result of the increase in our level of indebtedness. We have no obligation to inform holders of the Bonds of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to us, or the Existing Notes, as the case may be, may adversely affect the market price of the Bonds.

***Several initial investors may own a majority of one or more series of the Bonds to be issued and may therefore be able to exercise certain rights and powers on behalf of all holders of such series of Bonds. Additionally, this may reduce the liquidity of such series of Bonds in the secondary trading market.***

Several initial investors may own a majority of one or more series of the Bonds being offered under this offering circular. Any holder of a majority in aggregate principal amount of any series of Bonds will have certain rights and powers under the Trust Deed and related documents, including power to convene meetings of Bondholders to consider any matter affecting their interests. For example, subject to certain exceptions, the holders of a majority in aggregate principal amount of a series of Bonds may modify the Bonds or provisions of the Trust Deed. Accordingly, any holder that holds a majority in aggregate principal amount of an outstanding series of Bonds will be able to exercise such rights and powers on behalf of all holders of such series of Bonds and control the outcome of votes on such matters.

In addition, any holder that holds a significant percentage of a series of Bonds, even if less than a majority, will be able to exercise certain rights and powers and will have significant influence on matters voted on by holders of such series of Bonds. For example, holders of at least 25% in aggregate principal amount of each series of Bonds may declare all of such series of Bonds to be immediately due and payable if certain types of events of default have occurred and are continuing.

Additionally, the existence of any such significant holder may reduce the liquidity of the relevant series of Bonds in the secondary trading market. If such holder sells a material portion of any series of the Bonds at any one time, it may materially and adversely affect the trading price of the Bonds.

***The liquidity and price of the Bonds following their issuance may be volatile.***

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in our revenues, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to our industry and general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. We cannot assure you that these developments will not occur in the future.

***There may be less publicly available information about us than is available in certain other jurisdictions.***

There may be less publicly available information about companies listed in Hong Kong than is regularly made available by public companies in certain other countries. In addition, the financial information in this offering circular has been prepared in accordance with HKFRS, which may differ in material respects from other GAAPs, which may in turn be material to the financial information contained in this offering circular. We have not prepared a reconciliation of our consolidated financial information and our consolidated financial statements and related footnotes between HKFRS and other GAAPs. In making an investment decision, you must rely upon your own examination of us, the terms of the offering and our financial information. You should consult your own professional advisors for an understanding of the differences between HKFRS and any other GAAPs and how those differences might affect the financial information contained in this offering circular.

***We will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, and such standards may be different from those applicable to debt securities listed in certain other countries.***

We will be subject to continuing listing obligations in respect of the Bonds listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions such as the United States or Hong Kong. As a result, the level of information that is available may not correspond to what holders of the Bond are accustomed to.

#### **Risks Relating to the Subsidiary Guarantees and the Collateral**

***Our initial Subsidiary Guarantors do not currently have significant operations***

We conduct substantially all of our business operations through our PRC subsidiaries, but none of our current PRC subsidiaries and their direct PRC or non-PRC subsidiaries and minority-owned companies will provide a Subsidiary Guarantee either upon issuance of the Bonds or at any time thereafter. No future subsidiaries that are organized under the laws of PRC or their future PRC or non-PRC subsidiaries and minority-owned companies will provide a Subsidiary Guarantee at any time in the future. As a result, the Bonds will be effectively subordinated to all the debt and other obligations, including contingent obligations and trade payables, of the PRC subsidiaries and such subsidiaries and companies. Moreover, the Collateral will not include the capital stock of our existing or future Non-Guarantor Subsidiaries, including our PRC subsidiaries.

The initial Subsidiary Guarantors that will guarantee the Bonds do not have significant operations. In addition, the Subsidiary Guarantors also guarantee our obligations under the Existing Notes and certain of our bank loans. We cannot assure you that the initial Subsidiary Guarantors or any subsidiaries that may become Subsidiary Guarantors in the future will have the funds necessary to satisfy our financial obligations under the Bonds and the Existing Notes if we are unable to do so. See “— Risks Relating to the Bonds and the Shares — We are a holding company and payments with respect to the Bonds are structurally subordinated to liabilities, contingent liabilities and obligations of our subsidiaries.”

***Subsidiary Guarantees may be released under certain circumstances.***

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including but not limited to when such Subsidiary Guarantor no longer guarantees any Existing Pari Passu Secured Indebtedness and any Permitted Pari Passu Secured Indebtedness.

***The Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees.***

Under bankruptcy laws, fraudulent transfer laws, insolvency or unfair preference or similar laws in the Cayman Islands, the British Virgin Islands, Hong Kong and other jurisdictions where future Subsidiary Guarantors may be established, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by, or when it gives, its guarantee:

- incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given;
- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee;
- was insolvent or rendered insolvent by reason of the incurrence of such guarantee;
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The measure of insolvency for purposes of the foregoing will vary depending on the laws of the applicable jurisdiction. Generally, however, a guarantor would be considered insolvent at a particular time if it were unable to pay its debts as they fell due or if the sum of its debts was then greater than all of its properties at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities in respect of its existing debts as they became absolute and matured.

In addition, a guarantee may be subject to review under applicable insolvency or fraudulent transfer laws in certain jurisdictions or subject to a lawsuit by or on behalf of creditors of the guarantor. In such case, the analysis set forth above would generally apply, except that the guarantee could also be subject to the claim that, since the guarantee was not incurred for the benefit of the guarantor, the obligations of the guarantor thereunder were incurred for less than reasonably equivalent value or fair consideration.

In an attempt to limit the applicability of insolvency and fraudulent transfer laws in certain jurisdictions, the obligations of the Subsidiary Guarantors under the Subsidiary Guarantees will be limited to the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the guarantee, as it relates to such Subsidiary Guarantor, voidable under such applicable insolvency or fraudulent transfer laws. If a court voids a Subsidiary Guarantee, subordinates such guarantee to other indebtedness of the Subsidiary Guarantor, or holds the Subsidiary Guarantee unenforceable for any other reason, holders of the Bonds would cease to have a claim against that Subsidiary Guarantor based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables) of such Subsidiary Guarantor, and would solely be creditors of us and any Subsidiary Guarantors whose guarantees have not been voided or held unenforceable. We cannot assure you that, in such an event, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the Bonds.

***The pledge of certain Collateral may in some circumstances be voidable.***

The pledge of the Collateral may be voidable as a preference under insolvency or fraudulent transfer or similar laws of Hong Kong, the Cayman Islands, the British Virgin Islands and other jurisdictions at any time within six months of the perfection of the pledge or, under some circumstances, within a longer period. Pledges of shares or capital stock of future Subsidiary Guarantors may also be voidable as a preference under relevant insolvency or fraudulent transfer or similar laws. In addition, the pledge of certain Collateral may be voided based on the analysis set forth under the risk factor entitled “- The Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Subsidiary Guarantees” above.

If the pledges of the Collateral were to be voided for any reason, holders of the Bonds would have only an unsecured claim against us and the Subsidiary Guarantor Pledgors.

***The value of the Collateral will likely not be sufficient to satisfy our obligations under the Bonds and other pari passu secured indebtedness.***

The Collateral will consist only of the shares or capital stock of the Subsidiary Guarantors. The security interest in respect of certain Collateral may be released upon the disposition of such Collateral and any proceeds from such disposition may be applied, prior to repaying any amounts due under the Bonds, to repay other debt or to make investments in properties and assets that will not be pledged as additional Collateral.

The ability of the Collateral Agent, on behalf of the holders of the Bonds, to foreclose on the Collateral upon the occurrence of an event of default or otherwise will be subject to the terms of the Intercreditor Agreement and the Security Documents as well as in certain instances to perfection and priority status. Although procedures will be undertaken to support the validity and enforceability of the security interests, we cannot assure you that the Collateral Agent or holders of the Bonds will be able to enforce the security interest. In addition, although the Trustee may instruct the Collateral Agent to foreclose the Collateral upon the occurrence of an event of default that is continuing, such instruction may be overruled by a contrary instruction to the Collateral Agent from holders of more than 50% of the indebtedness that is subject to the Intercreditor Agreement.

The value of the Collateral in the event of a liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. No independent appraisals of any of the Collateral have been prepared by or on behalf of us in connection with this offering of the Bonds. Accordingly, we cannot assure you that the proceeds of any sale of the Collateral following an acceleration of the Bonds would be sufficient to satisfy, or would not be substantially less than, amounts due and payable on the Bonds. By its nature, the Collateral, which consists solely of the shares or capital stock of any existing or future Subsidiary Guarantor, is likely to be illiquid and is unlikely to have a readily ascertainable market value. Likewise, we cannot assure you that the Collateral will be saleable or, if saleable, that there will not be substantial delays in its liquidation.

Subject to the Intercreditor Agreement, the Collateral will be shared on a *pari passu* basis by the holders of the Bonds and the holders of the Existing Notes and may be shared on a *pari passu* basis with holders of other indebtedness ranking *pari passu* with the Bonds and the holders of future *pari passu* secured debt that we may issue in the future. Accordingly, in the event of a default on the Bonds or the Existing Notes, or the other secured indebtedness and a foreclosure on the Collateral, any foreclosure proceeds would be shared by the holders of secured indebtedness in proportion to the outstanding amounts of each class of such secured indebtedness. The value of the Collateral securing the Bonds and the Existing Notes and the Subsidiary Guarantees is unlikely to be sufficient to satisfy the obligations under the Bonds and the Existing Notes, and the Collateral securing the Bonds and the Existing Notes and such Subsidiary Guarantees may be reduced or diluted under certain circumstances,



including the issuance of additional Bonds, or other *pari passu* indebtedness and the disposition of assets comprising the Collateral, subject to the terms of the Trust Deed and each of the indentures governing the Existing Notes.

***The Intercreditor Agreement may impact our ability and the ability of the Subsidiary Guarantors to pay amounts due under the Bonds and the Subsidiary Guarantees and the Intercreditor Agreement may limit the rights of holders of the Bonds to the Collateral.***

The Collateral Agent is required to take action to enforce the Collateral in accordance with the instructions of holders of the Bonds given under and in accordance with the Intercreditor Agreement. Any enforcement action taken by the Collateral Agent will adversely affect our entitlement to receive distributions from the Collateral, which will, in turn, have an adverse impact on our ability to fulfill our payment obligations under the Bonds. Further, the Subsidiary Guarantors' ability to pay under the Subsidiary Guarantees will be adversely affected. The ability of holders of the Bonds to enforce the Collateral is restricted under the Intercreditor Agreement, as only the Collateral Agent is permitted to take enforcement actions. If an event of default occurs under the Bonds, the holders of the Existing Notes, the holders of the Bonds and creditors of other Permitted *Pari Passu* Secured Indebtedness must decide whether to take any enforcement action and thereafter, through their respective trustee or agent, may instruct the Collateral Agent to take such enforcement action. By virtue of the instructions given to the Collateral Agent described above, actions may be taken in respect of the Collateral that may be adverse to holders of the Bonds. In such event, the only remedy available to holders of the Bonds would be to sue for payment under the Bonds and the Subsidiary Guarantees.

The Collateral Agent, acting in its capacity as such, shall have such duties with respect to the Collateral pledged, assigned or granted pursuant to the Intercreditor Agreement and the Security Documents as are set forth in the Intercreditor Agreement and as trustee and agent in respect of the Existing Notes. Under certain circumstances, the Collateral Agent may have obligations under the Security Documents or the Intercreditor Agreement and the underlying indentures that are in conflict with the interests of the holders of the Bonds and the holders of the Existing Notes. The Collateral Agent will not be under any obligation to exercise any rights or powers conferred under the Intercreditor Agreement or any of the Security Documents for the benefit of the holders of the Bonds or the Existing Notes, unless such holders have offered to the Collateral Agent indemnity and/or security satisfactory to the Collateral Agent against any loss, liability, cost or expense.

## **USE OF PROCEEDS**

We estimate that the net proceeds from this offering, after deducting the underwriting discounts and commissions and other estimated expenses payable in connection with this offering, will be approximately HK\$17.7 billion (US\$2.2 billion). We intend to use the net proceeds to refinance our existing indebtedness and for general corporate purposes.

## EXCHANGE RATE INFORMATION

### China

PBOC publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. From 1994 to July 20, 2005, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, was based on rates set daily by PBOC on the basis of the previous day's inter-bank foreign exchange market rates and then current exchange rates in the world financial markets. During this period, the official exchange rate for the conversion of Renminbi to U.S. dollars remained generally stable. Although the PRC government introduced policies in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currencies for current account items, conversion of Renminbi into foreign currencies for capital items, such as foreign direct investment, loan principals and securities trading, still requires the approval of SAFE and other relevant authorities. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately 2% against the U.S. dollar. On May 18, 2007, PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on May 21, 2007. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by PBOC. The floating band was widened to 1.0% on April 16, 2012 and further to 2.0% on March 17, 2014. Effective since August 11, 2015, market makers are required to quote their central parity rates for Renminbi against the U.S. dollar to the China Foreign Exchange Trade System daily before the market opens by reference to the closing rate of the PRC inter-bank foreign exchange market on the previous trading day in conjunction with the demand and supply conditions in the foreign exchange markets and exchange rate movements of major currencies. The PBOC has further authorized the China Foreign Exchange Trade System to announce its central parity rate for Renminbi against the U.S. dollar through a weighted averaging of the quotes from the market makers after removing the highest quote and the lowest quote.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Renminbi as set forth in the H.10 statistical release of the Federal Reserve Bank of New York for the periods indicated:

Period	Noon buying rate			Period end
	Low	Average <sup>(1)</sup>	High	
	(RMB per US\$1.00)			
2013 .....	6.0537	6.1418	6.2438	6.0537
2014 .....	6.0402	6.1620	6.2591	6.2046
2015 .....	6.1870	6.2824	6.4896	6.4778
2016 .....	6.9430	6.6400	6.9580	6.4480
2017 .....	6.4773	6.7360	6.9575	6.5063
August .....	6.5888	6.6670	6.7272	6.5888
September .....	6.4773	6.5690	6.6591	6.6533
October .....	6.5712	6.6254	6.6533	6.6328
November .....	6.6018	6.6200	6.6385	6.6090
December .....	6.5063	6.5932	6.6210	6.5063
2018 .....				
January .....	6.2841	6.4233	6.5263	6.2841

Source: Federal Reserve H.10 Statistical Release

Note:

- (1) For yearly date, determined by averaging the daily rates during the relevant year. For monthly data, determined by averaging the daily rates during the relevant month.

## Hong Kong

The H.K. dollar is freely convertible into the U.S. dollar. Since 1983, the H.K. dollar has been linked to the U.S. dollar at the rate of HK\$7.80 to US\$1.00. The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the "**Basic Law**"), which came into effect on July 1, 1997, provides that no foreign exchange control policies shall be applied in Hong Kong.

The market exchange rate of the Hong Kong dollar against the U.S. dollar continues to be determined by the forces of supply and demand in the foreign exchange market. However, against the background of the fixed rate system which applies to the issuance and withdrawal of Hong Kong currency in circulation, the market exchange rate has not deviated significantly from the level of HK\$7.80 to US\$1.00. In May 2005, the Hong Kong Monetary Authority broadened the 22-year-old trading band from the original rate of HK\$7.80 per U.S. dollar to a rate range of HK\$7.75 to HK\$7.85 per U.S. dollar. The Hong Kong government has indicated its intention to maintain the link within that rate range. Under the Basic Law, the Hong Kong dollar will continue to circulate and remain freely convertible. However, no assurance can be given that the Hong Kong government will maintain the link at HK\$7.80 to US\$1.00 or at all.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfers in H.K. dollars set forth in the H.10 statistical release of the Federal Reserve Bank of New York for the periods indicated:

Period	Noon buying rate			
	Low	Average <sup>(1)</sup>	High	Period end
	(HK\$ per US\$1.00)			
2013 .....	7.7503	7.7565	7.7654	7.7539
2014 .....	7.7495	7.7554	7.7669	7.7531
2015 .....	7.7495	7.7524	7.7686	7.7507
2016 .....	7.7534	7.7620	7.8270	7.7505
2017 .....	7.7540	7.7949	7.8267	7.8128
August .....	7.8121	7.8217	7.8267	7.8267
September .....	7.7995	7.8127	7.8256	7.8110
October .....	7.7996	7.8053	7.8106	7.8015
November .....	7.7955	7.8052	7.8118	7.8093
December .....	7.8050	7.8128	7.8228	7.8128
2018 .....				
January .....	7.8161	7.8190	7.8230	7.8210

Source: Federal Reserve H.10 Statistical Release

Note:

- (1) For yearly data, determined by averaging the daily rates during the relevant year. For monthly data, determined by averaging the daily rates during the relevant month.

## CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated cash, short-term borrowings, long-term borrowings, equity and capitalization as of June 30, 2017:

- on an actual basis; and
- on an adjusted basis after giving effect to the issue of the Bonds in this offering with an aggregate principle amount of HK\$18.0 billion (US\$2.3 billion) without taking into account and before deducting the underwriting discounts and commissions and other estimated expenses of this offering payable by us. No HKFRS accounting treatment of the proceeds of this offering has been considered and the presentation may be different had HKFRS been followed.

Since June 30, 2017, we have incurred additional debt in the ordinary course of business to finance our operations and also for refinancing purposes. Subsequent to June 30, 2017 and up to December 22, 2017, we incurred additional material borrowings (net of repayments) in the aggregate amount of not less than RMB50.0 billion (US\$7.4 billion).

The as-adjusted information below is illustrative only and does not take into account any changes in our cash, short-term borrowings, long-term borrowings, equity and capitalization after June 30, 2017.

	As of June 30, 2017			
	Actual		As adjusted for this offering <sup>(1)</sup>	
	RMB	USD	RMB	USD
	(in millions)			
<b>Cash:</b>				
Restricted cash . . . . .	105,530	15,567	105,530	15,567
Cash and cash equivalents . . . . .	164,404	24,251	180,037	26,557
Total cash . . . . .	<u>269,934</u>	<u>39,818</u>	<u>285,567</u>	<u>42,124</u>
<b>Short-term borrowings<sup>(2)</sup>:</b>				
Bank borrowings . . . . .	96,014	14,163	96,014	14,163
Other borrowings . . . . .	57,678	8,508	57,678	8,508
Current portion of non-current borrowings . . . . .	<u>138,610</u>	<u>20,446</u>	<u>138,610</u>	<u>20,446</u>
Total short-term borrowings . . . . .	<u>292,302</u>	<u>43,117</u>	<u>292,302</u>	<u>43,117</u>
<b>Long-term borrowings<sup>(2)</sup>:</b>				
Bank borrowings . . . . .	202,388	29,854	202,388	29,854
Other borrowings . . . . .	199,366	29,408	199,366	29,408
PRC corporate bonds . . . . .	53,817	7,938	53,817	7,938
Senior notes:				
2018 Notes <sup>(5)</sup> . . . . .	2,881	425	2,881	425
2019 Notes <sup>(5)</sup> . . . . .	728	107	728	107
2020 Notes <sup>(5)</sup> . . . . .	873	129	873	129
2021 Notes . . . . .	3,953	583	3,953	583
2023 Notes . . . . .	8,826	1,302	8,826	1,302
2025 Notes . . . . .	30,196	4,454	30,196	4,454
New 2020 Notes . . . . .	3,356	495	3,356	495
2022 Notes . . . . .	6,711	990	6,711	990
2024 Notes . . . . .	6,707	989	6,707	989
Total Senior notes . . . . .	64,231	9,475	64,231	9,475
Less: current portion of non-current borrowings . . . . .	(138,610)	(20,446)	(138,610)	(20,446)
Bonds to be issued <sup>(3)</sup> . . . . .	—	—	15,633	2,306
Total long-term borrowings . . . . .	<u>381,192</u>	<u>56,229</u>	<u>396,825</u>	<u>58,535</u>
<b>Total borrowings</b> . . . . .	<u>673,494</u>	<u>99,346</u>	<u>689,127</u>	<u>101,652</u>
<b>Equity:</b>				
Non-controlling interests . . . . .	67,112	9,900	67,112	9,900
Equity attributable to shareholders of the Company . . . . .	<u>101,059</u>	<u>14,907</u>	<u>101,059</u>	<u>14,907</u>
<b>Total equity</b> . . . . .	<u>168,171</u>	<u>24,807</u>	<u>168,171</u>	<u>24,807</u>
<b>Total capitalization<sup>(4)</sup></b> . . . . .	<u>549,363</u>	<u>81,036</u>	<u>564,996</u>	<u>83,342</u>

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*Notes:*

- (1) The as-adjusted data shown above does not take into account the application of the proceeds from this offering to repay existing indebtedness.
- (2) Subsequent to June 30, 2017 and up to December 22, 2017, we incurred additional material borrowings (net of repayments) in the aggregate amount of not less than RMB50 billion (US\$7.4 billion).
- (3) The aggregate principal amount of the Bonds, without taking into account and before deducting the underwriting discounts and commissions and other estimated expenses of this offering payable by us, is HK\$18 billion (US\$2.3 billion) and has been translated at the rate of HK\$7.8055 to US\$1.00 and RMB6.7793 to US\$1.00 as of June 30, 2017. No HKFRS accounting treatment of the proceeds of this offering has been considered and the presentation may be different had HKFRS been followed.
- (4) Total capitalization is calculated as total long term borrowings plus total equity
- (5) We redeemed the 2018 Notes, 2019 Notes and 2020 Notes in full on August 5, 2017.

Except as otherwise disclosed in this offering circular, there has been no material adverse change in our borrowings since June 30, 2017.

This offering is conditional upon completion of the Exchange Offer substantially simultaneously with the settlement of this offering. The Company's obligation to consummate the Exchange Offer is subject to the satisfaction of certain conditions.



## **SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA**

The following tables present our selected financial and other data. The selected consolidated financial data as of and for each of the fiscal years ended December 31, 2014, 2015 and 2016 (except for EBITDA data) are derived from our audited consolidated financial statements for the years ended December 31, 2014, 2015 and 2016. The selected consolidated financial data as of and for the six months ended June 30, 2016 and 2017 (except for EBITDA data) is derived from our unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2017. The selected financial data below should be read in conjunction with our financial statements, including notes thereto, which are not included in the offering circular. The unaudited interim consolidated financial statements as of and for the six months ended June 30, 2017 should not be taken as an indication of the expected business, financial condition and results of operations for the full year ending December 31, 2017. The Company's financial results for any past period are not and should not be taken as an indication of the Company's performance, financial position and results in future years.

Our financial information has been prepared and presented in accordance with HKFRS, which differs in certain material respects from GAAP in other jurisdictions.

## Selected Consolidated Statement of Comprehensive Income and Other Financial Data

	Year ended December 31,				Six months ended June 30,		
	2014	2015	2016		2016	2017	
	(RMB)	(RMB)	(RMB)	(US\$)	(RMB)	(RMB)	(US\$)
			(unaudited)		(unaudited)	(unaudited)	
			(in millions, except for percentages)				
Revenue . . . . .	111,398	133,130	211,444	31,190	87,498	187,981	27,729
Cost of sales . . . . .	(79,614)	(95,717)	(152,022)	(22,424)	(62,728)	(120,677)	(17,801)
<b>Gross profit . . . . .</b>	<b>31,784</b>	<b>37,413</b>	<b>59,422</b>	<b>8,766</b>	<b>24,770</b>	<b>67,304</b>	<b>9,928</b>
Fair value gains on investment properties . . . . .	9,393	12,859	5,124	756	3,283	6,001	885
Other gains . . . . .	534	323	6,986	1,030	—	(7,023)	(1,036)
Other income . . . . .	1,431	2,262	4,937	728	1,875	2,520	372
Selling and marketing costs . . . . .	(9,154)	(13,325)	(15,983)	(2,358)	(8,029)	(7,824)	(1,154)
Administrative expenses . . . . .	(4,038)	(6,139)	(9,598)	(1,416)	(3,664)	(5,430)	(801)
Other operating expenses . . . . .	(1,397)	(1,077)	(2,663)	(393)	(1,620)	(2,051)	(303)
<b>Operating profit . . . . .</b>	<b>28,553</b>	<b>32,316</b>	<b>48,225</b>	<b>7,113</b>	<b>16,615</b>	<b>53,497</b>	<b>7,891</b>
Gain on financial assets at fair value through profit or loss . . . . .	3,757	2,515	141	21	(425)	(266)	(39)
Finance costs . . . . .	(1,015)	(2,994)	(11,301)	(1,667)	(1,782)	(5,151)	(760)
Share of (loss)/profit of investments accounted for using the equity method . . . . .	(104)	(392)	(203)	(30)	(71)	263	39
<b>Profit before income tax . . . . .</b>	<b>31,191</b>	<b>31,445</b>	<b>36,862</b>	<b>5,437</b>	<b>14,337</b>	<b>48,343</b>	<b>7,131</b>
Income tax expenses . . . . .	(13,175)	(14,105)	(19,245)	(2,839)	(7,210)	(25,216)	(3,720)
<b>Profit for the year/period . . . . .</b>	<b>18,016</b>	<b>17,340</b>	<b>17,617</b>	<b>2,598</b>	<b>7,127</b>	<b>23,127</b>	<b>3,411</b>
<b>Other comprehensive income</b>							
Change in value of available-for-sale financial assets . . . . .	157	30	(3,039)	(448)	468	2,435	359
Share of other comprehensive income of investments accounted for using the equity method . . . . .	—	—	(2,688)	(397)	(197)	2,017	298
Currency translation differences . . . . .	—	—	835	123	175	(241)	(36)
<b>Total comprehensive income for the year/period . . . . .</b>	<b>18,173</b>	<b>17,370</b>	<b>12,725</b>	<b>1,876</b>	<b>7,573</b>	<b>27,338</b>	<b>4,032</b>
<b>Profit attributable to:</b>							
Shareholders of							
the Company . . . . .	12,604	10,460	5,091	751	2,017	18,834	2,778
Holders of perpetual capital instruments . . . . .	4,339	5,088	10,646	1,570	4,220	—	—
Non-controlling interests . . . . .	1,073	1,792	1,880	277	890	4,293	633
	18,016	17,340	17,617	2,598	7,127	23,127	3,411
<b>Total comprehensive income attributable to:</b>							
Shareholders of							
the Company . . . . .	12,761	10,490	199	29	2,463	22,028	3,249
Holders of perpetual capital instruments . . . . .	4,339	5,088	10,646	1,570	4,220	—	—
Non-controlling interests . . . . .	1,073	1,792	1,880	277	890	5,310	783
	18,173	17,370	12,725	1,876	7,573	27,338	4,032
Dividends . . . . .	6,273	5,262	—	—	—	—	—
<b>Other Financial Data</b>							
EBITDA <sup>(1)</sup> . . . . .	28,342	25,083	55,738	8,222	17,711	55,484	8,183
EBITDA margin <sup>(2)</sup> . . . . .	25.4%	18.8%	26.4%	26.4%	20.2%	29.5%	29.5%

Notes:

- (1) EBITDA for any period consists of profit from operating activities before fair value gains on investment properties, interest income from non-current receivables, exchange gains/(losses) plus income tax expenses, depreciation, share option amortization, amortization of intangible assets and land use rights and interest expense. EBITDA is not a standard measure under HKFRS. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors

should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition. Investors should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Existing Indentures. Interest expense excludes amounts capitalized.

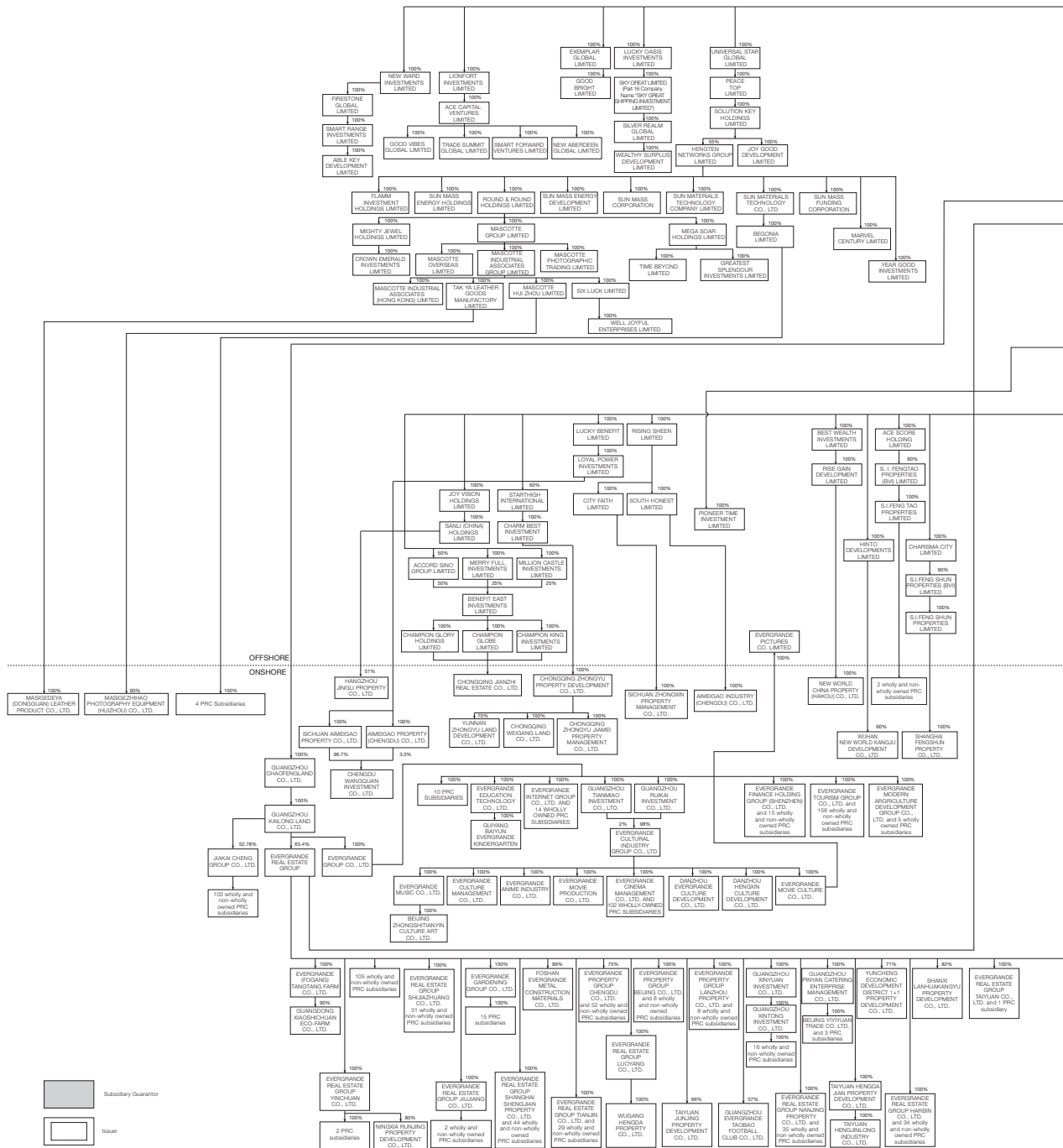
- (2) EBITDA margin is calculated by dividing EBITDA by revenue.

## Selected Consolidated Balance Sheet Data

	As of December 31,				As of June 30,	
	2014	2015	2016		2017	
	(RMB)	(RMB)	(RMB)	(US\$) (unaudited) (in millions)	(RMB) (unaudited)	(US\$) (unaudited)
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment . . . .	15,504	16,720	20,883	3,073	24,234	3,575
Land use rights . . . . .	3,388	3,625	5,401	797	5,530	816
Investment properties . . . . .	61,857	97,146	132,045	19,478	143,440	21,159
Properties under development . . . .	355	248	—	—	—	—
Trade and other receivables . . . . .	5,222	10,730	9,342	1,378	6,210	916
Prepayments . . . . .	—	1,038	2,754	406	2,179	321
Intangible assets . . . . .	368	372	241	36	239	35
Investment accounted for using the equity method . . . . .	1,062	8,580	24,374	3,595	26,647	3,931
Available-for-sale financial assets . .	123	2,595	36,805	5,429	3,754	554
Deferred income tax assets . . . . .	2,447	2,752	4,036	595	2,903	428
Goodwill . . . . .	486	885	1,402	207	1,402	207
<b>Total non-current assets . . . . .</b>	<b>90,812</b>	<b>144,691</b>	<b>237,233</b>	<b>34,994</b>	<b>216,538</b>	<b>31,942</b>
<b>Current assets</b>						
Available-for-sale financial assets . .	—	—	—	—	3,520	519
Inventories . . . . .	578	1,311	230	34	131	19
Properties under development . . . .	210,793	329,610	577,851	85,238	699,063	103,117
Completed properties held for sale . .	35,682	54,118	80,776	11,915	98,362	14,509
Trade and other receivables . . . . .	16,028	21,708	76,434	11,275	101,587	14,985
Prepayments . . . . .	47,868	37,137	62,747	9,256	91,856	13,549
Income tax recoverable . . . . .	2,253	4,131	7,665	1,131	8,673	1,279
Financial assets at fair value through profit or loss . . . . .	10,950	307	3,603	531	3,311	488
Restricted cash . . . . .	29,651	60,932	105,909	15,622	105,530	15,567
Cash and cash equivalents . . . . .	29,847	103,090	198,420	29,269	164,404	24,251
<b>Total Current Assets . . . . .</b>	<b>383,650</b>	<b>612,344</b>	<b>1,113,635</b>	<b>164,271</b>	<b>1,276,437</b>	<b>188,283</b>
<b>Total assets . . . . .</b>	<b>474,462</b>	<b>757,035</b>	<b>1,350,868</b>	<b>199,265</b>	<b>1,492,975</b>	<b>220,225</b>
<b>EQUITY</b>						
<b>Capital and reserves attributable to shareholders of the Company</b>						
Share capital and premium . . . . .	1,021	971	1,006	148	1,028	152
Reserves . . . . .	5,849	7,637	4,739	699	49,164	7,252
Retained earnings . . . . .	44,250	42,398	38,495	5,678	50,867	7,503
	51,120	51,006	44,240	6,525	101,059	14,907
<b>Perpetual capital instruments . . . .</b>	<b>52,852</b>	<b>75,737</b>	<b>112,944</b>	<b>16,660</b>	<b>—</b>	<b>—</b>
<b>Non-controlling interests . . . . .</b>	<b>8,406</b>	<b>15,399</b>	<b>35,348</b>	<b>5,214</b>	<b>67,112</b>	<b>9,900</b>
<b>Total equity . . . . .</b>	<b>112,378</b>	<b>142,142</b>	<b>192,532</b>	<b>28,399</b>	<b>168,171</b>	<b>24,807</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Borrowings . . . . .	76,401	138,162	332,164	48,997	381,192	56,229
Financial derivative liabilities . . . .	—	—	—	—	1,080	159
Other payables . . . . .	7,175	2,481	54,354	8,020	12,014	1,772
Deferred income tax liabilities . . . .	10,271	17,569	38,424	5,668	44,812	6,610
<b>Total non-current liabilities . . . .</b>	<b>93,847</b>	<b>158,212</b>	<b>424,942</b>	<b>62,685</b>	<b>439,098</b>	<b>64,770</b>
<b>Current liabilities</b>						
Borrowings . . . . .	79,663	158,744	202,906	29,930	292,302	43,117
Trade and other payables . . . . .	123,673	191,309	299,905	44,238	345,907	51,023
Receipt in advance from customers . .	47,348	83,061	194,961	28,758	198,163	29,231
Current income tax liabilities . . . .	17,553	23,567	35,622	5,255	49,334	7,277
<b>Total current liabilities . . . . .</b>	<b>268,237</b>	<b>456,681</b>	<b>733,394</b>	<b>108,181</b>	<b>885,706</b>	<b>130,648</b>
<b>Total liabilities . . . . .</b>	<b>362,084</b>	<b>614,893</b>	<b>1,158,336</b>	<b>170,866</b>	<b>1,324,804</b>	<b>195,418</b>
<b>Total equity and liabilities . . . . .</b>	<b>474,462</b>	<b>757,035</b>	<b>1,350,868</b>	<b>199,265</b>	<b>1,492,975</b>	<b>220,225</b>
<b>Net current assets . . . . .</b>	<b>115,413</b>	<b>155,663</b>	<b>380,241</b>	<b>56,090</b>	<b>390,731</b>	<b>57,635</b>
<b>Total assets less current liabilities</b>	<b>206,225</b>	<b>300,354</b>	<b>617,474</b>	<b>91,084</b>	<b>607,269</b>	<b>89,577</b>

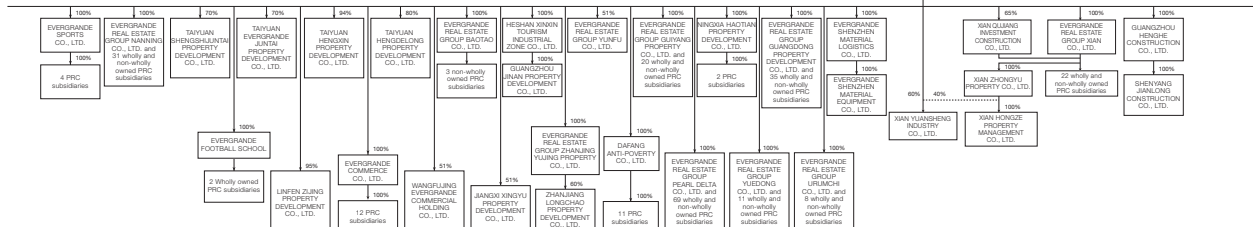
# CORPORATE STRUCTURE

The following chart shows our simplified corporate structure as of December 31, 2017<sup>(1)</sup>.

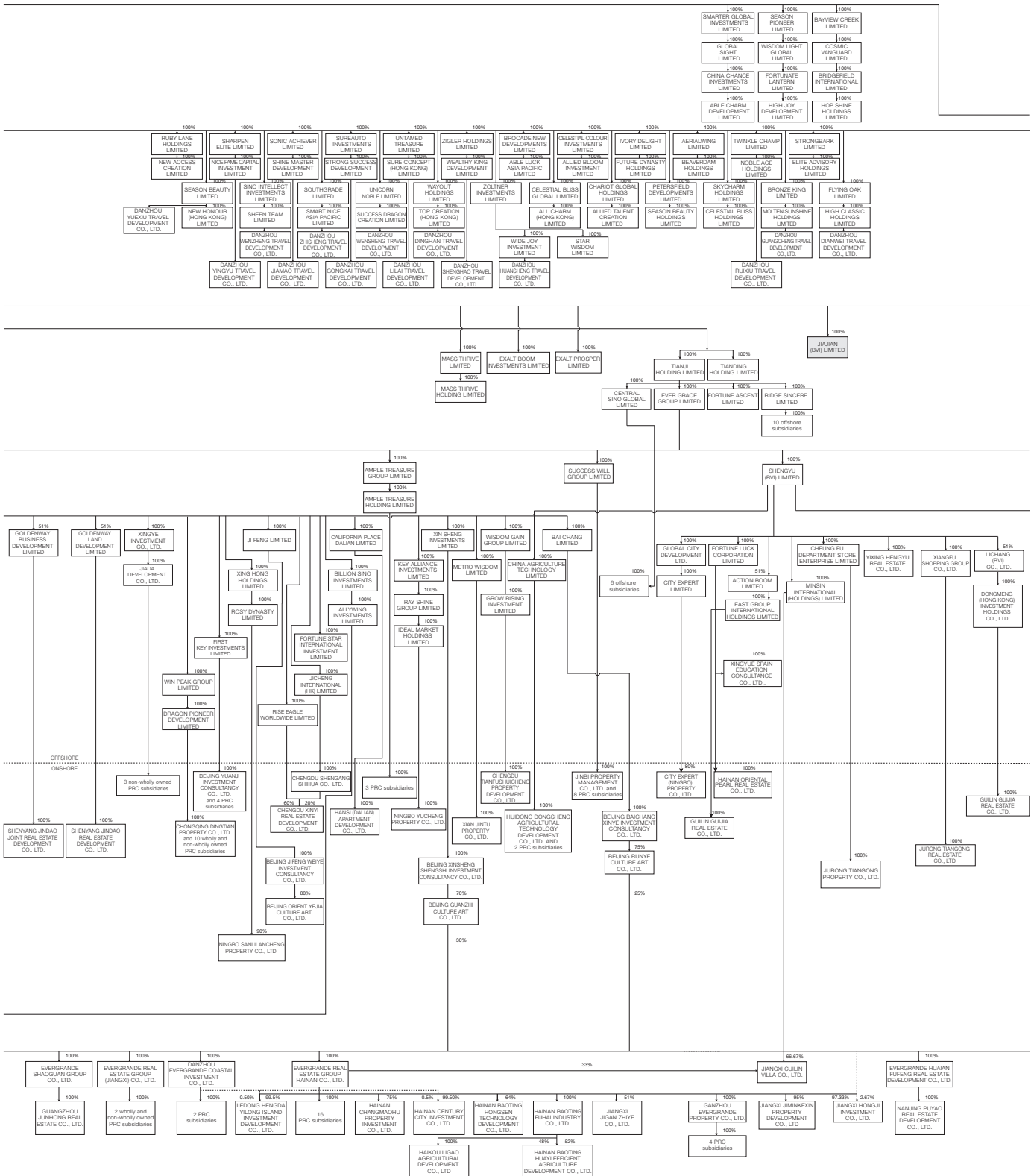


Note:

(1) Subsequent to December 31, 2017, we have, in our ordinary course of business, incorporated or acquired certain onshore or offshore subsidiaries, which are not reflected in the corporate structure in this offering circular.









## BUSINESS

### Business Overview

We are the largest real estate development company in China in terms of contracted sales attributable to the Group and land reserves in the first half of 2017, 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, we have become a leading national property developer through our economies of scale and widely recognized brand name, under the leadership of our management team. Over the years, our focus on a centralized management system, a standardized operational model and quality products have allowed us to quickly replicate our success across China. We focus primarily on provincial capitals and other selected cities that we believe have high-growth potential. We continue to improve our 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. Our land reserves cover most of the provincial capitals and municipalities in China. Through our standardized operational model, we have been able to simultaneously manage projects in various development and sale stages in 223 cities across China as of June 30, 2017.

Our residential property development integrates planning, design, construction and property management and follows our standardized process management to ensure development speed and product quality. We have been awarded the highest recognition in China in real estate development, architectural planning and design, construction, construction supervision and property management, and have been ranked among the “Top 10 Property Developers of China” for 14 consecutive years since 2004 by China Real Estate Top 10 Research Group, an organization constituted by Enterprise Research Institute of the Development Research Center of the State Council, Tsinghua University Real Estate Research Center and China Index Academy. We ranked as No. 2 of the “Top 500 Real Estate Companies of China” for six consecutive years since 2011 and No. 1 of the “Top 10 Real Estate Companies of China” in 2017. We were also ranked 338th on Fortune Global 500 in 2017.

We had the largest land reserves among all PRC property developers listed in China and Hong Kong as of June 30, 2017, based on the land reserve data disclosed by relevant companies in their applicable stock exchange filing. We had a total of 719 property projects under development or held for future development, a total planned GFA of approximately 276.0 million square meters of high-quality and relatively low-cost land as of June 30, 2017 with an average cost of approximately RMB1,658 per square meter, as calculated by dividing our aggregate land purchase price by our aggregate planned GFA. As of June 30, 2017, we had an aggregate of approximately RMB152.2 billion outstanding land premiums of which RMB45.1 billion is due in the second half of 2017, RMB46.9 billion is due in 2018 and RMB38.2 billion is due in 2019.

As of June 30, 2017, we had construction permits for 547 of our property projects under development, with a total GFA of approximately 93.6 million square meters, and had pre-sale permits for 546 of our projects, with a total GFA of approximately 45.4 million square meters, of which approximately 20.6 million square meters remained unsold.

Over the years, we have developed and introduced various distinctive product series to the market, including:

- *Mid- to mid-high-end series* represented by products within our Evergrande Oasis (恒大綠洲) series, Evergrande Metropolis (恒大名都) series, Evergrande City (恒大城) series, Evergrande Atrium (恒大雅苑) series, Evergrande Royal Scenic Bay (恒大御景灣), Evergrande Emerald Court (恒大翡翠華庭) series, Evergrande Bay (恒大江灣) series, Evergrande Plaza (恒大廣場) series and Evergrande Bund (恒大外灘) series which we target to account for approximately 85% of our current projects, and are marketed toward middle to upper-middle income residents, who currently constitute the largest segment of residential real estate purchasers. Evergrande Metropolis and Evergrande City are urban residential complexes in major cities, while Evergrande Oasis and Evergrande Atrium are located in areas with the requisite natural landscape. These series are equipped with well-developed facilities and amenities within the complexes.
- *High-end series* represented by products within our Evergrande Palace (恒大華府) series, Evergrande Royal Scenic Peninsula (恒大御景半島) series, Evergrande Emperor Scenic (恒大帝景) series and Evergrande Royal Scenic (恒大御景) series, which we target to account for approximately 15% of our current projects, and are positioned as high-end and premium residential properties in urban centers. These series target high-income residents in such regions.
- Our tourism related business, mainly consisting of Evergrande Venice on the Sea Qidong Project (啟東恒大海上海威尼尼斯項目) and the Hainan Ocean Flower Island Project (中國海南海花島項目). Through these projects, we focus on developing large-scale cultural tourism projects catering tourists and vacation house owners, including large-scale facilities, such as man-made islands, beaches, Evergrande Fairyland Theme Park (恒大童世界), recreation and shopping facilities, large-scale hotels, as well as large conference centers able to accommodate thousands of conference attendees.

We design and develop all of our product series under our standardized operational model and market them under the brand name of “Evergrande” on a nationwide basis.

We strive to provide high-quality residential products to the market by focusing on every step of the development process, from site selection, planning, landscaping and construction to fitting-out and property management. We aim to deliver “best-in-class” end-products to our customers. Over years, our products have gained wide brand recognition among consumers, as reflected by our strong contracted sales and sales records. For the years ended December 31, 2014, 2015, 2016 and six months ended June 30, 2017, our total contracted sales, which have not been audited or reviewed by our auditors, amounted to approximately RMB131.5 billion, RMB201.3 billion, RMB373.4 billion and RMB244.1 billion, respectively, with a total contracted sales GFA of approximately 18.2 million square meters, 25.5 million square meters, 44.7 million square meters and 24.8 million square meters, respectively. The average selling price for our contracted sales in the first half of 2017 was RMB9,862 per square meter, as calculated based on our internal records.

Leveraging our strengths in the property industry, we have taken significant initiatives or made significant plans to expand into healthcare, insurance, internet, football and cultural industries with a view to establishing alternative revenue sources and diversifying our business portfolio.

## Recent Development

In the second half of 2017, our aggregate contracted sales amounted to approximately RMB256.9 billion. For the same period, the aggregate contracted sales areas and average selling prices amounted to approximately 25,549,000 square meters and RMB10,054 per square meter, respectively.

Since June 30, 2017, we have incurred additional debt in the ordinary course of business to finance our operations and also for refinancing purposes. Subsequent to June 30, 2017 and as of December 22, 2017, we incurred additional material borrowings (net of repayments) in the aggregate amount of not less than RMB50.0 billion (US\$7.4 billion). See “Capitalization and Indebtedness.”

### *Newly Acquired Land Since June 30, 2017*

Set forth below are some of our major land acquisitions made subsequent to June 30, 2017 involving land premiums of over RMB3.0 billion.

#### *(1) Sichuan Leshan Emei Mountain Resort Project*

We acquired this project in Leshan, Sichuan Province, for a total land premium of RMB5,500 million. The project occupies an aggregate total site area of approximately 1,364,000 square meters.

#### *(2) Shenyang Evergrande Huayi Art Center Project*

We acquired this project in Shenyang, Liaoning Province, for a total land premium of approximately RMB3,220 million. The project occupies an aggregate total site area of approximately 66,000 square meters. We have a 90% equity interest in this project.

#### *(3) Wenzhou Evergrande Yihe City*

We acquired this project in Wenzhou, Zhejiang Province, for a total land premium of RMB4,292 million. The project occupies an aggregate total site area of approximately 387,600 square meters.

#### *(4) Shenzhen Bantian Project*

We acquired this project in Shenzhen for a total land premium of RMB5,684 million. The project occupies an aggregate total site area of approximately 34,600 square meters.

#### *(5) Taiyuan Longcheng North Road Project*

We acquired this project in Taiyuan, Shanxi Province, for a total land premium of RMB4,100 million. The project occupies an aggregate total site area of approximately 175,300 square meters.

#### *(6) Jiangmen Jinsha Bay Project*

We acquired this project in Jiangmen, Guangdong Province, for a total land premium of RMB3,815 million. The project occupies an aggregate total site area of approximately 445,400 square meters. We have a 50% equity interest in this project.

#### *(7) New Hunan Changsha project*

We acquired this project in Changsha, Hunan Province, for a total land premium of approximately RMB4,298 million. The project occupies an aggregate total site area of approximately 531,300 square meters.

## **Our Competitive Strengths**

We believe that we possess the following principal competitive strengths that have allowed us to compete effectively with our peers in the property markets in China:

### ***We are the largest real estate development company in China.***

We are the largest real estate development company in China in terms of contracted sales attributable to the Group and land reserves in the first half of 2017, according to China Real Estate Information Corporation and the land reserve data disclosed by relevant companies in their applicable stock exchange filings. In the first half of 2017, our contracted sales amounted to approximately RMB244.9 billion, representing a 72.2% increase compared to our contracted sales in the first half of 2016 at RMB142.2 billion. The contracted sales area in the first half of 2017 amounted to approximately 24.8 million square meters with an average contracted selling price of RMB9,862 per square meter, representing an increase of 49.1% and 15.5% as compared to the same period in 2016, respectively. We expect the target contracted sales for Hengda Real Estate will continue to grow in the next three years.

In 2017, we were ranked 338th on Fortune Global 500. We have also been awarded the highest recognition in China in real estate development, architectural planning and design, construction, construction supervision and property management, and have been ranked among the “Top 10 Property Developers of China” for 13 consecutive years since 2004 by China Real Estate Top 10 Research Group. We have also been ranked as No. 2 of the “Top 500 Real Estate Companies of China” for six consecutive years since 2011 and No. 1 of the “Top 10 Real Estate Companies of China in 2017.”

We believe our leading position in the industry nationwide results from our overall strength, efficient management, comprehensive operational model and high-quality products and services. Over the years, we have developed at a rapid growth rate. We believe this leading position will enable us to further take advantage of our strengths and achieve a stronger performance.

### ***We are a leader of the standardized operational model for large-scale quality property developments.***

We believe that our industry-leading standardized operational model for quality real estate development is the core strength that has enabled us to effectively execute our rapid and successful nationwide expansion in recent years. We formulate our standardized operational model at our headquarters, which are then implemented through our regional offices under close supervision and monitoring by our senior management. Our standardized model covers various phases in our development process including planning and design of all of our projects nationwide, nationwide centralized bidding and procurement processes, project developments, construction and quality control and sales and marketing as well as property management. Our standardized operational model has allowed us to maintain our high-quality standards on a nationwide basis, to effectively control our costs, to reduce our execution risks and to achieve remarkable growth in recent years.

To support our business plan, we have established a standardized operational procedure across all regional offices, under which the staffing level and compensation schemes are determined by our senior management at the headquarters to ensure the consistency of organizational structure and staff qualification across all regional offices. We have implemented a uniform financial management and reporting system, under which the finance department of each regional office is directly managed by our headquarters. This system allows us to standardize, consolidate and centralize our capital management nationwide. Our centralized internal risk management also covers our archives management and accounts approval process in all our regional offices. We have also established a nationwide contract processing and approval system, which plays an important role in our cost control, facilitates our centralized monitoring of contract execution and in turn strengthens our internal control.



- *Standardized Project Selection*

With respect to the selection of new project sites, we follow a set of strict standards, including:

- **Selection of cities:** provincial capitals, municipalities and other selected cities with sound economic growth, strong buying power, small land supply and great transaction volume;
- **Selection of location:** urban areas with a good environment, including near parks, rivers, good scenery and landscape, convenient transportation, well-planned municipal facilities and growth potential;
- **Selection of project scale:** generally not less than 20,000 square meters in GFA for projects in first-tier and second-tier cities and not less than 300,000 square meters in GFA for projects in third-tier cities;
- **Profitability:** favorable terms in land premium payment and optimal investment return; and
- **Sales:** target of launching pre-sales within six to eight months from the date of the land acquisition, thereby improving our speed of asset turnover and shortening our cash conversion cycle.

We believe that our standardized project selection process has ensured that each of our new projects is in line with our overall development strategy while minimizing operational risk.

- *Standardized Planning and Design*

We have developed three major project series based on our product positioning, and created approximately 350 types of standard residential unit layouts, which are then customized for different regional markets and product series. Our standardized designs for each project contain detailed specifications to be followed through each step of the development process, including material and quality standards for building construction, landscaping, ancillary facilities and interior decoration, to ensure consistency and quality of our products throughout the country. In order to maximize our ecological planning effect of low density and high green ratio, we have developed standard design rules for buildings, structures, facades and landscape. With respect to ancillary facilities, we have also established a standardized functional configuration. Our projects are generally equipped with luxurious clubhouses, sports centers, commercial centers, nursery schools and other amenities. In addition, we have also standardized our decoration and finishing based on different regional markets and different types of residential units. These standardized planning and design measures ensure the accurate positioning of our projects, streamlining our planning, the implementation of our brand strategy and the quality of our products.

- *Standardized Use of Materials*

We have also standardized our use of materials, building on our standardized planning and design. We have standardized our procurement of materials in massive quantities in connection with our construction, landscaping, ancillary facilities and decoration. This procurement system has effectively accelerated the progress of our project construction and ensured our product quality. Standardized use of materials has also enabled us to centralize our procurement to reduce construction cost.

- *Standardized and Centralized Tender Process*

We believe that our effective centralized tender process enables us to achieve economies of scale and significant purchasing power. All large-scale projects handled by our regional offices must undergo a centralized bidding process that is supervised by our headquarters. All participants in the bidding must be among the top-rated product, equipment or service providers in their respective fields. Our headquarters are responsible for selecting the ultimate qualified bidder according to our standardized selection and evaluation process. We believe that such standardized tender process has afforded us with significant economies of scale and allowed us to maintain our competitive cost structure while securing quality products, equipment and services at reasonable prices.

- *Standardized Construction Management*

We utilize standardized development models nationwide and closely manage all aspects of the development process based on strict development schedules and specific quality standards. We stipulate construction milestones and strict quality control measures to ensure our construction contractors adhere to both the pre-set construction timeline and our quality standards. We believe standardized construction management enables us to minimize the construction time and achieve our target of launching pre-sales within six to eight months from the date of the land acquisition, thereby shortening our cash conversion cycle and maximizing our investment return.

- *Standardized Marketing*

Our sales and marketing efforts follow standardized procedures in developing, approving and implementing sales and marketing campaigns for all our projects. We formulate our marketing, promotion, pricing and advertising strategies for each of our projects in a highly coordinated and consistent manner to maintain brand equity, but allowing flexibility to adapt to local market dynamics.

We launch our projects for pre-sale only after we have substantially completed the relevant landscaping, ancillary facilities and mock-up units in order to demonstrate our superior product quality which in turn strengthens consumer confidence. We believe our actual on-site launch standard enhances the marketing impact, saleability and pricing of our products.

***We have strategically acquired large, relatively low-cost land reserves, with 276 million square meters in 223 cities across China as of June 30, 2017, focusing on provincial capitals and other selected cities that we believe have high-growth potential.***

Our national land acquisition strategy aims to achieve greater regional diversification and higher growth by focusing on provincial capitals and other selected cities across China that we believe have high-growth potential.

- *Large-scale, Quality and Relatively Low-cost Land Reserves with Significant Appreciation Potential*

We had the largest land reserves among all PRC property developers listed in China and Hong Kong as of June 30, 2017, based on the land reserve data disclosed by relevant companies in their applicable stock exchange filing. As of December 31, 2014, 2015, 2016 and six months ended June 30, 2017, we had a total planned GFA of approximately 147.0 million square meters, 156.1 million square meters, 229 million square meters and 276 million square metres, respectively, of quality and relatively low-cost land. The average cost of our land reserves as of June 30, 2017 was approximately RMB2,213 per square meter, as calculated by dividing our aggregate land purchase price by our aggregate planned GFA. In the first half of 2017, we acquired land reserves from the acquisition of 152 new projects, which were more focused towards

first- and second-tier cities. These newly acquired projects and our expansion of existing projects amounted to a total GFA of 67.6 million square meters in the first half of 2017. We believe the size of our current land reserves can satisfy our development needs for the next five to eight years and our strategic site locations will provide significant appreciation and profitability potential.

- *Well Diversified and Balanced Land Reserves with Extensive Presence in Large Provincial Capitals and Other Selected Cities that We Believe Have High-growth Potential*

Our land reserves are well diversified in terms of both geographic location and project type to achieve maximum profit potential. Currently, we have developments in all the first-tier cities, including Beijing, Shanghai, Guangzhou and Shenzhen, and cover most of the provincial capitals and all municipalities in China. We have also expanded our operations into other selected third-tier cities that we believe have high growth potential on a national basis since the second half of 2010.

- *Premier Project Location*

Our urban projects are generally located in downtown or prime locations with a natural landscape and well-developed infrastructure and transportation systems. Our tourism related business mainly comprises of Evergrande Venice on the Sea Qidong Project (啟東恒大海上威尼斯項目) and the Hainan Ocean Flower Island Project (中國海南海花島項目). We focus on developing large-scale cultural tourism projects catering to tourists and vacation house owners, including but not limited to large-scale facilities targeting tourists and vacation house owners, such as man-made islands, beaches, Evergrande Fairyland Theme Park (恒大童世界), recreation and shopping facilities, large-scale hotels, as well as large conference centers which are able to accommodate thousands of people. These projects are also characterized by low land cost and can be developed over multiple phases, which helps provide economies of scale.

***We have leveraged our industry-leading brand name and strategic partnerships with renowned suppliers to develop quality products that are well-recognized by the market.***

- *We Have Been Recognized as One of the Top 10 Property Developers in China for 14 Consecutive Years*

We consistently market all of our new projects under the “Evergrande” brand to instill brand awareness nationwide and for customers to identify our brand name with high-quality residential projects. Since 2004, we have been ranked as one of the “Top 10 Property Developers in China” for 14 consecutive years by the “Top 10 Property Developers Research Group of China” jointly constituted by the Institute of Enterprise Research of the Development and Research Center of the State Council, the Real Estate Research Institute of Tsinghua University and the China Index Academy.

- *Partnership with Prominent Suppliers to Develop Quality Products*

We maintain strict quality control measures throughout our development chain and partner with renowned international and national service and product providers to deliver top-quality products. We initiate our project planning process immediately after we acquire a land site and initially focus primarily on the structural and landscape designs of the site to ensure that they are of the best fit to the overall project. Since 2004, we have been consolidating our selection of vendors and suppliers to ensure that we work with first-rate vendors in the fields of construction landscaping and interior decoration and source raw materials from top suppliers. By working with a small number of high-quality partners, we are able to receive superior services throughout the development process. In our current development projects, we primarily engage reputable construction companies in China, including China State Construction Engineering Corporation and Zhong-Tie Construction Group Corporation Limited, for a majority of our project construction work; reputable fitting-out companies in China, including Suzhou Gold Mantis Construction &

Decoration Co., Ltd, and Shenzhen Grandland Decoration & Construction Co., Ltd. for our fitting-out and interior decoration work; and landscaping industry leaders including GVL International Landscaping Design Co., Ltd. for most of our landscaping work.

***We offer a comprehensive product mix that caters to different market segment demands.***

We believe that a comprehensive product mix, an in-depth knowledge of target markets and accurate product positioning are the keys to our rapid growth in China. We have a wide range of products that cater to different market segments. We generally target a product mix of 15% high-end products, and 85% mid- to mid-high-end products in terms of the number of projects. We believe this proportion allows us to meet the demands of a broad range of target clientele across different geographic regions. Our diversified product range consists of residential properties that cater to the needs of first-time homebuyers and wealthy property owners as well as non-residential properties, including hotels, resorts and commercial properties.

We place strong emphasis on market research which allows us to understand the underlying market trends and enables us to adjust our product design accordingly. We have developed various standardized product series with appropriate modifications to suit the needs of various markets and customer segments. We believe that our strong brand recognition as well as our strong adaptability in different regional markets will enable us to achieve sustainable growth and high quality coordinated development.

***We are able to effectively control our costs at every stage of the project development.***

- *Land Acquisition*

As an early mover, we are able to access cities and regions with relatively low-cost land and high-growth potential, develop quality and cost-efficient projects and achieve cost saving at an early stage of the process.

- *Design, Tender and Procurement*

We implement a standardized operational model for design and material procurement. We are able to limit construction costs through a centralized tender process and reduce material and equipment costs through economies of scale and centralized procurement.

- *Management*

We adopt well-planned and efficient management systems and measures over the entire process of project development to reduce management and operating expenses.

***We possess a highly experienced and stable management team with proven execution capabilities to adapt and respond to market changes.***

- *Highly Experienced Management Team in China*

We have a highly experienced management team composed of well-regarded experts with an average of approximately 20 years of relevant experience in real estate development, planning and design, and finance and other fields. The team consists of three members with doctoral degrees and 12 members with master degrees. The team is led by our chairman, Dr. Hui, who is a professor and doctoral advisor in management with Wuhan University of Science and Technology. He is also a standing committee member of the 12th Chinese People's Political Consultative Conference and the vice chairman of the China Real Estate Association. Our chief executive officer, Dr. Xia Haijun, has cumulative experience of more than 20 years in real estate development and corporate management.

Our regional management teams are trained at our headquarters and most of them have been with our Company for more than 10 years. Over years, we have recruited our staff members from a candidate pool comprised of top students from top universities in China. As of June 30, 2017, approximately 90% of our management personnel had a bachelor's degree or higher. We believe our experienced and stable management team has contributed to our success and will further enhance our execution capabilities and focus both at the headquarters and regional company level.

- *Effective Management Structure*

We have created an effective management structure by implementing an internationally advanced management approach, which is complemented with practical experience accumulated over the years. We have adopted a three-tier management system comprising the board of directors, senior management at the headquarter level and senior management at the regional subsidiary level. This management structure ensures a direct reporting line between the regional offices and the headquarters, which enhances the overall internal control of our Company. We adopt a result-oriented management model that is focused on goal-setting and performance evaluation which allows the Company to achieve rapid and sustainable development.

We aim to motivate our staff effectively through our core values of quality, integrity, innovation and efficiency. Through our superior management structure and result-oriented compensation schemes, we are able to cultivate an effective corporate culture that commands strong loyalty from our team members, which in turn enhances our competitiveness, creativity and our execution capabilities.

- *Proven Execution Ability to Adapt and Respond to Changing Market Conditions*

Our management team has developed superior strategic insights and can respond quickly to changing market conditions. Since the inception of our Company, our senior management team has periodically reviewed and set, and each time successfully implemented, our strategic plans for each phase of our growth, by focusing on accumulating a talent pool for growth, building low-cost land reserves, emphasizing product quality and branding strategy and securing financing in a timely manner to support our expansion. Under the leadership of our management team, we have achieved a significant scale and a strong market position in a relatively short period of time. For example, when the PRC government began imposing significant restrictions on home purchases in 2010, our management team further optimized our standardized operational model for premier residential units to increase their marketability and attractiveness to prospective buyers, which we believe helped us to increase our property development revenues in spite of the restrictive regulatory environment.

***We have proven capability to develop projects and achieve asset turnover rapidly.***

Through our integrated centralized management structure and our standardized operational model, we have proven capability to develop our projects rapidly nationwide and achieve quick asset turnover. In most cases, we have been able to commence pre-sale of our recent property developments within six to nine months after site acquisition.

Our integrated centralized management structure helps ensure efficient execution of our standardized operational model; therefore we can typically complete the project planning and design, project construction, procurement of materials and equipment, as well as obtain relevant government approvals shortly after site acquisition.

Based on our standardized project planning and design, we are able to quickly determine and implement the positioning and design of projects. We have established long-term strategic partnerships with leading vendors and this enables rapid commencement of new projects as well as efficiency and quality of the development. We have adopted a standardized quality control and construction supervision system to monitor the progress and quality of all of our construction projects. In addition, as rapid property development has been one of our key business strategies since our inception, our standardized operational model, especially our standardized marketing procedures, has further improved our efficiency in project management. By shortening the development cycle in many of our projects, we aim to maximize our investment return, which in turn improves our operating cash flow. In most cases, we have been able to commence pre-sale of our recount property developments within six to nine months after site acquisition. As some of our most successful examples, we acquired Evergrande Evergreen Garden Wuhan on January 6, 2016, launched pre-sale of this project on June 18, 2016 and achieved total contracted sales, which have not been audited or reviewed by our auditors, of approximately RMB2.11 billion by the close of the commencement day of pre-sale; we acquired Evergrande Royal Scenic Bay Tianjin on January 29, 2016 launched pre-sale of this project on August 28, 2016 and achieved total contracted sales, which have not been audited or reviewed by our auditors, of approximately RMB1.57 billion by the close of the commencement day of pre-sale; and we acquired Evergrande Dragon Court Nanjing on January 15, 2016 launched pre-sale of this project on September 26, 2016 and achieved total contracted sales, which have not been audited or reviewed by our auditors, of approximately RMB1.33 billion by the close of the commencement day of pre-sale. Our rapid development business model results in a fast turnover of our land reserves.

## **Business Strategies**

We aim to continue to maintain our leadership position in the PRC real estate industry with a focus to capitalize on development opportunities in first- and second-tier cities and other selected cities that we believe have high-growth potential, notwithstanding the regulatory environment. We will continue to implement our strategy of offering a diversified product range to our customers and to further optimize the standardized operational model of developing quality real estate products. We plan to implement the following strategies to achieve our goals:

### ***Continue to replenish our land reserves in first- and second-tier cities and selected third-tier cities in prime locations***

We will continue to focus on first- and second-tier cities where we currently have operations and further penetrate the market of other selected third-tier cities that we believe have high-growth potential. As of June 30, 2017, approximately 72.6% of our land investment is located in the first and second-tier cities with the rest located in other cities with high-growth potential, including having a large and fast growing population, a high regional economic growth rate and has high levels in resident consumption and savings. We believe those areas present business opportunities due to their sound economic growth rate, rising household disposable income, accelerating urbanization level and increasing demand for quality residential properties. In accordance with our national strategic plan, we will continue to optimize the location of our residential properties by focusing on the replenishment of land reserves closer to the city center in first- and second-tier cities and prime locations in third-tier cities to maintain stable land reserves and achieve a balanced national development distribution.

### ***Continue to optimize and leverage our standardized operational model***

We will adhere to our standardized operational model to optimize our entire product chain for quality real estate development with an aim to apply our operational experience to all of our projects nationwide and ensure the successful development and sale of each project.



### ***Maintain a comprehensive product offering with a primary focus on residential properties***

We will maintain our strategy of offering a diversified product range to our customers with a view to maintaining a target proportion of 15% and 85% in terms of the number of projects distributed among our high-end, and mid- to mid-high-end property developments, in order to attract the broadest consumer groups.

In addition, while we will continue to focus primarily on residential property developments, we aim to gradually expand and diversify our business mix to include more commercial properties to enhance our long-term financial performance and diversify risks.

### ***Adopt prudent and disciplined financial policies***

We have been implementing robust financial policies to grow total cash and net profit margins of our major businesses, including further enhancing the collection of sales proceeds, increasing the turnover of inventory assets, selling part of our investment properties and continuing to co-develop projects with other companies. As a result, we have maintained a high level of cash and cash equivalent over the years.

Moreover, we have also endeavored to manage our indebtedness and reduce our gearing ratio. As of June 30, 2017, we had redeemed 100% of our outstanding Perpetual Capital Instruments.

We will also continue to optimize commencement and completion plans and payment plans and control major capital expenditures for land and construction. In addition, we will continue to sell certain investment properties in our portfolio, adopt measures to improve the price of the residential properties and strive to reduce operating expenses. With respect to the control of costs and expenses, we will continue to fully implement product upgrades and replacement and standardized reform, ensuring quality while reducing production costs. We will also adopt various new types of media to lower selling expenses and make full use of information technology to lower operating expenses.

### ***Focus on product quality to enhance our brand***

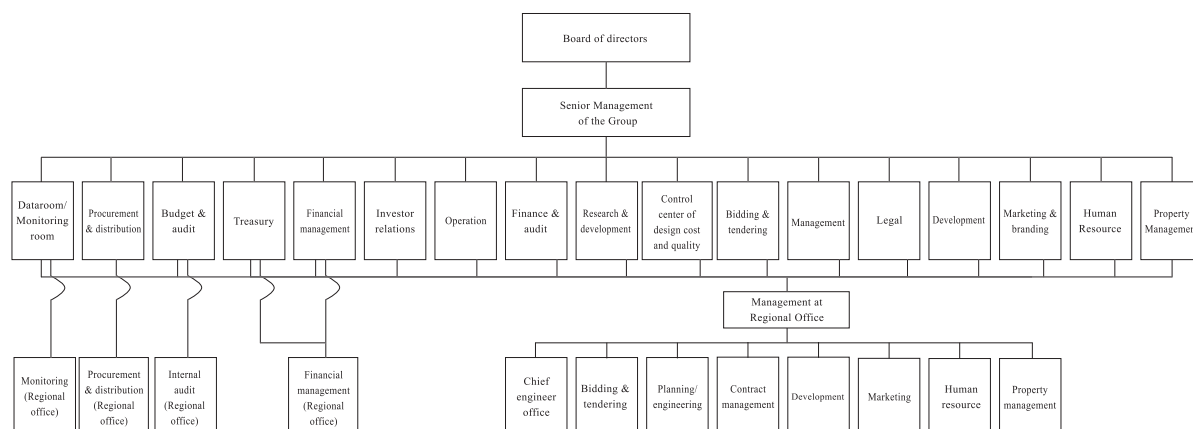
We will continue to focus on developing quality real estate products which we believe are integral to enhancing our brand value. We will continue to implement strict quality standards to maintain our competitive advantages over our peers.

### ***Continue our business diversification strategy***

We plan to continue to execute our business expansion plans through acquisitions or minority investments. Building upon the platforms we have established in healthcare, insurance, internet, football and cultural industries, we intend to make further investments to capitalize on market demands and explore alternative revenue sources in such industries.

## Our Standardized Operational Model

In our standardized operational model, we develop new projects across China based on our years of proven experience in developing quality properties. By adopting the integrated standardized operational model, our headquarters standardizes the management of all regional offices, including the operating model, project selection, project planning and design, material selection, tendering and bidding, construction management and marketing, and directly cooperates with and supervises all regional offices to ensure our internal control measures are well implemented. The chart below sets forth our organizational structure established in accordance with our integrated standardized operational model:



### *Site Selection*

Site selection is typically conducted via a three-stage standard process. First, the development department of our headquarters and our regional offices are responsible for identifying a potential project, collecting information and performing primary screening. Should a potential project pass the primary screening, the development department, marketing department, research and development, or R&D, department and regional offices will be summoned together to conduct an in-depth analysis based on the collective experience of the parties involved and data extracted from our database. The summarized detailed analysis after multiple rounds of screening will then be submitted to our board of directors for review, discussion and final approval. We believe the above measures ensure that the new projects are in line with our overall development strategy and therefore minimize the development risk in the future.

### *Project Planning and Design*

After acquiring the site for a new project, the R&D department, marketing department, regional office and sales agencies will each provide independent market research reports. The Board will arrange meetings with these departments to finalize product positioning and project planning, after which the R&D department will work with the relevant regional office to finalize the project planning and design plan based on the project positioning. This approach will ensure accurate market positioning, planning and design of each project.

### *Centralized Tender*

We organize tenders and invite primarily first-rate construction companies in China to participate in the bidding for interior decoration, gardening and landscaping and other construction work to ensure high-quality construction work performed at competitive prices. We have centralized and standardized our tender process in order to facilitate our standard operating procedures to build quality products

rapidly. Our legal department and internal audit department supervise the entire tender process and carefully evaluate and compare each submitted bid. This effectively ensures our quality and progress of construction, which in turn minimizes our construction costs.

### ***Centralized Procurement***

Subject to our centralized tender process, we sign long-term procurement agreements with reputable service and product suppliers in China and overseas. We have also established a unified national distribution system. This procurement and distribution system enables us to successfully minimize our overall purchasing costs while ensuring the best product quality.

### ***Project Construction***

We strictly adhere to a set of standardized plan management, progress evaluation and quality supervision process that covers all the key project development and management activities conducted by our regional offices. Our headquarters have a dedicated team of more than 750 professional staff who collect information about the project progress and construction quality from each regional office through an advanced information management system. This strengthens our headquarters' control over project construction progress and quality, which in turn ensures that each property meets our requirements.

### ***Sales and Marketing***

Our sales and marketing effort follows standardized procedures so that the marketing, promotion, pricing and advertising strategies for each of our projects are created in a highly coordinated and consistent manner. These strategies are implemented for each project after being reviewed and approved by our board.

### ***Human Resources Management***

Our headquarters appoints and removes our regional office management teams. Our employee recruitment criteria, staffing and compensation structure are standardized and formulated by our headquarters, ensuring that the team composition and staff quality meet our standards.

### ***Financial Management and Reporting Requirements***

We have implemented a uniform financial management and reporting system, under which the finance department of each regional office is directly managed by our headquarters. This system allows us to standardize, consolidate and centralize our capital management nationwide. Our centralized internal risk management also covers our archives management and accounts approval process in all our regional offices.

For more details on our project development and management procedures, see “— Project Development and Management Procedures.”

## **Our Property Projects**

Our property projects are generally divided into the following three categories:

- completed properties, comprising property projects we have completed since our inception, with the certificates of completion issued by the relevant government authorities;
- properties under development, comprising property projects with respect to which we have received land use rights certificates and partly received construction permits or governmental approval for early construction but have not yet received certificates of completion; and

- properties held for future development, comprising property projects with respect to which we have signed a land grant contract or a land transaction confirmation letter with the relevant PRC land administrative authorities, the project company equity transfer agreements or project cooperation agreements but have not yet obtained the land use right certificates.

Because our projects are typically relatively large in size and some of our projects comprise multi-phase developments on a rolling basis, a single project may include different phases at various stages of completion, under development or held for future development.

Each property project may be subject to multiple land use rights certificates, construction land planning permits, construction works planning permits, construction permits, pre-sale permits and other permits and certificates which are issued at different stages throughout their development. Our classification of properties is not directly comparable with the classification of properties in our consolidated financial information and our consolidated financial statements included elsewhere in this offering circular.

The table below sets forth our classification of properties and the corresponding classification of properties in our consolidated financial information and our consolidated financial statements included elsewhere in this offering circular:

<b>This offering circular</b>	<b>Consolidated financial information</b>
<ul style="list-style-type: none"> <li>• Completed properties, comprising properties with certificates of completion (including completed properties that have been sold)</li> </ul>	<ul style="list-style-type: none"> <li>• Completed properties held for sale (excluding completed properties that have been sold)</li> </ul>
<ul style="list-style-type: none"> <li>• Property under development, comprising properties for which we have obtained land use rights certificates and partly received construction permits or approval letters for early construction, but not yet received certificates of completion</li> </ul>	<ul style="list-style-type: none"> <li>• Land use rights (attributable to completed properties held for sale)</li> <li>• Investment properties</li> <li>• Properties under development</li> </ul>
<ul style="list-style-type: none"> <li>• Property held for future development, comprising properties for which we have not obtained land use rights certificates, but have entered into the land grant contracts or the project company equity transfer agreements, or cooperation agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Land use rights (attributable to properties under development)</li> <li>• Expenditures incurred for projects for which we have not yet obtained land use rights certificates were recorded as prepayments, deposits and other receivables within our current assets</li> </ul>

**Site Area Calculation.** The site area information in this offering circular is derived on the following basis:

- when we have received the land use rights certificates for a project, the site area information in respect of such project refers to the site area information in such land use rights certificates; and
- before we receive the land use rights certificates, the site area information in respect of such project refers to the site area information in the relevant land grant contract or the relevant government permits related to such project excluding, however, the areas earmarked for public infrastructure, such as roads and community recreation zones.

When completed properties and properties under development are subject to a single land use rights certificate, we calculate the site area attributable to such completed properties and such properties under development in proportion to their respective total GFA as a percentage of the aggregate total GFA under the land use rights certificate.

**GFA Calculation.** The GFA information in this offering circular is derived on the following basis:

- when the construction of a project is completed and we have received the certificate of completion, the total GFA information in respect of the project refers to the total GFA in such certificate of completion;
- if we have not yet obtained the certificate of completion, but have obtained the construction works planning permit for the project, the total GFA information in respect of the project refers to the total GFA in such construction works planning permit;
- if we have not yet obtained the construction works planning permit, but have obtained the construction land planning outline for the project, the total GFA information in respect of the project refers to the total GFA in such construction land planning outline;
- if we have not yet obtained the construction land planning outline, but have received the government-approved design plan for the project, the total GFA information in respect of the project refers to the total GFA in such government-approved design plan; and
- if we have not obtained any of the above documents for the project, the total GFA information in respect of the project refers to the total GFA based on our current development plan for the project.

Total GFA stated in certificates of completion, pre-sale certificates, construction works planning permits, construction land planning outline and government-approved design plans includes underground GFA. Underground GFA refers to basement and other underground spaces, generally used for parking and storage purposes.

The total GFA information in this offering circular includes both saleable and non-saleable GFA. Saleable GFA generally includes residential properties, saleable carparks, retail shops and office space (including internal floor area and shared areas in the building that are exclusively allocated to such properties). Non-saleable GFA generally includes communal facilities, such as schools, floor area for property management purposes as required by the government, project related supplemental facilities and our own properties such as hotels and non-saleable carparks.

***Saleable GFA Calculation.*** The saleable GFA information in this offering circular is derived on the following basis:

- if we have obtained property ownership certificate for a project, the saleable GFA information refers to the saleable GFA in the property ownership certificate;
- if we have not yet obtained the property ownership certificate, but have received the pre-sale permit for the project, the saleable GFA information refers to the saleable GFA in the pre-sale permit;
- if we have not yet obtained the pre-sale permit but have received the construction works planning permit for the project, the saleable GFA information in respect of the project refers to the saleable GFA estimated in such construction works planning permit;
- if we have not yet obtained the construction works planning permit, but have received the construction land planning outline for the project, the saleable GFA information in respect of the project refers to the saleable GFA estimated in such construction land planning outline;
- if we have not yet obtained the construction land planning outline, but have received the government-approved design plan for the project, the saleable GFA information in respect of the project is estimated based on such government-approved design plan; and
- if we have not yet obtained any of the above documents for the project, the saleable GFA information in respect of the project is estimated based on our current development plan for the project.

GFA sold information refers to the GFA sold or pre-sold as specified in the relevant sale and purchase agreements on an aggregate basis. GFA sold information in this offering circular does not include GFA of parking spaces. Unless the pre-sale of a project has started, we have provided estimated pre-sale commencement time for such on-going project in this offering circular. Unless a project has already been completed, we have likewise provided estimated completion time for such on-going project in this offering circular.



## Project Overview

Geographical distribution of our property projects as of June 30, 2017 was as follows:

Project	Total planned GFA		Properties under development and held for future development	
	Total GFA	% of total GFA	Total GFA	% of total GFA
Guangdong Province	44.9	10.7%	32.0	11.6%
Shangdong Province	35.1	8.3%	24.7	9.0%
Sichuan Province	30.1	7.2%	22.0	8.0%
Hebei Province	25.5	6.1%	20.4	7.4%
Hainan Province	23.1	5.5%	19.3	7.0%
Jiangsu Province	27.5	6.5%	18.0	6.5%
Henan Province	24.7	5.9%	14.4	5.2%
Liaoning Province	22.2	5.3%	13.6	4.9%
Hunan Province	20.9	5.0%	12.3	4.5%
Guizhou Province	14.7	3.5%	11.2	4.1%
Hubei Province	16.4	3.9%	10.3	3.7%
Anhui Province	18.3	4.4%	9.7	3.5%
Chongqing City	14.6	3.5%	9.3	3.4%
Guangxi Zhuang Autonomous Region	13.2	3.1%	8.4	3.0%
Jiangxi Province	14.3	3.4%	7.4	2.7%
Zhejiang Province	7.3	1.7%	5.8	2.1%
Heilongjiang Province	8.8	2.1%	4.6	1.7%
Yunnan Province	6.4	1.5%	4.3	1.6%
Shanxi Province	10.8	2.6%	4.0	1.5%
Jilin Province	7.0	1.7%	3.6	1.3%
Shaanxi Province	5.5	1.3%	3.5	1.3%
Tianjin City	5.7	1.4%	3.4	1.2%
Xinjiang Uygur Autonomous Region	3.9	0.9%	2.9	1.0%
Fujian Province	4.5	1.1%	2.8	1.0%
Gansu Province	4.5	1.1%	2.5	0.9%
Inner Mongolia Autonomous Region	4.3	1.0%	2.2	0.8%
Beijing City	2.5	0.6%	1.4	0.5%
Ningxia Hui Autonomous Region	2.4	0.6%	1.3	0.5%
Shanghai City	1.1	0.3%	0.6	0.2%
Tibet Autonomous Region	0.1	0.0%	0.1	0.0%
Qinghai Province	0.4	0.1%	0.1	0.0%
<b>Total</b>	<b>420.7</b>	<b>100.0%</b>	<b>276.0</b>	<b>100.0%</b>

As of June 30, 2017, we had completed the development of a total GFA of 161.9 million square meters since our inception. As of June 30, 2017, we held an aggregate 7.4 million square meters of total GFA of commercial space and about 406,000 carparks as investment properties.

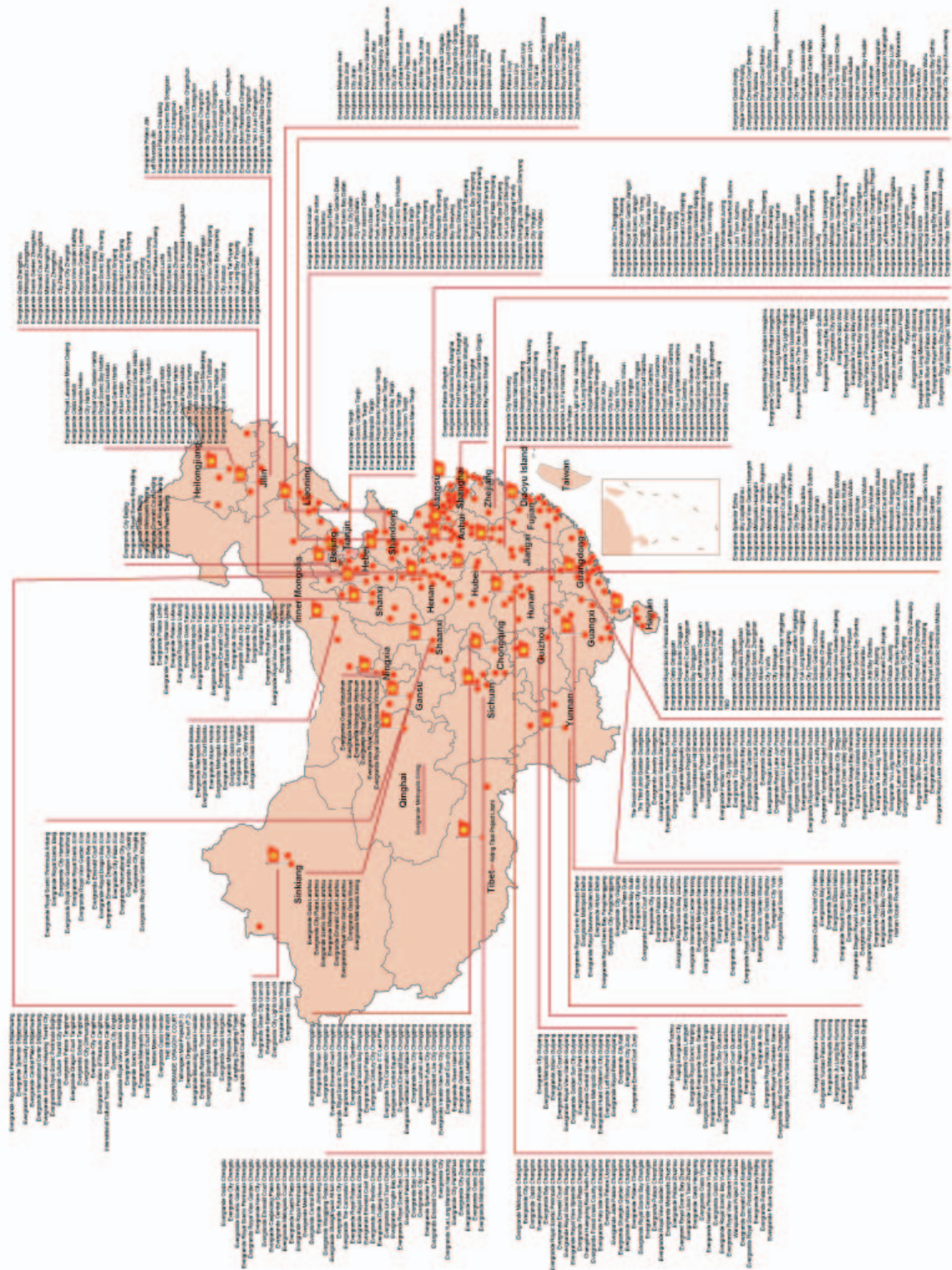
As of June 30, 2017, we had properties under development or held for future development with a total GFA of 276.0 million square meters.

During the six months ended June 30, 2017, we had completed properties with a total GFA of approximately 28.0 million square meters as compared to approximately 13.8 million square meters during the same period of 2016.

During the six months ended June 30, 2017, the total GFA of real estate projects we had commenced construction and obtained construction permits amounted to approximately 41.3 million square meters as compared to approximately 23.7 million square meters during the six months ended June 30, 2016.

We had projects under construction with a total GFA of approximately 93.6 million square meters during the six months ended June 30, 2017 as compared to approximately 68.6 million square meters during the six months ended June 30, 2016.

The following map indicates the approximate locations of our property projects in China as of June 30, 2017.



The table below sets forth our project-by-project information of all of completed properties, properties under development and properties held for future development as of June 30, 2017:

No.	Project	Location	Site area (m <sup>2</sup> )	Total GFA (m <sup>2</sup> )	GFA (m <sup>2</sup> )		Attributable equity interest (%)
					Completed properties (m <sup>2</sup> )	Properties under development and held for future development (m <sup>2</sup> )	
1	Evergrande City Beijing	Beijing	182,569	708,831	707,011	1,820	100.0%
2	Evergrande Royal Scenic Bay Beijing	Beijing	111,577	448,115	224,477	223,638	100.0%
3	Evergrande Palace Beijing	Beijing	80,469	360,609	62,380	298,229	100.0%
4	Evergrande Metropolis Beijing	Beijing	35,000	183,920	—	183,920	100.0%
5	Evergrande Emerald Court Beijing	Beijing	46,011	263,091	—	263,091	99.4%
6	Evergrande Left Riverbank Beijing	Beijing	66,677	281,554	—	281,554	100.0%
7	Evergrande Palace Beijing	Beijing	529,175	234,196	52,125	182,071	100.0%
8	Evergrande International Hotspring Tourist City	Baoding	3,427,962	4,357,349	—	4,357,349	100.0%
9	Evergrande Royal Scenic Peninsula Beijing	Baoding	197,925	213,968	—	213,968	65.0%
10	Evergrande Culture Tourist City Beijing	Zhangjiakou	906,176	2,145,666	253,639	1,892,027	100.0%
11	Evergrande Palace Shanghai	Shanghai	31,307	143,466	—	143,466	100.0%
12	Evergrande Royal Scenic Bay Shanghai	Shanghai	50,964	180,828	110,667	70,162	100.0%
13	Evergrande First Palace Sheshan Shanghai	Shanghai	40,129	99,690	84,452	15,238	100.0%
14	Evergrande Royal View Garden Shanghai	Shanghai	69,936	152,337	102,479	49,857	100.0%
15	Evergrande Metropolis Shanghai	Shanghai	30,893	95,706	53,775	41,931	100.0%
16	Evergrande Royal Seaview Garden Qingpu	Shanghai	751,806	375,903	167,837	208,066	90.0%
17	Evergrande Venice on the Sea Qidong	Nantong	4,130,411	6,988,460	1,965,856	5,022,604	100.0%
18	Evergrande Fairyland Taicang	Suzhou	76,727	75,481	—	75,481	100.0%
19	Evergrande Bay Palace Shanghai	Shanghai	20,507	47,166	—	47,166	49.0%
20	The Second Jinbi Garden Guangzhou	Guangzhou	69,146	305,722	275,521	30,201	100.0%
21	The Third Jinbi Garden Guangzhou	Guangzhou	145,978	460,323	380,778	79,545	100.0%
22	Evergrande Royal Palace Guangzhou	Guangzhou	44,275	227,392	70,492	156,900	100.0%
23	Evergrande Jewelry Guangzhou	Guangzhou	8,101	64,655	—	64,655	100.0%
24	Evergrande Scenic Garden Zengcheng	Guangzhou	99,014	337,800	96,500	241,300	100.0%
25	Evergrande Royal Scenic Peninsula Foshan	Foshan	543,529	1,116,589	1,076,499	40,091	100.0%
26	Evergrande Royal Scenic Bay Foshan	Foshan	60,491	288,586	277,529	11,057	100.0%
27	Evergrande Metropolis Foshan	Foshan	171,869	871,200	635,231	235,968	100.0%
28	Evergrande Top Mansion Foshan	Foshan	108,898	402,923	—	402,923	100.0%
29	Evergrande Splendor Qingyuan	Qingyuan	2,703,665	4,711,524	1,001,651	3,709,873	100.0%
30	Evergrande Silverlake City Qingyuan	Qingyuan	955,580	1,911,160	842,307	1,068,853	100.0%
31	Evergrande Royal Creek Valley Qingyuan	Qingyuan	314,671	188,050	—	188,050	100.0%
32	Caiwuwei Project Shenzhen	Shenzhen	3,677	33,682	—	33,682	100.0%
33	Evergrande Gentleman Hill Shenzhen	Shenzhen	46,747	297,363	275,649	21,715	98.0%
34	Huaqiangbei Project Shenzhen	Shenzhen	10,423	86,530	—	86,530	51.1%
35	Evergrande Sky Tower Shenzhen	Shenzhen	10,448	151,025	—	151,025	51.0%
36	Evergrande City Shenzhen	Shenzhen	52,884	300,063	—	300,063	65.0%
37	Evergrande Fashion Withub Shenzhen	Shenzhen	85,748	498,645	—	498,645	100.0%
38	Evergrande Royal Scenic Peninsula Shenzhen	Dongguan	149,793	299,586	142,630	156,956	100.0%
39	Evergrande Oasis Gongguan	Dongguan	69,955	252,557	250,501	2,057	100.0%
40	Evergrande Xiaogui Bay Shenzhen	Huizhou	206,777	620,867	—	620,867	100.0%
41	Evergrande Palm Islands Huiyang	Huizhou	376,690	598,100	106,700	491,400	100.0%
42	Evergrande Yi Shan Hai Wan Huizhou	Huizhou	51,588	203,674	—	203,674	100.0%
43	Evergrande Emerald Court Huizhou	Huizhou	108,452	242,300	—	242,300	51.0%
44	Evergrande Yue Long Tai Huizhou	Huizhou	93,833	281,499	—	281,499	75.0%
45	Evergrande Shuangyuewan Huizhou	Huizhou	35,957	110,603	—	110,603	100.0%
46	Evergrande Yu Long Wan Huizhou	Huizhou	254,386	374,427	—	374,427	35.7%
47	Evergrande Lake of General Huizhou	Huizhou	141,558	403,440	—	403,440	100.0%
48	Evergrande Emerald County Huizhou	Huizhou	30,000	84,000	—	84,000	100.0%
49	Evergrande Billow Palace Huizhou	Huizhou	42,000	126,000	—	126,000	51.0%
50	Evergrande Linxi Town Huizhou	Huizhou	198,677	596,030	—	596,030	100.0%
51	Evergrande Royal Lake County Huizhou	Huizhou	52,000	127,900	—	127,900	100.0%
52	Evergrande City Lights Shenzhen	Shenzhen	42,329	275,892	—	275,892	100.0%
53	Evergrande Palace Wuhan	Wuhan	282,246	450,069	209,535	240,534	100.0%
54	Evergrande City Wuhan	Wuhan	396,879	947,157	692,658	254,498	100.0%
55	Evergrande Metropolis Wuhan	Wuhan	351,306	878,797	780,385	98,413	100.0%

No.	Project	Location	Site area (m <sup>2</sup> )	Total GFA (m <sup>2</sup> )	GFA (m <sup>2</sup> )		Attributable equity interest (%)
					Completed properties (m <sup>2</sup> )	Properties under development and held for future development (m <sup>2</sup> )	
56	Evergrande Royal Scenic Bay Wuhan	Wuhan	69,023	398,098	319,416	78,682	60.0%
57	Evergrande Royal Palace Wuhan	Wuhan	75,300	313,151	229,329	83,822	51.0%
58	Evergrande Royal Garden Wuhan	Wuhan	19,900	97,800	44,900	52,900	67.1%
59	Evergrande Capital Wuhan	Wuhan	107,800	466,029	363,500	102,529	67.1%
60	Evergrande Rainbow Town Wuhan	Wuhan	464,900	544,900	236,385	308,515	67.1%
61	Evergrande Dragon city Wuhan	Wuhan	506,700	702,052	387,151	314,901	67.1%
62	Evergrande Evergreen Garden Wuhan	Wuhan	373,909	1,300,000	—	1,300,000	60.0%
63	Evergrande Emerald Court Wuhan	Wuhan	101,844	246,250	11,270	234,980	100.0%
64	Evergrande Splendor Ezhou	Ezhou	1,742,809	2,010,674	750,504	1,260,170	100.0%
65	Evergrande Metropolis Changsha	Changsha	185,376	873,690	818,812	54,878	100.0%
66	Evergrande City Changsha	Changsha	253,458	580,369	550,971	29,398	100.0%
67	Evergrande Oasis Changsha	Changsha	290,414	796,488	480,859	315,629	51.0%
68	Evergrande Atrium Changsha	Changsha	515,227	1,468,414	986,976	481,438	99.3%
69	Evergrande Bay Changsha	Changsha	178,644	522,273	291,744	230,529	100.0%
70	Evergrande Royal Scenic Peninsula Changsha	Changsha	215,001	852,409	309,401	543,008	51.0%
71	Evergrande Emerald Court Changsha	Changsha	135,514	593,403	431,627	161,776	100.0%
72	Evergrande Royal Scenic Bay Changsha	Changsha	49,696	249,112	197,772	51,340	100.0%
73	Evergrande Royal View Splendor Changsha	Changsha	301,293	542,328	167,485	374,843	51.0%
74	Evergrande Financial Plaza Changsha	Changsha	49,397	348,434	148,623	199,811	60.0%
75	Changsha Huangxing Road North Project	Changsha	56,622	198,178	—	198,178	51.0%
76	Evergrande Forest Creek County Changsha	Changsha	354,173	993,265	24,139	969,126	73%
							90% of the expanded area
77	Evergrande Fairyland Changsha	Changsha	950,409	1,384,222	—	1,384,222	100.0%
78	Evergrande Palace Liuyang	Changsha	282,639	756,022	509,138	246,884	100.0%
79	Evergrande Jade Palace Changsha	Changsha	16,594	166,765	—	166,765	80.0%
80	Evergrande Shanglin Garden Changsha	Changsha	24,949	99,795	—	99,795	100.0%
81	Evergrande Palace of Glory Changsha	Changsha	39,328	178,029	—	178,029	90.0%
82	Evergrande Splendor Nanjing	Nanjing	982,714	1,168,704	969,234	199,470	100.0%
83	Evergrande Atrium Nanjing	Nanjing	315,352	1,123,700	841,470	282,230	100.0%
84	Evergrande Palace Nanjing	Nanjing	51,072	211,520	91,036	120,484	100.0%
85	Evergrande Emerald Court Nanjing	Nanjing	78,727	332,427	124,544	207,883	100.0%
86	Evergrande Riverside Nanjing	Nanjing	64,020	454,726	—	454,726	52.0%
87	Evergrande Dragon Garden Nanjing	Nanjing	72,434	174,846	—	174,846	100.0%
88	Evergrande Xhe Sanh Residence Nanjing	Nanjing	49,200	114,686	—	114,686	100.0%
89	Evergrande Linxi Town Nanjing	Nanjing	38,400	61,440	—	61,440	100.0%
90	Evergrande Riverside Mansion Nanjing	Nanjing	49,468	138,511	—	138,511	40.8%
91	Evergrande Fairyland Jurong	Nanjing	68,621	255,659	—	255,659	100.0%
92	Evergrande Oasis Chengdu	Chengdu	142,145	676,155	475,270	200,885	100.0%
93	Evergrande City Chengdu	Chengdu	169,501	722,173	698,746	23,427	100.0%
94	Evergrande Scenic Garden Chengdu	Chengdu	619,926	611,800	132,448	479,352	100.0%
95	Evergrande Royal Scenic Peninsula Chengdu	Chengdu	926,437	5,300,306	919,102	4,381,204	100.0%
96	Evergrande Royal View Garden Chengdu	Chengdu	62,639	403,639	240,541	163,098	100.0%
97	Evergrande New City Chengdu	Chengdu	118,936	656,881	447,787	209,094	100.0%
98	Evergrande Emerald Court Chengdu	Chengdu	45,924	222,132	203,823	18,309	100.0%
99	Evergrande Caojiaxiang Plaza Chengdu	Chengdu	113,382	994,100	329,647	664,453	80.6%
100	Evergrande Central Square Chengdu	Chengdu	77,992	572,100	192,231	379,869	Phase I 100%; Phase II 50.63%
101	Evergrande Metropolis Court Chengdu	Chengdu	18,061	196,462	186,362	10,100	100.0%
102	Evergrande Huazhi Plaza Chengdu	Chengdu	15,398	431,723	155,042	276,681	100.0%
103	Evergrande Royal Peninsula Chengdu	Chengdu	950,072	3,719,482	612,280	3,107,202	100.0%
104	Evergrande Metropolis Chengdu	Chengdu	65,195	246,059	164,525	81,534	100.0%
105	Evergrande Central Plaza Chengdu	Chengdu	281,913	772,274	177,964	594,310	52.4%
106	Evergrande Jincheng Chengdu	Chengdu	83,848	329,000	—	329,000	100.0%
107	Evergrande Wangjiang Palace Chengdu	Chengdu	34,492	190,700	126,476	64,224	100.0%
108	Evergrande Shanglinyuan Atrium Chengdu	Chengdu	193,148	330,800	16,064	314,736	65.0%
109	Evergrande Future City Chengdu	Chengdu	220,088	536,219	—	536,219	49.0%
110	Evergrande The Coronation Chengdu	Chengdu	505,468	2,122,966	—	2,122,966	100.0%
111	Evergrande Royal Palace Chengdu	Chengdu	83,894	251,681	—	251,681	100.0%



No.	Project	Location	Site area (m <sup>2</sup> )	Total GFA (m <sup>2</sup> )	GFA (m <sup>2</sup> )		
					Completed properties (m <sup>2</sup> )	Properties under development and held for future development (m <sup>2</sup> )	Attributable equity interest (%)
112	Evergrande Royal Scenic Chengdu	Chengdu	182,228	632,448	—	632,448	51.2%
113	Evergrande Emerald Court Qionglai	Chengdu	33,354	163,269	85,092	78,177	100.0%
114	Evergrande Splendor Pengshan	Meishan	2,440,685	4,428,935	1,495,783	2,933,152	100.0%
115	Evergrande Jade Pavilion Chengdu	Chengdu	63,200	147,353	—	147,353	90.0%
116	Evergrande Dujiang Home Chengdu	Chengdu	56,389	58,121	—	58,121	100.0%
117	Evergrande Linxi Town Chengdu	Chengdu	192,288	529,272	—	529,272	80.0%
118	Evergrande Royal View Garden Hangzhou	Hangzhou	98,328	348,848	243,627	105,221	100.0%
119	Evergrande Crystal International Plaza Hangzhou	Hangzhou	174,165	399,802	85,467	314,334	100.0%
120	Evergrande Yue Long Mansion Hangzhou	Hangzhou	47,652	119,130	—	119,130	100.0%
121	Evergrande Royal Scenic Xi'an	Xi'an	130,295	509,387	356,491	152,896	100.0%
122	Evergrande Royal View Garden Xi'an	Xi'an	109,092	511,806	320,975	190,831	100.0%
123	Evergrande Bay Xi'an	Xi'an	144,247	358,739	224,575	134,163	100.0%
124	Evergrande Emerald Court Xi'an	Xi'an	30,750	231,440	198,492	32,948	100.0%
125	Evergrande Royal Dragon Bay Xi'an	Xi'an	158,644	356,879	107,500	249,379	90.0%
126	Evergrande Emerald Dragon Court Xi'an	Xi'an	62,204	282,882	72,840	210,042	99.0%
127	Evergrande City Plaza Xi'an	Xi'an	106,233	351,631	105,780	245,851	100.0%
128	Evergrande International City Xi'an	Xi'an	154,096	356,374	52,353	304,021	100.0%
129	Evergrande Atrium Gaoling	Xi'an	160,016	480,048	—	480,048	100.0%
130	Evergrande Metropolis Jinan	Jinan	134,118	445,326	389,395	55,931	100.0%
131	Evergrande Oasis Jinan	Jinan	678,556	2,103,184	1,299,560	803,624	100.0%
132	Evergrande City Jinan	Jinan	391,391	1,740,500	849,906	890,594	100.0%
133	Evergrande Atrium Jinan	Jinan	202,511	859,724	523,691	336,033	60.0%
134	Evergrande Royal View Garden Jinan	Jinan	116,421	477,534	402,178	75,356	100.0%
135	Evergrande Emerald Court Jinan	Jinan	234,112	1,020,094	419,206	600,888	100.0%
136	Evergrande Longao Regency Jinan	Jinan	199,751	379,200	227,059	152,141	100.0%
137	Evergrande Longao East New Metropolis Jinan	Jinan	50,066	210,725	115,112	95,612	100.0%
138	Evergrande City Jinan	Jinan	83,180	311,410	215,821	95,589	80.0%
139	Evergrande Left Bank Riverfront Jinan	Jinan	334,602	1,284,901	256,276	1,028,625	100.0%
140	Evergrande Century Plaza Jinan	Jinan	90,032	325,170	298,962	26,208	100.0%
141	Evergrande Palace Jinan	Jinan	111,305	396,996	304,783	92,213	100.0%
142	Evergrande Jinbi New Town Jinan	Jinan	208,297	637,586	425,903	211,683	100.0%
143	Evergrande Royal Summit Jinan	Jinan	89,583	334,853	186,564	148,289	100.0%
144	evergrande fortune center	Jinan	50,195	281,344	101,398	179,947	100.0%
145	Evergrande Oasis Taiyuan	Taiyuan	691,649	1,638,087	1,521,209	116,878	100.0%
146	Evergrande Metropolis Taiyuan	Taiyuan	121,182	484,728	419,414	65,315	100.0%
147	Evergrande Scenic Garden Taiyuan	Taiyuan	341,882	809,614	510,782	298,832	100.0%
148	Evergrande Palace Taiyuan	Taiyuan	177,364	570,588	473,947	96,641	65.6%
149	Evergrande Royal Scenic Bay Taiyuan	Taiyuan	334,651	1,451,283	362,015	1,089,268	100.0%
150	Evergrande Emerald Court Taiyuan	Taiyuan	36,505	193,787	155,840	37,947	70.0%
151	Evergrande Left Bank Riverfront Taiyuan	Taiyuan	115,006	552,326	470,543	81,784	100.0%
152	Evergrande Atrium Taiyuan	Taiyuan	62,842	316,875	300,224	16,651	100.0%
153	Evergrande Future City Taiyuan	Taiyuan	61,289	293,575	169,399	124,176	100.0%
154	Evergrande City Taiyuan	Taiyuan	54,897	292,446	—	292,446	82.0%
155	Evergrande Bay Taiyuan	Taiyuan	54,987	295,745	106,515	189,229	80.0%
156	Evergrande Fairyland	Taiyuan	81,500	326,002	—	326,002	100.0%
157	Evergrande Royal Palace Taiyuan	Taiyuan	31,953	111,837	—	111,837	100.0%
158	Evergrande City Hefei	Hefei	265,314	806,469	682,237	124,232	100.0%
159	Evergrande Royal View Garden Hefei	Hefei	280,920	1,059,422	797,474	261,948	100.0%
160	Evergrande International Center Hefei	Hefei	134,564	987,493	187,627	799,866	100.0%
161	Evergrande Plaza Hefei	Hefei	241,508	1,059,475	448,851	610,625	100.0%
162	Evergrande Crystal International Plaza Hefei	Hefei	89,158	392,980	—	392,980	50.4%
163	Evergrande Yue Long Tai Hefei	Hefei	129,473	258,947	—	258,947	100.0%
164	Evergrande Royal View Garden Chaohu	Hefei	77,946	257,679	194,771	62,908	100.0%
165	Evergrande Oasis Feidong	Hefei	90,220	251,434	175,990	75,444	65.0%
166	Evergrande City Nanchang	Nanchang	759,473	1,367,051	1,028,581	338,470	88.9%
167	Evergrande Oasis Nanchang	Nanchang	1,577,388	1,063,137	1,034,475	28,662	100.0%
168	Evergrande Metropolis Nanchang	Nanchang	192,891	528,343	415,695	112,647	100.0%
169	Evergrande Royal View Garden Nanchang	Nanchang	88,492	228,692	201,847	26,845	100.0%
170	Evergrande Emerald Court Nanchang	Nanchang	105,280	277,824	117,256	160,568	95.0%



No.	Project	Location	Site area (m <sup>2</sup> )	Total GFA (m <sup>2</sup> )	GFA (m <sup>2</sup> )		Attributable equity interest (%)
					Completed properties (m <sup>2</sup> )	Properties under development and held for future development (m <sup>2</sup> )	
171	Evergrande Palace Nanchang	Nanchang	61,456	236,067	77,516	158,551	100.0%
172	Evergrande Emerald Imperial court Nanchang	Nanchang	59,000	147,500	—	147,500	100.0%
173	Evergrande Emerald Garden Nanchang	Nanchang	46,000	115,000	—	115,000	100.0%
174	Evergrande Lin Xi Fu Nanchang	Nanchang	267,000	534,000	—	534,000	100.0%
175	Evergrande Grande Palace Nanchang	Nanchang	57,679	144,198	—	144,198	100.0%
176	Evergrande Light of Times Nanchang	Nanchang	85,644	203,833	—	203,833	100.0%
177	Evergrande Yue Long Mansion Nanchang	Nanchang	225,000	661,500	—	661,500	100.0%
178	Evergrande Scenic Garden Fuzhou	Fuzhou	133,333	198,849	103,334	95,515	100.0%
179	Fuqing Evergrande City	Fuzhou	126,506	343,944	136,903	207,041	100.0%
180	Evergrande Oasis Harbin	Haerbin	243,306	719,988	456,542	263,446	100.0%
181	Evergrande Metropolis Harbin	Haerbin	190,351	554,012	446,060	107,952	100.0%
182	Evergrande City Harbin	Haerbin	271,956	693,971	405,966	288,005	100.0%
183	Evergrande Royal View Garden Harbin	Haerbin	99,758	272,030	206,206	65,824	100.0%
184	Evergrande Royal Scenic Bay Harbin	Haerbin	166,705	560,722	528,211	32,512	100.0%
185	Evergrande Emerald Court Harbin	Haerbin	47,300	129,231	108,643	20,588	100.0%
186	Evergrande Royal Garden Harbin	Haerbin	158,309	423,877	207,894	215,983	100.0%
187	Evergrande Atrium Harbin	Haerbin	71,070	313,019	162,611	150,409	95% , 100% of the expanded area
188	Evergrande Grand Century Harbin	Haerbin	61,933	231,713	204,127	27,586	100.0%
189	Evergrande International Center Harbin	Haerbin	47,420	156,486	—	156,486	100.0%
190	Evergrande Grand Splendor Harbin	Haerbin	72,763	87,315	83,285	4,030	100.0%
191	Evergrande Harmonious City Harbin	Haerbin	30,405	69,932	26,276	43,657	100.0%
192	Evergrande Jinyuan Harbin	Haerbin	227,468	326,124	137,416	188,708	100.0%
193	Evergrande Dingxiangjun Harbin	Haerbin	90,703	325,300	76,513	248,787	100.0%
194	Evergrande Royal Summit Harbin	Haerbin	20,185	96,665	15,986	80,679	100.0%
195	Evergrande Royal Palace Harbin	Haerbin	48,707	135,791	—	135,791	100.0%
196	Evergrande Central Plaza Harbin	Haerbin	226,116	683,300	—	683,300	100.0%
197	Evergrande Times Square Harbin	Haerbin	430,808	1,168,910	—	1,168,910	100.0%
198	Evergrande Oasis Changchun	Changchun	197,940	648,100	568,497	79,603	100.0%
199	Evergrande City Changchun	Changchun	215,377	571,345	421,545	149,800	100.0%
200	Evergrande International Center Changchun	Changchun	26,239	305,641	—	305,641	100.0%
201	Evergrande Royal Scenic Changchun	Changchun	170,324	513,433	498,728	14,705	100.0%
202	Evergrande Metropolis Changchun	Changchun	288,620	721,550	382,160	339,390	100.0%
203	Evergrande City Plaza Changchun	Changchun	124,968	451,901	261,428	190,473	100.0%
204	Evergrande Royal Summit Changchun	Changchun	113,908	303,665	216,833	86,833	100.0%
205	Evergrande Atrium Changchun	Changchun	125,076	358,703	310,018	48,685	100.0%
206	Evergrande Royal View Garden Changchun	Changchun	199,970	399,940	141,342	258,598	100.0%
207	Evergrande Bay Changchun	Changchun	119,948	401,353	146,752	254,601	100.0%
208	Evergrande Moon Residence Changchun	Changchun	51,067	100,650	35,749	64,901	80.0%
209	Evergrande First Palace Changchun	Changchun	188,431	395,705	50,657	345,048	100.0%
210	Evergrande Tan Xi Jun Changchun	Changchun	82,754	179,358	—	179,358	75.0%
211	Evergrande North Lake Plaza Changchun	Changchun	77,326	154,652	—	154,652	60.0%
212	Evergrande Aquatic Manor Changchun	Changchun	472,514	255,370	—	255,370	62.0%
213	Evergrande Oasis Shenyang	Shenyang	575,404	2,013,913	1,629,279	384,634	100.0%
214	Evergrande City Shenyang	Shenyang	359,812	934,999	914,061	20,938	100.0%
215	Evergrande Metropolis Shenyang	Shenyang	353,066	1,129,811	878,288	251,524	100.0%
216	Evergrande Palace Shenyang	Shenyang	72,970	210,671	191,536	19,136	100.0%
217	Evergrande Bay Shenyang	Shenyang	217,114	630,438	577,879	52,559	100.0%
218	Evergrande Atrium Shenyang	Shenyang	239,038	769,063	347,713	421,350	100.0%
219	Evergrande Emerald Court Shenyang	Shenyang	104,410	322,558	229,975	92,583	100.0%
220	Evergrande Royal Scenic Bay Shenyang	Shenyang	61,038	166,076	138,860	27,216	100.0%
221	Evergrande Left Bank Riverfront Shenyang	Shenyang	299,669	599,338	180,440	418,898	100.0%
222	Evergrande Royal Summit Shenyang	Shenyang	138,197	304,033	—	304,033	85.7%
223	Evergrande Shengjing Plaza Shenyang	Shenyang	88,885	195,548	—	195,548	87.5%
224	Evergrande Central Plaza Shenyang	Shenyang	421,001	1,480,523	—	1,480,523	51.0%
225	Evergrande Yue Long Court Shenyang	Shenyang	89,961	161,930	—	161,930	100.0%
226	Evergrande Yihe&Shengjing Family	Shenyang	379,233	526,568	—	526,568	70.0%
227	Evergrande Shengjing Jade Garden Shenyang	Shenyang	138,111	260,222	—	260,222	100.0%

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228	Evergrande Atrium Hohhot	Hohhot	95,730	357,916	232,304	125,612	74.0%
229	Evergrande Metropolis Hohhot	Hohhot	64,343	216,840	152,002	64,839	100.0%
230	Evergrande Palace Hohhot	Hohhot	105,122	348,290	216,472	131,817	100.0%
231	Evergrande Oasis Hohhot	Hohhot	199,481	477,474	—	477,474	51.0%
232	Evergrande Royal Scenic Peninsula Shijiazhuang	Shijiazhuang	388,405	2,088,561	1,164,670	923,891	70.0%
233	Evergrande Splendor Shijiazhuang	Shijiazhuang	533,333	216,026	82,554	133,472	100.0%
234	Evergrande Forest Creek County Shijiazhuang	Shijiazhuang	99,047	220,558	122,276	98,281	63.0%
235	Evergrande Central Plaza Shijiazhuang	Shijiazhuang	25,062	131,322	—	131,322	100.0%
236	Evergrande International Center Shijiazhuang	Shijiazhuang	120,334	656,000	—	656,000	100.0%
237	Evergrande Oasis Lanzhou	Lanzhou	686,641	1,579,274	369,045	1,210,229	100.0%
238	Evergrande City Plaza Lanzhou	Lanzhou	32,939	164,693	78,644	86,049	70.0%
239	Evergrande Scenic Garden Lanzhou	Lanzhou	357,460	710,974	362,683	348,291	100.0%
240	Evergrande Metropolis Lanzhou	Lanzhou	86,683	357,515	312,211	45,304	100.0%
241	Evergrande Emerald Court Lanzhou	Lanzhou	172,828	604,897	271,019	333,878	100.0%
242	Evergrande Royal View Garden Lanzhou	Lanzhou	144,649	607,525	277,299	330,226	100.0%
243	Evergrande Metropolis Xining	Xining	138,355	439,772	339,791	99,981	100.0%
244	Evergrande Metropolis Yinchuan	Yinchuan	218,580	539,671	481,786	57,885	100.0%
245	Evergrande Royal Scenic Yinchuan	Yinchuan	93,309	301,864	190,922	110,942	100.0%
246	Evergrande Royal View Garden Yinchuan	Yinchuan	89,312	236,274	76,250	160,024	100.0%
247	Evergrande Royal Scenic Peninsula Yinchuan	Yinchuan	226,611	448,503	—	448,503	80.0%
248	Evergrande Oasis Zhengzhou	Zhengzhou	198,422	1,035,829	693,875	341,954	100.0%
249	Evergrande Metropolis Zhengzhou	Zhengzhou	126,730	785,723	194,516	591,207	100.0%
250	Evergrande Scenic Garden Zhengzhou	Zhengzhou	701,394	1,340,029	918,751	421,278	50.2%
251	Evergrande Emerald Court Zhengzhou	Zhengzhou	88,000	416,959	264,401	152,558	100.0%
252	Evergrande Mansion Zhengzhou	Zhengzhou	72,590	272,760	153,416	119,344	100.0%
253	Evergrande Atrium Zhengzhou	Zhengzhou	43,312	171,805	—	171,805	100.0%
254	Evergrande City Zhengzhou	Zhengzhou	265,529	867,604	116,221	751,383	51.0%
255	Evergrande Future City Zhengkai	Kaifeng	735,757	2,133,447	—	2,133,447	51.0%
256	Evergrande Fairyland Kaifeng	Kaifeng	740,340	839,388	—	839,388	100.0%
257	Evergrande Splendor Xinxiang	Xinxiang	940,047	1,637,266	925,600	711,665	100.0%
258	Evergrande Royal Scenic Bay Xinxiang	Xinxiang	233,060	708,431	407,979	300,452	100.0%
259	Evergrande City Guiyang	Guiyang	248,965	915,879	680,893	234,986	100.0%
260	Evergrande Metropolis Guiyang	Guiyang	29,720	243,747	181,400	62,347	98.8%
261	Evergrande Atrium Guiyang	Guiyang	29,720	383,012	284,726	98,286	60.0%
262	Evergrande Emerald Court Guiyang	Guiyang	70,940	391,708	279,125	112,583	100.0%
263	Evergrande Royal View Garden Guiyang	Guiyang	230,172	1,201,295	412,346	788,949	100.0%
264	Evergrande Golden Sun City Guiyang	Guiyang	2,152,684	3,134,069	864,021	2,270,049	100.0%
265	Evergrande Central Park Guiyang	Guiyang	365,334	1,069,826	129,565	940,261	100.0%
266	Evergrande Central Square Guiyang	Guiyang	320,667	852,877	26,948	825,929	100.0%
267	Evergrande Metropolis Square Guiyang	Guiyang	132,000	460,949	145,233	315,716	100.0%
268	Evergrande Huaxi Fairyland Guiyang	Guiyang	1,473,498	2,755,883	—	2,755,883	100.0%
269	Evergrande Left Riverfront Guiyang	Guiyang	93,833	469,164	—	469,164	90.0%
270	Evergrande Royal Palace Guiyang	Guiyang	95,299	270,546	—	270,546	100.0%
271	Evergrande Splendor Kunming	Kunming	994,517	1,926,761	1,181,241	745,519	100.0%
272	Evergrande Yunbao Palace Kunming	Kunming	207,135	1,197,070	512,177	684,893	51.0%
273	Evergrande Metropolis Kunming	Kunming	113,779	664,407	201,291	463,116	100.0%
274	Evergrande Jiu Long Bay Kunming	Kunming	290,118	854,422	—	854,422	51.0%
275	Evergrande Left Riverfront Kunming	Kunming	161,266	538,969	—	538,969	51.0%
276	Evergrande Emerald County Kunming	Kunming	22,986	106,854	—	106,854	100.0%
277	Evergrande Oasis Nanning	Nanning	248,870	769,126	438,417	330,709	100.0%
278	Evergrande International Center Nanning	Nanning	67,333	626,924	103,412	523,512	100.0%
279	Evergrande Metropolis Nanning	Nanning	164,774	659,094	482,656	176,438	100.0%
280	Evergrande Royal View Garden Nanning	Nanning	37,240	174,816	121,953	52,863	100.0%
281	Evergrande Metropolis Nanning	Nanning	20,051	110,512	84,637	25,875	100.0%
282	Evergrande Palace Nanning	Nanning	135,705	339,262	—	339,262	100.0%
283	Evergrande Atrium Nanning	Nanning	62,906	194,839	—	194,839	100.0%
284	Evergrande Scenic View Garden Nanning	Nanning	44,633	241,330	—	241,330	100.0%
285	Evergrande Culture Tourist City Haikou	Haikou	840,339	1,722,538	799,905	922,633	100.0%
286	Evergrande Bay Haikou	Haikou	122,822	170,698	104,316	66,382	100.0%

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287	Evergrande Bund Haikou	Haikou	115,408	552,168	202,172	349,996		100.0%
288	Evergrande Elissa Haikou	Haikou	1,865,094	1,983,577	505,677	1,477,900		100.0%
289	Evergrande Royal Scenic Bay Hainan	Haikou	209,904	745,440	532,958	212,482		100.0%
290	Evergrande Royal Sea Hainan	Haikou	865,988	1,209,000	—	1,209,000		100.0%
291	Evergrande Dingan Royal Lake Manor Haikou	Haikou	233,968	241,238	—	241,238		75.0%
292	Evergrande Yue Long Bay Wanning	Haikou	194,510	195,608	—	195,608		80.0%
293	Evergrande Oasis Urumchi	Urumqi	100,878	273,902	90,046	183,856		51.0%
294	Evergrande Green City Urumchi	Urumqi	467,000	467,000	—	467,000		100.0%
295	Evergrande Splendor Urumchi	Urumqi	2,118,064	2,204,330	449,290	1,755,040		100.0%
296	Evergrande City Lights Urumchi	Urumqi	37,770	207,735	—	207,735		51.0%
297	Evergrande Metropolis Chongqing	Chongqing	177,813	843,014	706,911	136,104		100.0%
298	Evergrande Atrium Chongqing	Chongqing	318,188	996,180	770,148	226,032		100.0%
299	Evergrande Splendor Chongqing	Chongqing	1,807,272	2,882,306	1,527,895	1,354,411		100.0%
300	Evergrande Emerald Court Chongqing	Chongqing	671,931	367,997	270,998	96,999		100.0%
301	Evergrande Royal Scenic Peninsula Chongqing	Chongqing	—	436,868	106,049	330,818		100.0%
302	Evergrande Scenic Garden Chongqing	Chongqing	—	759,472	339,259	420,212		100.0%
303	Evergrande Scenic Garden Fuling	Chongqing	197,054	515,722	294,607	221,115		100.0%
304	Evergrande Royal Scenic Bay Chongqing	Chongqing	31,540	131,814	70,579	61,234		100.0%
305	Evergrande Royal Palace Chongqing	Chongqing	127,271	254,542	—	254,542		90.0%
306	Evergrande Century City Chongqing	Chongqing	263,148	657,871	236,476	421,395		90.0%
307	Evergrande C C Land Plaza	Chongqing	183,382	791,463	203,277	588,186		60.0%
308	Evergrande The Coronation Chongqing	Chongqing	205,134	979,874	449,891	529,983		85.0%
309	Evergrande Central Square Chongqing	Chongqing	132,502	1,028,949	275,656	753,293		100.0%
310	Evergrande Emerald Bay Chongqing	Chongqing	278,526	278,526	—	278,526		51.0%
311	Evergrande Gentleman Hill Palace Chongqing	Chongqing	182,266	403,045	—	403,045		45.9%
312	Evergrande New City Chongqing	Chongqing	252,100	582,800	—	582,800		100.0%
313	Evergrande Lushan Lake Chongqing	Chongqing	184,954	321,399	—	321,399		100.0%
314	Evergrande Future City Chongqing	Chongqing	376,104	575,716	36,335	539,381		51.0%
315	Evergrande Excellent Live City Chongqing	Chongqing	205,941	547,059	—	547,059		100.0%
316	Evergrande Verakin New Park City Chongqing	Chongqing	951,674	424,997	—	424,997		100.0%
317	Evergrande Smart Eco-city Chongqing	Chongqing	55,634	112,243	—	112,243		100.0%
318	Evergrande Green Island Chongqing	Chongqing	254,478	482,801	—	482,801		51.0%
319	Evergrande Golden Block Chongqing	Chongqing	8,293	12,263	—	12,263		51.0%
320	Evergrande Left Lakefront Chongqing	Chongqing	48,750	195,000	—	195,000		100.0%
321	Evergrande Oasis Tianjin	Tianjin	878,096	1,237,618	668,225	569,393		100.0%
322	Evergrande Scenic Garden Tianjin	Tianjin	506,159	652,201	392,067	260,134		100.0%
323	Evergrande Splendor Tianjin	Tianjin	1,675,803	1,483,215	325,487	1,157,728		100.0%
324	Evergrande Metropolis Tianjin	Tianjin	289,509	390,458	389,057	1,401		100.0%
325	Evergrande Royal Scenic Peninsula Tianjin	Tianjin	213,680	338,646	236,330	102,316		100.0%
326	Evergrande Royal View Garden Tianjin	Tianjin	113,569	359,175	174,961	184,215		100.0%
327	Evergrande Royal Scenic Bay Tianjin	Tianjin	88,065	231,702	146,051	85,651		100.0%
328	Evergrande Top Mansion Tianjin	Tianjin	195,155	433,698	—	433,698		100.0%
329	Evergrande Huaxi town Tianjin	Tianjin	174,617	430,497	—	430,497		100.0%
330	Evergrande Phoenix Manor Tianjin	Tianjin	159,718	175,680	—	175,680		100.0%
331	Evergrande Tanxijun Dalian	Dalian	56,921	79,575	35,996	43,579		100.0%
332	Evergrande Royal View Garden Dalian	Dalian	152,704	314,040	134,513	179,527		100.0%
333	Evergrande Royal Scenic Bay Dalian	Dalian	28,400	126,517	93,918	32,599		60.0%
334	Evergrande Harbor City Dalian	Dalian	247,600	607,550	81,075	526,475		100.0%
335	Evergrande City Lights Dalian	Dalian	32,068	128,400	—	128,400		90.0%
336	Evergrande Four seasons Dalian	Dalian	102,657	265,119	89,198	175,921		100.0%
337	Evergrande Atrium Dalian	Dalian	121,153	314,998	—	314,998		51.0%
338	Evergrande Park Avenue Dalian	Dalian	38,592	150,000	—	150,000		100.0%
339	Evergrande Golden Beach Qingdao	Qingdao	335,790	429,771	89,148	340,623		95.0%
340	Evergrande Yue Long Court Qingdao	Qingdao	533,336	361,133	—	361,133		99.0%
341	Evergrande Royal Dragon Bay Qingdao	Qingdao	456,669	625,636	—	625,636		80.0%
342	Evergrande Royal Billow International Qingdao	Qingdao	320,747	214,227	—	214,227		51.0%
343	Evergrande City Lights Ningbo	Ningbo	126,985	728,769	261,399	467,370		100.0%
344	Evergrande Scenic Garden Ningbo	Ningbo	688,782	1,002,072	466,998	535,074		100.0%
345	Evergrande Peninsula On The Sea Xiangshan	Ningbo	385,118	752,520	39,100	713,420		100.0%

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346	Evergrande Yuyao Guanlan Palace	Ningbo	76,823	169,011	—	169,011	95.0%
347	Fenghua Xikou Project	Ningbo	222,902	330,450	—	330,450	100.0%
348	Evergrande Royal View Garden Xiamen	Xiamen	70,825	275,079	142,018	133,061	100.0%
349	Evergrande Jewelry Suzhou	Suzhou	233,628	389,198	—	389,198	51.0%
350	Evergrande Yue Long Bay Suzhou	Suzhou	85,935	171,870	—	171,870	51.0%
351	Evergrande Atrium Zhangjiagang	Suzhou	130,993	373,203	208,151	165,052	90.0%
352	Evergrande City Wuxi	Wuxi	92,452	306,348	221,799	84,549	100.0%
353	Evergrande Oasis Wuxi	Wuxi	263,300	899,155	487,193	411,962	100.0%
354	Evergrande Royal Seaview Bay Wuxi	Wuxi	165,227	437,736	167,727	270,009	100.0%
355	Evergrande Yue Long Bay Wuxi	Wuxi	120,254	264,559	—	264,559	51.0%
356	Evergrande Royal View Garden Jiangyin	Wuxi	124,085	393,949	215,867	178,082	100.0%
357	Evergrande Royal Scenic Jiangyin	Wuxi	120,927	376,409	254,716	121,693	51.0%
358	Evergrande Dongjiu Court Yixing	Wuxi	58,869	134,478	—	134,478	100.0%
359	Evergrande Paradise Palace Wuxi	Wuxi	63,661	159,153	—	159,153	100.0%
360	Evergrande Billow Palace Wuxi	Wuxi	173,100	363,500	—	363,500	100.0%
361	Evergrande Royal Scenic Bay Foshan	Foshan	90,079	291,981	258,717	33,264	100.0%
362	Evergrande Royal Garden Shunde	Foshan	39,405	211,743	176,983	34,760	100.0%
363	Evergrande Emerald Court Foshan	Foshan	51,271	197,100	194,390	2,710	90.0%
364	Evergrande City Foshan	Foshan	74,271	294,991	198,530	96,461	90.0%
365	Evergrande Royal Lake Bay Foshan	Foshan	135,831	482,100	132,904	349,197	100.0%
366	Evergrande Royal Lake Jun Foshan	Foshan	55,557	220,100	—	220,100	100.0%
367	Evergrande Li Lake City Foshan	Foshan	358,214	716,428	—	716,428	100.0%
368	Evergrande Longjiang Emerald Shunde	Foshan	35,244	156,992	—	156,992	99.9%
369	Evergrande Central Square Shunde	Foshan	49,227	280,595	—	280,595	51.0%
370	Evergrande Scenic Palace Foshan	Foshan	876,786	666,797	—	666,797	100.0%
371	Evergrande Royal Riverfront Palace Foshan	Foshan	28,723	71,808	—	71,808	51.0%
372	Evergrande Lake County Foshan	Foshan	208,962	459,716	—	459,716	51.0%
373	Evergrande Yundonghai Project Foshan	Foshan	1,108,596	628,935	—	628,935	100.0%
374	Evergrande Royal Scenic Dongguan	Dongguan	80,194	227,065	183,275	43,790	100.0%
375	Evergrande Emerald Court Dongguan	Dongguan	96,352	165,702	63,295	102,407	51.0%
376	Evergrande Bay Dongguan	Dongguan	121,000	252,300	—	252,300	51.0%
377	Evergrande Left Riverside Dongguan	Dongguan	64,655	221,391	—	221,391	51.0%
378	Evergrande Royal Garden Dongguan	Dongguan	31,033	93,099	—	93,099	100.0%
379	Evergrande Billow Bay Wenzhou	Wenzhou	59,454	148,626	—	148,626	100.0%
380	Evergrande Palace of Pleasure Wenzhou	Wenzhou	47,107	146,033	—	146,033	100.0%
381	Evergrande Royal Scenic Bay Quanzhou	Quanzhou	57,068	168,943	144,270	24,673	100.0%
382	Evergrande Emerald Dragon Court Quanzhou	Quanzhou	29,031	120,264	65,803	54,461	100.0%
383	Evergrande Emerald Court Quanzhou	Quanzhou	15,839	52,996	23,810	29,186	100.0%
384	Evergrande City Plaza Quanzhou	Quanzhou	14,000	150,126	—	150,126	100.0%
385	Evergrande Metropolis Shishi	Quanzhou	185,809	601,948	299,442	302,507	100%, 80% of the expanded area
386	Anxi Evergrande Royal Scenic Bay	Quanzhou	147,283	194,597	39,512	155,085	100.0%
387	Evergrande Atrium	Quanzhou	66,303	198,909	—	198,909	100.0%
388	Evergrande Royal Seaview Garden Nantong	Nantong	70,317	166,769	—	166,769	100.0%
389	Evergrande Palace Tangshan	Tangshan	84,686	395,661	277,041	118,620	60.0%
390	Evergrande Dragon Court Tangshan	Tangshan	419,227	1,511,300	—	1,511,300	51.0%
391	Evergrande School Tangshan	Tangshan	161,353	832,218	159,930	672,287	51.0%
392	Evergrande Metropolis Weifang	Weifang	289,254	1,012,389	642,139	370,250	100.0%
393	Evergrande Emerald Court Weifang	Weifang	87,534	282,098	201,737	80,361	100.0%
394	Evergrande Left Bank Riverfront Xuzhou	Xuzhou	124,945	407,622	—	407,622	95.0%
395	Evergrande Linxi Town Xuzhou	Xuzhou	76,847	322,303	—	322,303	80.0%
396	Evergrande Oasis Zhongshan	Zhongshan	147,575	660,935	409,047	251,888	100.0%
397	Evergrande Metropolis Zhongshan	Zhongshan	63,323	224,652	222,852	1,800	100.0%
398	Evergrande Royal Palace Zhongshan	Zhongshan	88,390	265,169	—	265,169	100.0%
399	Evergrande Royal Scenic Zhongshan	Zhongshan	79,103	237,308	—	237,308	51.0%
400	Evergrande Atrium Zhongshan	Zhongshan	42,940	85,880	—	85,880	60.0%
401	Evergrande Royal Scenic Bay Shantou	Shantou	166,253	501,370	369,450	131,920	100.0%
402	Evergrande Bund Shantou	Shantou	145,831	437,493	—	437,493	100.0%

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403	Evergrande Jinbi Bay Shantou	Shantou	297,448	884,723	—	884,723	65.0%
404	Evergrande Ocean Spring Zhuhai	Zhuhai	242,800	341,000	26,287	314,713	51.0%
405	Evergrande Emerald Court Zhuhai	Zhuhai	66,632	66,632	—	66,632	100.0%
406	Zhuhai Zhuofu Project	Zhuhai	7,606	67,939	—	67,939	90.0%
407	Evergrande Royal Seaview Garden Sanya	Sanya	299,415	440,387	209,876	230,512	100.0%
408	Evergrande Royal Palace Sanya	Sanya	86,033	370,587	—	370,587	100.0%
409	Evergrande City Yunfu	Yunfu	369,888	787,174	575,775	211,399	51.0%
410	Evergrande City Shaoguan	Shaoguan	450,839	1,392,211	770,743	621,469	100.0%
411	Evergrande Hawaii on the sea Yangjiang	Yangjiang	1,228,925	1,009,862	452,467	557,395	100.0%
412	Evergrande Metropolis Yangjiang	Yangjiang	138,669	423,798	348,512	75,286	100.0%
413	Evergrande City Chaozhou	Chaozhou	546,973	1,914,502	1,084,546	829,956	100.0%
414	Evergrande Scenic Garden Chaozhou	Chaozhou	245,369	658,921	193,237	465,684	100.0%
415	Evergrande Metropolis Chaozhou	Chaozhou	101,924	356,734	—	356,734	100.0%
416	Evergrande Oasis Zhanjiang	Zhanjiang	127,834	491,793	363,345	128,448	100.0%
417	Evergrande Royal View Garden Zhanjiang	Zhanjiang	84,881	319,473	—	319,473	60.0%
418	Evergrande Metropolis Heyuan	Heyuan	250,777	855,813	708,207	147,606	100.0%
419	Evergrande Oasis Jieyang	Jieyang	193,248	458,240	—	458,240	100.0%
420	Evergrande Emerald Court Jieyang	Jieyang	85,629	214,073	—	214,073	100.0%
421	Evergrande Palace Jieyang	Jieyang	59,839	179,516	—	179,516	66.0%
422	Evergrande Royal Scenic Peninsula Jiangmen	Jiangmen	137,584	404,939	—	404,939	70.0%
423	Evergrande Spring City Enping	Jiangmen	2,056,500	2,181,055	454,025	1,727,030	100.0%
424	Evergrande Century Dreamlike City Zhaoqing	Zhaoqing	1,278,524	2,301,343	—	2,301,343	58.0%
425	Evergrande Royal Lake City Zhaoqing	Zhaoqing	137,727	413,180	—	413,180	100.0%
426	Evergrande Emerald Court Zhaoqing	Zhaoqing	41,739	195,886	—	195,886	100.0%
427	Evergrande Royal Scenic Peninsula Meizhou	Meizhou	597,006	2,063,164	281,035	1,782,129	80.0%
428	Evergrande Atrium Huizhou	Huizhou	60,986	182,957	—	182,957	100.0%
429	Evergrande Atrium Huizhou	Huizhou	63,820	191,461	—	191,461	100.0%
430	Evergrande Royal View Garden Yangjiang	Yangjiang	99,224	201,796	—	201,796	100.0%
431	Evergrande Yue Long Mansion Yangjiang	Yangjiang	115,992	231,634	—	231,634	100.0%
432	Evergrande Left Riverfront Heyuan	Heyuan	200,040	300,000	—	300,000	100.0%
433	Evergrande Royal Lake Zhaoqing	Zhaoqing	320,588	883,159	—	883,159	100.0%
434	Evergrande Royal Scenic Peninsula Quzhou	Quzhou	181,050	461,460	300,873	160,587	100.0%
435	Evergrande Yue Long Bay Huzhou	Huzhou	174,422	296,493	—	296,493	46.0%
436	Evergrande Left Shianghu Jiaxing	Jiaxing	118,842	226,247	—	226,247	80.0%
437	Evergrande Jewelry Palace Shaoxing	Shaoxing	140,727	330,708	—	330,708	37.5%
438	Oi Hu Tao Shengzhou Project	Shaoxing	90,818	199,791	—	199,791	95.0%
439	Evergrande Royal Scenic Bay Zhoushan	Zhoushan	55,113	149,419	104,438	44,981	100.0%
440	Royal Mansion	Shaoxing	83,400	116,700	—	116,700	100.0%
441	Evergrande Future City Shaoxing	Shaoxing	254,668	636,670	—	636,670	100.0%
442	Evergrande Yue Long Mansion Shaoxing	Shaoxing	189,634	227,561	—	227,561	100.0%
443	Evergrande River Royal Palace Shaoxing	Shaoxing	108,531	151,943	—	151,943	100.0%
444	Evergrande Royal Palace Shaoxing	Shaoxing	58,937	129,661	—	129,661	100.0%
445	City Galaxy Project Taizhou	Taizhou	148,856	197,581	—	197,581	100.0%
446	Evergrande Oasis Zhenjiang	Zhenjiang	63,383	190,200	169,473	20,727	100.0%
447	Evergrande Metropolis Danyang	Zhenjiang	282,022	846,065	712,656	133,409	100.0%
448	Evergrande City Danyang	Zhenjiang	94,832	265,535	177,403	88,132	100.0%
449	Evergrande Metropolis Huai'an	Huaian	283,233	1,047,190	593,863	453,327	100.0%
450	Evergrande Palace Suqian	Suqian	238,187	833,654	581,976	251,678	100.0%
451	Evergrande Oasis Suqian	Suqian	116,345	317,255	226,400	90,855	100.0%
452	Evergrande Emerald Court Suqian	Suqian	84,300	225,502	—	225,502	100.0%
453	Evergrande City Lianyungang	Lianyungang	274,128	822,280	—	822,280	100.0%
454	Evergrande Metropolis Lianyungang	Lianyungang	113,029	536,767	329,775	206,992	100.0%
455	Evergrande Metropolis Yancheng	Yancheng	181,456	731,946	501,967	229,979	100.0%
456	Evergrande Royal View Garden Yancheng	Yancheng	259,015	713,480	329,856	383,624	75.0%
457	Evergrande Emerald Court Changzhou	Changzhou	47,512	216,311	163,460	52,851	94.0%
458	Evergrande Scenic View Garden Changzhou	Changzhou	58,625	205,187	—	205,187	100.0%
459	Jintan District Golden Bay Changzhou Project	Changzhou	620,668	620,668	—	620,668	60.0%
460	Evergrande Royal Scenic Yangzhou	Yangzhou	105,857	195,214	181,346	13,868	100.0%
461	Evergrande Royal Palace Zhenjiang	Zhenjiang	48,828	76,610	—	76,610	60.0%



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462	Evergrande Palace Zhenjiang	Zhenjiang	148,955	275,500	—	275,500	100.0%
463	Ecological County	Lianyungang	114,444	205,999	—	205,999	100.0%
464	Evergrande Royal Peak Lianyugang	Lianyungang	101,890	173,925	—	173,925	100.0%
465	Evergrande Emerald County Yancheng	Yancheng	61,232	110,218	—	110,218	100.0%
466	Evergrande Billow Bay Yancheng	Yancheng	127,556	229,601	—	229,601	100.0%
467	Evergrande Left Riverfront Yizheng	Yangzhou	82,194	177,225	—	177,225	100.0%
468	Evergrande Yue Long Mansion Yangzhou	Yangzhou	61,228	116,333	—	116,333	100.0%
469	Evergrande Emerald Court Yangzhou	Yangzhou	79,054	197,635	—	197,635	100.0%
470	Evergrande Palace Yangzhou	Yangzhou	78,206	186,130	—	186,130	100.0%
471	Evergrande Royal Lakeside Yangzhou	Yangzhou	110,881	240,804	—	240,804	90.0%
472	Evergrande Yue Long Bay Nantong	Nantong	94,192	188,384	—	188,384	100.0%
473	Evergrande Royal Scenic Peninsula Jingjiang	Taizhou	534,570	694,941	—	694,941	51.0%
474	Evergrande Palace Taizhou	Taizhou	262,480	620,100	—	620,100	100.0%
475	Evergrande Royal View Garden Kaifeng	Kaifeng	180,948	452,369	223,456	228,913	53.0%
476	Evergrande Oasis Luoyang	Luoyang	892,080	3,483,981	1,755,052	1,728,929	100.0%
477	Evergrande Metropolis Xinyang	Xinyang	323,530	900,000	636,974	263,026	100.0%
478	Evergrande Emerald Court Xinyang	Xinyang	149,738	496,427	222,423	274,003	Phase I 55%
							Phase II 58%
479	Evergrande Royal Scenic Bay Xinyang	Xinyang	152,414	457,242	—	457,242	58.0%
480	Evergrande Oasis Anyang	Anyang	406,660	1,318,141	667,458	650,682	100.0%
481	Evergrande Oasis Xuchang	Xuchang	185,052	753,449	562,352	191,097	100.0%
482	Evergrande Emerald Court Xuchang	Xuchang	62,556	233,361	162,847	70,514	60.0%
483	Evergrande Metropolis Luohe	Luohe	170,124	570,287	247,420	322,867	100.0%
484	Evergrande Royal Scenic Luohe	Luohe	50,779	284,862	171,310	113,551	100.0%
485	Evergrande Metropolis Zhumadian	Pingdingshan	100,546	433,715	399,217	34,498	57.0%
486	Evergrande Royal Scenic Peninsula Pingdingshan	Pingdingshan	79,702	187,900	156,244	31,656	64.0%
487	Evergrande Metropolis Zhumadian	Zhumadian	103,043	432,964	303,886	129,078	100.0%
488	Evergrande Metropolis Shangqiu	Shangqiu	368,407	954,484	282,558	671,926	100.0%
489	Evergrande Emerald Court Shangqiu	Shangqiu	63,880	159,701	—	159,701	60.0%
490	Evergrande Royal View Garden Nanyang	Nanyang	204,621	544,981	298,787	246,194	100.0%
491	Evergrande Royal Scenic Bay Nanyang	Nanyang	117,592	378,068	217,061	161,007	55.0%
492	Evergrande City Jiaozuo	Jiaozuo	96,285	302,119	—	302,119	100.0%
493	Evergrande Yue Long Tai Puyang	Puyang	138,477	366,389	194,463	171,926	100.0%
494	Evergrande Metropolis Zhoukou	Zhoukou	132,779	398,337	178,784	219,553	70.0%
495	Evergrande Royal View Garden Lankao	Kaifeng	266,628	533,258	—	533,258	100.0%
496	Evergrande Palace of Pleasure Xuchang	Xuchang	75,919	215,322	—	215,322	51.0%
497	Evergrande Yue Long Bay Puyang	Puyang	125,545	251,089	—	251,089	100.0%
498	Evergrande Royal View Garden Taikang	Zhoukou	95,878	143,817	—	143,817	100.0%
499	Evergrande Metropolis Hebi	Hebi	124,886	269,187	—	269,187	100.0%
500	Evergrande City Qinhuangdao	Qinhuangdao	796,537	2,947,180	508,792	2,438,388	100.0%
501	Evergrande City Cangzhou	Cangzhou	171,898	537,722	320,874	216,848	100.0%
502	Evergrande City Xingtai	Xingtai	106,353	415,762	257,951	157,811	72.0%
503	Evergrande Royal View Garden Xingtai	Xingtai	27,376	109,647	74,497	35,150	72.0%
504	Evergrande Metropolis Xingtai	Xingtai	88,671	265,126	144,665	120,461	100.0%
505	Evergrande Scenic Garden Xingtai	Xingtai	127,558	318,850	211,815	107,035	58.0%
506	Evergrande Metropolis Handan	Handan	167,998	892,394	281,936	610,458	70.0%
507	Evergrande Emerald Court Handan	Handan	86,703	406,993	180,907	226,086	100.0%
508	Evergrande City Hengshui	Hengshui	133,846	642,100	367,013	275,087	70.0%
509	Evergrande Oasis Hengshui	Hengshui	171,241	612,490	277,172	335,318	60.0%
510	Evergrande Metropolis Langfang	Langfang	101,351	293,630	202,481	91,149	100.0%
511	Langfang Zhongding Project	Langfang	20,333	53,500	—	53,500	100.0%
512	Evergrande Emerald Court Langfang	Langfang	133,333	368,504	226,928	141,577	100.0%
513	Evergrande Palace of Pleasure Cangzhou	Cangzhou	69,165	152,163	—	152,163	100.0%
514	International Cultural Tourism City, Nanda Bay Cangzhou	Cangzhou	1,363,297	2,653,648	—	2,653,648	100.0%
515	Beihai Manor Handan	Handan	340,002	761,000	—	761,000	51.0%
516	Evergrande Oasis Handan	Handan	114,001	337,000	—	337,000	51.0%
517	THE SEINE RIVER Handan	Handan	72,000	153,000	—	153,000	51.0%



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518	Taihongsen Mall Project(P.1)	Handan	75,334	121,000	—	121,000	51.0%
	Evergrande Dragon Court (P.2)	Handan	53,807	161,000	—	161,000	51.0%
	Evergrande Blooming Garden Handan	Handan	33,000	33,000	—	33,000	51.0%
	Evergrande Rainbow Town Handan	Handan	12,467	43,000	—	43,000	51.0%
519	Evergrande Splendid Mansion Handan	Handan	172,071	430,177	—	430,177	60.0%
520	Evergrande Palace Changde	Changde	314,862	1,073,502	673,784	399,718	60.0%
521	Evergrande Royal Scenic Bay Changde	Changde	58,651	196,847	—	196,847	65.0%
522	Evergrande Palace Chenzhou	Chenzhou	187,024	626,338	488,065	138,273	100.0%
523	Evergrande Royal View Garden Chenzhou	Chenzhou	121,668	365,004	127,732	237,272	65.0%
524	Evergrande Metropolis Zhuzhou	Zhuzhou	65,028	288,091	234,438	53,653	100.0%
525	Evergrande Palace Zhuzhou	zhuzhou	199,995	599,984	187,346	412,638	60.0%
526	Evergrande Oasis Hengyang	Hengyang	95,441	563,625	436,429	127,196	69.5%
527	Evergrande Oasis Yiyang	Yiyang	213,859	641,577	526,458	115,119	100.0%
528	Evergrande Nanhu Peninsula Yueyang	Yueyang	193,928	656,248	401,012	255,236	64.0%
529	Evergrande Oasis Yueyang	Yueyang	121,039	478,367	115,030	363,337	65.0%
530	Evergrande Royal View Garden Huaihua	Huaihua	334,623	501,925	181,062	320,863	60.0%
531	Evergrande Emerald Court Xiangtan	Xiangtan	143,199	715,997	300,358	415,639	60.0%
532	Evergrande Royal Scenic Peninsula Xiangtan	Xiangtan	252,583	737,209	—	737,209	60.0%
533	Evergrande Palace Shaoyang	Shaoyang	207,209	663,070	—	663,070	60.0%
534	Evergrande Coronation Changde	Changde	101,744	284,884	—	284,884	100.0%
535	Evergrande Royal Scenic Bay Zhuzhou	Zhuzhou	27,913	136,774	—	136,774	62.0%
536	Evergrande Linxin Town Zhuzhou	Zhuzhou	100,715	251,788	—	251,788	100.0%
537	Evergrande Royal Scenic Bay Yueyang	Yueyang	59,640	180,392	—	180,392	65.0%
538	Wanquanwan Project in Huaihua	Huaihua	84,348	237,879	—	237,879	60.0%
539	Evergrande Literary Beijing	Xiangtan	118,967	414,005	—	414,005	60.0%
540	Evergrande Future City Shaoyang	shaoyang	188,756	660,645	—	660,645	64.0%
541	Evergrande Sky Capital Ezhou	Ezhou	622,700	980,000	153,840	826,160	67.1%
542	Evergrande Metropolis Jingzhou	Jingzhou	103,342	457,900	287,798	170,102	100.0%
543	Evergrande Metropolis Jingzhou	Jingzhou	83,009	307,040	45,943	261,097	100.0%
544	Evergrande Emerald Court Jingzhou	Jingzhou	26,017	139,767	—	139,767	51.0%
545	Evergrande Metropolis Suizhou	Suizhou	74,564	186,410	—	186,410	60.0%
546	Evergrande Golden Metropolis Suizhou	Suizhou	67,700	243,700	—	243,700	70.0%
547	Evergrande Metropolis Xiangyang	Xiangyang	199,472	709,661	533,043	176,618	100.0%
548	Evergrande Emerald Court Xiangyang	Xiangyang	60,524	232,796	—	232,796	70.0%
549	Evergrande Oasis Yichang	Yichang	265,890	854,735	622,021	232,714	100.0%
550	Evergrande Royal View Garden Yichang	Yichang	121,316	410,636	308,611	102,025	60.0%
551	Evergrande Scenic Garden	Yichang	168,138	386,718	134,185	252,533	60.0%
552	Evergrande Royal View Garden Huangshi	Huangshi	78,523	157,046	—	157,046	100.0%
553	Evergrande Metropolis Huangshi	Huangshi	85,150	212,875	—	212,875	51.0%
554	Evergrande Royal View Garden Jingmen	Jingmen	55,553	197,767	—	197,767	100.0%
555	Evergrande Royal Scenic Valley Jinzhou	Jingzhou	171,295	256,942	—	256,942	51.0%
556	Evergrande City Shiyan	Shiyan	488,969	1,623,432	—	1,623,432	43.4%
557	Evergrande Royal Scenic Xiangyang	Xiangyang	93,623	94,559	—	94,559	55.0%
558	Evergrande Royal Palace Xiangyang	Xiangyang	115,600	295,100	—	295,100	100.0%
559	Evergrande Metropolis Yichang	Yichang	107,349	322,000	—	322,000	70.0%
560	Evergrande Royal Scenic Bay Luzhou	Luzhou	81,574	235,092	196,850	38,242	52.4%
561	Evergrande Palace Luzhou	Luzhou	87,264	261,792	—	261,792	100.0%
562	Evergrande Bay Luzhou	Luzhou	196,517	532,534	—	532,534	100.0%
563	Evergrande City Luzhou	Luzhou	189,002	567,006	—	567,006	100.0%
564	Evergrande Emerald Court Mianyang	Mianyang	50,646	199,200	—	199,200	52.6%
565	Evergrande City Panzhihua	Panzhihua	186,850	503,645	88,358	415,287	100.0%
566	Evergrande City Ziyang	Ziyang	127,720	407,602	297,938	109,664	100.0%
567	Evergrande Metropolis Zigong	Ziyang	64,510	193,529	66,625	126,904	100.0%
568	Evergrande Oasis Zigong	Zigong	217,008	722,085	534,154	187,931	100.0%
569	Evergrande Metropolis Zigong	Zigong	95,594	325,433	227,498	97,935	100.0%
570	Evergrande Yonghe Bay Dazhou	Dazhou	70,048	425,660	—	425,660	100.0%
571	Evergrande City	Nanchong	51,362	173,364	—	173,364	100.0%
572	Evergrande Yue Long Mansion Nanchong	Nanchong	262,231	292,396	—	292,396	100.0%
573	Evergrande Palm Islands Dongying	Dongying	589,133	1,220,731	776,326	444,405	100.0%

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574	Evergrande Palm Islands Dongying	Dongying	373,637	445,576	179,899	265,677	100.0%
575	Evergrande Metropolis Jining	Jining	264,016	813,380	456,891	356,489	60.0%
576	Evergrande Splendor Laiwu	Laiwu	1,068,026	1,149,229	222,774	926,455	100.0%
577	Evergrande Metropolis Jining	Liaocheng	76,200	267,603	246,291	21,312	51.0%
578	Evergrande Palace Linyi	Linyi	158,223	841,685	523,278	318,407	100.0%
579	Evergrande Oasis Linyi	Linyi	308,140	907,404	317,904	589,500	51.0%
580	Evergrande Emerald Court Linyi	Linyi	149,228	447,684	—	447,684	60.0%
581	Evergrande Central Square Linyi	Linyi	69,346	332,861	—	332,861	80.0%
582	Evergrande City Tai'an	Taian	178,459	522,318	429,758	92,561	100.0%
583	Evergrande Royal Seaview Garden Weihai	Weihai	393,519	865,815	—	865,815	60.0%
584	Evergrande Royal View Garden Zibo	Zibo	136,534	579,547	257,782	321,765	100.0%
585	Evergrande Emerald Court Zibo	Zibo	68,051	204,153	—	204,153	55.0%
586	Laiyang Dingzi Bay Project	Laiyang	6,489,166	12,329,415	—	12,329,415	90.0%
587	ZhengCheng Family Project Zibo	Zibo	138,387	416,617	—	416,617	60.0%
588	Evergrande Oasis Datong	Datong	194,483	709,144	593,664	115,480	100.0%
589	Evergrande Palace Linfen	Linfen	134,264	469,971	384,380	85,591	95.0%
590	Evergrande Palace Lvliang	Lvliang	138,739	488,834	463,790	25,044	100.0%
591	Evergrande Royal View Garden Yangquan	Yangquan	179,636	403,099	134,785	268,314	64.0%
592	Evergrande Oasis Yuncheng	Yuncheng	174,738	665,754	562,259	103,495	100.0%
593	Evergrande Metropolis Yuncheng	Yuncheng	79,464	238,392	179,309	59,084	71.0%
594	Evergrande Yue Long Mansion Linfen	Linfen	89,868	261,000	—	261,000	55.0%
595	Evergrande Royal Palace Lvliang	Lvliang	69,341	263,496	—	263,496	80.0%
596	Evergrande City Hanzhong	Hanzhong	91,545	320,409	223,790	96,619	100.0%
597	Evergrande City Yangling	Xianyang	130,248	552,328	374,162	178,166	100.0%
598	Evergrande Royal Scenic Peninsula Ankang	Ankang	127,940	383,820	—	383,820	100.0%
599	Evergrande Royal Scenic Baoji	Baoji	61,023	213,500	—	213,500	80.0%
600	Evergrande Royal View Garden Hanzhong	Hanzhong	67,280	168,000	—	168,000	100.0%
601	Evergrande Royal View Garden Xianyang	Xianyang	109,053	425,306	—	425,306	100.0%
602	Evergrande Emerald Court Ganzhou	Ganzhou	80,181	340,260	120,020	220,240	100.0%
603	Evergrande Metropolis Ganzhou	Ganzhou	110,741	413,728	295,851	117,877	51.0%
604	Evergrande Royal Garden Ganzhou	Ganzhou	91,917	292,467	—	292,467	100.0%
605	Evergrande Royal Palace Ganzhou	Ganzhou	39,657	99,143	—	99,143	100.0%
606	Evergrande Royal View Garden Ji'an	Ji'an	244,219	837,721	551,162	286,560	100.0%
607	Evergrande Royal Scenic Peninsula Ji'an	Ji'an	147,000	317,000	—	317,000	100.0%
608	Evergrande Metropolis Jingdezhen	Jingdezhen	205,558	655,880	628,963	26,917	100.0%
609	Evergrande Royal Scenic Bay Jingdezhen	Jingdezhen	111,480	395,820	312,851	82,969	100.0%
610	Evergrande Royal Scenic Jiujiang	Jiujiang	70,144	299,019	170,855	128,164	100.0%
611	Evergrande Bay Jiujiang	Jiujiang	173,389	550,000	68,554	481,446	Phase I 60% Phase II 70%
612	Evergrande Metropolis Shangrao	Shangrao	175,110	420,264	—	420,264	100.0%
613	Evergrande Atrium Xinyu	Xinyu	203,734	613,134	311,240	301,894	100.0%
614	Evergrande City Xinyu	Xinyu	113,168	339,466	311,775	27,691	100.0%
615	Evergrande Oasis Yichun	Yichun	380,088	684,158	267,499	416,660	95.0%
616	Evergrande Oasis Yingtan	Yingtan	366,354	989,082	788,333	200,749	100.0%
617	Evergrande Royal Scenic Yingtan	Yingtan	96,706	228,916	154,073	74,843	100.0%
618	Evergrande Palace of Pleasure Ganzhou	Ganzhou	53,864	107,728	—	107,728	100.0%
619	Evergrande Yue Long Mansion Ganzhou	Ganzhou	121,730	298,239	—	298,239	100.0%
620	Evergrande Bay Ganzhou	Ganzhou	134,777	323,465	—	323,465	100.0%
621	Evergrande Royal Palace Pingxiang	Pingxiang	163,657	362,800	—	362,800	100.0%
622	Evergrande Royal Scenic Yichun	Yichun	77,039	200,301	—	200,301	70.0%
623	Evergrande Oasis Anqing	Anqing	212,755	780,544	569,922	210,622	100.0%
624	Evergrande Emerald Court Bengbu	Bengbu	151,411	429,478	347,815	81,664	100.0%
625	Evergrande City Bozhou	Bozhou	216,102	779,405	535,476	243,929	100.0%
626	Evergrande Emerald Court Bozhou	Bozhou	140,406	308,893	—	308,893	100.0%
627	Evergrande Royal View Garden Jiangbei Chuzhou	Chuzhou	134,869	269,738	—	269,738	88.0%
628	Evergrande Oasis Fuyang	Fuyang	183,152	587,656	454,570	133,086	70.0%
629	Evergrande Royal Scenic Fuyang	Fuyang	137,227	315,289	—	315,289	60.0%
630	Evergrande Metropolis Huaibei	Huaibei	289,640	1,012,672	859,991	152,681	100.0%
631	Evergrande Atrium Huaibei	Huaibei	106,136	498,783	251,277	247,507	100.0%

No.	Project	Location	Site area (m <sup>2</sup> )	Total GFA (m <sup>2</sup> )	GFA (m <sup>2</sup> )		
					Completed properties (m <sup>2</sup> )	Properties under development and held for future development (m <sup>2</sup> )	Attributable equity interest (%)
632	Evergrande Oasis Huainan	Huainan	272,662	588,682	485,737	102,945	60.0%
633	Evergrande Left Riverside Huangshan	Huangshan	98,053	223,700	—	223,700	100.0%
634	Evergrande Royal Scenic Bay Lu'an	Liuan	604,016	2,077,571	962,454	1,115,117	100.0%
635	Evergrande Royal Scenic Bay Ma'anshan	Maanshan	144,145	364,832	270,956	93,876	60.0%
636	Evergrande Oasis Maanshan	Maanshan	82,360	382,700	—	382,700	100.0%
637	Evergrande Oasis Tongling	Tongling	291,274	1,021,937	615,300	406,637	100.0%
638	Evergrande Palace Wuhu	Wuhu	171,226	398,276	228,475	169,801	100.0%
639	Evergrande Royal Scenic Bay Suzhou	Suzhou	178,090	675,885	422,151	253,734	100.0%
640	Evergrande Metropolis Suzhou	Suzhou	162,473	665,741	158,998	506,743	65.0%
641	Unique One Project Anqing	Anqing	164,970	461,916	—	461,916	100.0%
642	Evergrande Royal Scenic Bozhou	Bozhou	78,480	219,743	—	219,743	70.0%
643	Evergrande Royal Scenic Bay Huaibei	Huaibei	100,081	200,163	—	200,163	100.0%
644	Evergrande Yue Long Mansion Huangshan	Huangshan	128,299	230,938	—	230,938	100.0%
645	Evergrande Royal Palace Wuhu	Wuhu	188,291	451,898	—	451,898	100.0%
646	Evergrande Royal City Project Xuancheng	Xuancheng	120,786	287,020	—	287,020	100.0%
647	Evergrande Oasis Longyan	Longyan	70,459	242,103	146,904	95,200	100.0%
648	Evergrande Royal Scenic Nanping	Nanping	112,002	224,000	149,887	74,113	100.0%
649	Wuyishan Evergrande Scenic Garden	Nanping	99,694	44,862	—	44,862	100.0%
650	Evergrande Royal Scenic Peninsula Ningde	Ningde	109,511	251,875	—	251,875	90.0%
651	Evergrande Royal Scenic Peninsula Putian	Putian	370,400	735,713	333,986	401,727	51.0%
652	Evergrande Royal Palace Sanming	Sanming	191,389	361,901	—	361,901	50.1%
653	Evergrande Royal Scenic Peninsula Zhangzhou	Zhangzhou	68,224	256,561	127,938	128,623	100.0%
654	Evergrande Royal View Garden Zhangzhou	Zhangzhou	41,055	87,763	—	87,763	100.0%
655	Evergrande Royal Scenic Peninsula Beihai	Beihai	378,459	909,164	476,652	432,512	100.0%
656	Evergrande Metropolis Beihai	Beihai	130,525	456,609	304,764	151,845	100.0%
657	Evergrande Royal Seaview Garden Beihai	Beihai	201,594	418,870	125,975	292,895	100.0%
658	Evergrande Atrium Beihai	Beihai	101,363	304,088	—	304,088	51.0%
659	Evergrande Royal Scenic Bay Fangchenggang	Fangchenggang	115,327	402,789	305,358	97,431	100.0%
660	Evergrande City Guigang	Guigang	102,442	332,362	—	332,362	55.0%
661	Evergrande Plaza Guilin	Guilin	94,908	584,800	333,825	250,975	51.0%
662	Evergrande Bay Guilin	Guilin	67,304	175,090	75,138	99,952	100.0%
663	Evergrande City Guilin	Guilin	174,093	574,507	—	574,507	51.0%
664	Evergrande Emerald Court Liuzhou	Liuzhou	92,593	370,155	306,212	63,943	100.0%
665	Evergrande City Liuzhou	Liuzhou	168,917	449,696	352,054	97,643	100.0%
666	Evergrande Palace Liuzhou	Liuzhou	213,110	501,269	232,328	268,941	51.0%
667	Evergrande Palace Liuzhou	Liuzhou	132,394	436,900	228,692	208,208	100.0%
668	Evergrande Atrium Liuzhou	Liuzhou	150,045	750,223	—	750,223	100.0%
669	Evergrande Royal Scenic Bay Liuzhou	Liuzhou	153,984	415,756	—	415,756	85.0%
670	Evergrande Oasis Qinzhou	Qinzhou	202,979	710,425	470,430	239,995	100.0%
671	Evergrande Royal Scenic Peninsula Qinzhou	Qinzhou	89,070	459,813	122,638	337,175	55.0%
672	Evergrande Scenic Garden Wuzhou	Wuzhou	138,991	180,688	101,954	78,734	60.0%
673	Evergrande City Yulin	Yulin	95,477	461,938	170,703	291,235	60.0%
674	Evergrande City Fangchenggang	Fangchenggang	94,778	236,945	—	236,945	100.0%
675	Evergrande Scholastic Mansion	Qinzhou	78,174	273,610	—	273,610	55.0%
676	Evergrande Oasis Wuzhou	Wuzhou	205,452	531,803	—	531,803	100.0%
677	Evergrande Royal Scenic Yulin	yulin	41,667	166,668	—	166,668	100.0%
678	Evergrande City Kaili	Qiandongnan Miao and Dong Autonomous Prefecture	367,407	1,008,450	200,412	808,039	100.0%
679	Evergrande City Zunyi	Zunyi	540,573	1,146,015	337,890	808,125	51.0%
680	Evergrande Emerald Court Zunyi	Zunyi	192,217	422,877	—	422,877	70.0%
681	Evergrande Palace Jilin	Jilin	127,455	294,042	152,665	141,377	100.0%
682	Evergrande Royal Scenic Bay Songyuan	Songyuan	222,933	445,867	219,228	226,639	100.0%
683	Left Riverside Jilin	Jilin	69,714	174,286	—	174,286	100.0%
684	Evergrande Palace One Siping	Siping	154,461	308,922	—	308,922	100.0%
685	Evergrande Oasis Anshan	Anshan	352,910	1,411,640	319,482	1,092,158	100.0%
686	Evergrande Metropolis Anshan	Anshan	201,391	728,786	194,747	534,038	100.0%
687	Evergrande Oasis Benxi	Benxi	111,400	334,200	248,218	85,982	100.0%
688	Evergrande Palace Fushun	Fushun	204,709	716,482	412,384	304,097	100.0%

No.	Project	Location	Site area (m <sup>2</sup> )	Total GFA (m <sup>2</sup> )	GFA (m <sup>2</sup> )		
					Completed properties (m <sup>2</sup> )	Properties under development and held for future development (m <sup>2</sup> )	Attributable equity interest (%)
689	Evergrande Plaza Fushun	Fushun	84,199	694,385	80,034	614,351	100.0%
690	Evergrande Royal Scenic Bay Huludao	Huludao	171,887	687,546	250,820	436,726	100.0%
691	Evergrande Oasis Liaoyang	Liaoyang	353,259	1,024,451	528,945	495,505	100.0%
692	Evergrande Palace Panjin	Panjin	301,934	1,248,388	423,172	825,216	100.0%
693	Evergrande Oasis Yingkou	Yingkou	281,687	985,905	471,432	514,473	100.0%
694	Evergrande City Yingkou	Yingkou	126,428	505,712	93,490	412,222	100.0%
695	Evergrande Bay Yingkou	Yingkou	354,708	1,241,478	—	1,241,478	100.0%
696	Evergrande Riverside Panjin	Panjin	488,750	885,365	—	885,365	83.3%
697	Evergrande Oasis Mudanjiang	Mudanjiang	106,452	256,916	70,925	185,991	100.0%
698	Evergrande Emerald Court Mudanjiang	Mudanjiang	29,147	157,493	133,033	24,461	100.0%
699	Evergrande Emerald Court Tsitsihar	Qiqiha'er	143,401	487,656	361,878	125,779	100.0%
700	Evergrande Metropolis Tsitsihar	Qiqiha'er	182,052	570,941	510,848	60,093	100.0%
701	Evergrande Royal Scenic Qiqiha'er	Qiqiha'er	25,924	94,050	68,432	25,618	100.0%
702	Evergrande Royal Lakeside Manor Daqing	Daqing	247,248	296,697	—	296,697	51.0%
703	Evergrande Qizi Bay Changjiang	Changjiang	419,692	294,104	156,829	137,275	100.0%
704	Evergrande Splendor Danzhou	Danzhou	566,394	746,926	465,167	281,759	100.0%
705	Hainan Ocean Flower Island	Danzhou	5,135,533	14,402,656	753,270	13,649,386	100.0%
706	Evergrande Oasis Wuwei	Wuwei	139,835	426,475	238,023	188,452	100.0%
707	Evergrande Metropolis Qujing	Qujing	190,963	475,652	187,206	288,446	100.0%
708	Evergrande Oasis Qujing	Qujing	176,713	664,131	—	664,131	100.0%
709	Evergrande Palace Baotou	Baotou	437,925	1,094,813	757,631	337,182	100.0%
710	Evergrande Metropolis Baotou	Baotou	188,005	501,456	421,966	79,490	100.0%
711	Evergrande Emerald Court Baotou	Baotou	57,368	114,737	—	114,737	55.0%
712	Evergrande Oasis Wuhai	Wuhai	66,242	230,803	180,479	50,324	100.0%
713	Evergrande Oasis Ulanhot	Ulan Hot	286,893	717,233	194,784	522,449	100.0%
714	Evergrande City Tongliao	Tongliao	110,001	252,385	—	252,385	51.0%
715	Evergrande Oasis Shizuishan	Shizuishan	172,502	621,007	157,758	463,249	100.0%
716	Evergrande Metropolis Wuzhong	Wuzhong	77,333	258,380	211,729	46,651	100.0%
717	Aiding Tibet Project Linzhi	Linzhi	131,001	104,801	—	104,801	100.0%
718	Evergrande Atrium Yining	Ili Kazakh Autonomous Prefecture	123,575	360,966	303,892	57,074	100.0%
719	Evergrande Oasis Yining	Ili Kazakh Autonomous Prefecture	160,203	396,106	185,649	210,457	100.0%
Total			<u>91,126,821</u>	<u>420,693,015</u>	<u>144,674,504</u>	<u>276,018,510.9</u>	

### ***Completed Properties***

Our completed properties represent all properties we have completed since our inception. As of June 30, 2017, we had completed the development of projects with a total GFA of approximately 161.9 million square meters.

For all of our completed projects, we have received the land use rights certificates, construction land planning permits, construction works planning permits, construction permits, pre-sale permits and certificates of completion.

### ***Properties Under Development and Held for Future Development***

For all of our property projects under development, we have received the land use rights certificates. With respect to “GFA with construction permits” or “GFA under construction,” we had obtained the relevant construction land planning permits, construction works planning permits and construction permits or governmental approval for early construction as of the date specified. Some of them had also received pre-sale permits. With respect to “GFA without construction permits,” we had yet to obtain some or all of the relevant construction land planning permits, construction works planning permits and construction permits as of the date specified. “GFA under development with pre-sale permits” means GFA with construction permits and pre-sale permits.

As of June 30, 2017, we had 719 property projects under development or held for future development with a total GFA of approximately 276.0 million square meters. As of June 30, 2017, 547 of our property projects under development or held for future development had construction permits with a total GFA of approximately 93.6 million square meters, as compared to 489 property projects under development or held for future development with construction permits and a total GFA of approximately 80.4 million square meters as of December 31, 2016. We set forth in the table below details of these property projects.

No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
1	Evergrande City Beijing	1,820	—	1,820
2	Evergrande Royal Scenic Bay Beijing	223,638	—	223,638
3	Evergrande Palace Beijing	298,229	—	298,229
4	Evergrande Metropolis Beijing	183,920	—	183,920
5	Evergrande Emerald Court Beijing	262,542	549	263,091
6	Evergrande Left Riverbank Beijing	281,554	—	281,554
7	Evergrande Palace Beijing	64,335	117,735	182,071
8	Evergrande Royal Scenic Peninsula Beijing	6,992	206,976	213,968
9	Evergrande Culture Tourist City Beijing	8,361	1,883,666	1,892,027
10	Evergrande Palace Shanghai	143,466	—	143,466
11	Evergrande Royal Scenic Bay Shanghai	70,161	0	70,162
12	Evergrande First Palace Sheshan Shanghai	15,238	—	15,238
13	Evergrande Royal View Garden Shanghai	49,857	—	49,857
14	Evergrande Metropolis Shanghai	41,931	—	41,931
15	Evergrande Royal Seaview Garden Qingpu	102,365	105,701	208,066
16	Evergrande Venice on the Sea Qidong	2,547,113	2,475,491	5,022,604
17	The Third Jinbi Garden Guangzhou	27,115	52,430	79,545
18	Evergrande Royal Palace Guangzhou	156,900	—	156,900
19	Evergrande Jewelry Guangzhou	64,655	—	64,655
20	Evergrande Scenic Garden Zengcheng	173,777	67,523	241,300
21	Evergrande Royal Scenic Peninsula Foshan	40,091	—	40,091
22	Evergrande Royal Scenic Bay Foshan	11,057	0	11,057
23	Evergrande Metropolis Foshan	235,968	—	235,968
24	Evergrande Top Mansion Foshan	291,962	110,961	402,923
25	Evergrande Splendor Qingyuan	690,566	3,019,307	3,709,873
26	Evergrande Silverlake City Qingyuan	468,906	599,947	1,068,853
27	Evergrande Gentleman Hill Shenzhen	21,715	—	21,715
28	Evergrande Sky Tower Shenzhen	151,025	—	151,025
29	Evergrande Fashion Withub Shenzhen	498,645	—	498,645
30	Evergrande Royal Scenic Peninsula Shenzhen	56,266	100,691	156,956
31	Evergrande Oasis Gongguan	2,057	0	2,057
32	Evergrande Palm Islands Huiyang	248,403	242,997	491,400
33	Evergrande Yi Shan Hai Wan Huizhou	203,674	—	203,674
34	Evergrande City Lights Shenzhen	275,892	—	275,892
35	Evergrande Palace Wuhan	150,887	89,646	240,534
36	Evergrande City Wuhan	150,677	103,821	254,498
37	Evergrande Metropolis Wuhan	98,413	0	98,413
38	Evergrande Royal Scenic Bay Wuhan	78,680	1	78,682
39	Evergrande Royal Palace Wuhan	83,822	—	83,822
40	Evergrande Royal Garden Wuhan	52,900	—	52,900
41	Evergrande Capital Wuhan	46,500	56,029	102,529
42	Evergrande Rainbow Town Wuhan	285,522	22,992	308,515
43	Evergrande Dragon city Wuhan	256,732	58,169	314,901
44	Evergrande Evergreen Garden Wuhan	210,200	1,089,800	1,300,000
45	Evergrande Emerald Court Wuhan	204,690	30,290	234,980
46	Evergrande Splendor Ezhou	312,970	947,200	1,260,170
47	Evergrande Metropolis Changsha	54,878	—	54,878
48	Evergrande City Changsha	29,398	—	29,398
49	Evergrande Oasis Changsha	39,306	276,323	315,629
50	Evergrande Atrium Changsha	337,608	143,830	481,438
51	Evergrande Bay Changsha	5,683	224,846	230,529
52	Evergrande Royal Scenic Peninsula Changsha	61,674	481,333	543,008



No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
53	Evergrande Emerald Court Changsha	161,776	—	161,776
54	Evergrande Royal Scenic Bay Changsha	51,340	—	51,340
55	Evergrande Royal View Splendor Changsha	72,542	302,301	374,843
56	Evergrande Forest creek County Changsha	92,261	876,865	969,126
57	Evergrande Fairyland Changsha	26,704	1,357,517	1,384,222
58	Evergrande Palace Liuyang	200,226	46,658	246,884
59	Evergrande Splendor Nanjing	75,742	123,728	199,470
60	Evergrande Atrium Nanjing	249,981	32,248	282,230
61	Evergrande Palace Nanjing	120,484	—	120,484
62	Evergrande Emerald Court Nanjing	207,883	—	207,883
63	Evergrande Riverside Nanjing	173,855	280,871	454,726
64	Evergrande Dragon Garden Nanjing	172,798	2,049	174,846
65	Evergrande Khe Sanh Residence Nanjing	105,327	9,359	114,686
66	Evergrande City Chengdu	23,427	—	23,427
67	Evergrande Scenic Garden Chengdu	13,850	465,502	479,352
68	Evergrande Royal Scenic Peninsula Chengdu	256,581	4,124,623	4,381,204
69	Evergrande Royal View Garden Chengdu	163,098	—	163,098
70	Evergrande New City Chengdu	209,094	—	209,094
71	Evergrande Emerald Court Chengdu	18,309	0	18,309
72	Evergrande Caojiaxiang Plaza Chengdu	424,532	239,921	664,453
73	Evergrande Central Square Chengdu	275,623	104,246	379,869
74	Evergrande Metropolis Court Chengdu	10,100	—	10,100
75	Evergrande Huazhi Plaza Chengdu	125,767	150,914	276,681
76	Evergrande Royal Peninsula Chengdu	1,027,722	2,079,480	3,107,202
77	Evergrande Metropolis Chengdu	66,524	15,010	81,534
78	Evergrande Central Plaza Chengdu	91,422	502,888	594,310
79	Evergrande Jincheng Chengdu	329,000	—	329,000
80	Evergrande Wangjiang Palace Chengdu	64,224	—	64,224
81	Evergrande Shanglinyuan Atrium Chengdu	288,607	26,129	314,736
82	Evergrande The Coronation Chengdu	121,240	2,001,726	2,122,966
83	Evergrande Royal Palace Chengdu	198,536	53,145	251,681
84	Evergrande Royal Scenic Chengdu	359,199	273,250	632,448
85	Evergrande Emerald Court Qionglai	77,588	589	78,177
86	Evergrande Splendor Pengshan	277,743	2,655,408	2,933,152
87	Evergrande Royal View Garden Hangzhou	105,220	0	105,221
88	Evergrande Crystal International Plaza Hangzhou	217,833	96,502	314,334
89	Evergrande Royal Scenic Xi'an	152,896	—	152,896
90	Evergrande Royal View Garden Xi'an	190,831	0	190,831
91	Evergrande Bay Xi'an	134,163	—	134,163
92	Evergrande Emerald Court Xi'an	32,948	—	32,948
93	Evergrande Royal Dragon Bay Xi'an	249,379	—	249,379
94	Evergrande Emerald Dragon Court Xi'an	161,660	48,382	210,042
95	Evergrande City Plaza Xi'an	149,210	96,640	245,851
96	Evergrande International City Xi'an	171,030	132,991	304,021
97	Evergrande Metropolis Jinan	55,931	0	55,931
98	Evergrande Oasis Jinan	340,906	462,719	803,624
99	Evergrande City Jinan	310,285	580,309	890,594
100	Evergrande Atrium Jinan	124,784	211,249	336,033
101	Evergrande Royal View Garden Jinan	75,356	—	75,356
102	Evergrande Emerald Court Jinan	134,291	466,597	600,888
103	Evergrande Longao Regency Jinan	152,141	—	152,141
104	Evergrande Longao East New Metropolis Jinan	95,612	—	95,612
105	Evergrande City Jinan	76,285	19,304	95,589
106	Evergrande Left Bank Riverfront Jinan	221,020	807,604	1,028,625
107	Evergrande Century Plaza Jinan	26,208	0	26,208
108	Evergrande Palace Jinan	92,213	—	92,213
109	Evergrande Jinbi New Town Jinan	76,829	134,854	211,683
110	Evergrande Royal Summit Jinan	148,289	—	148,289
111	evergrande fortune center	179,947	—	179,947
112	Evergrande Oasis Taiyuan	32,383	84,495	116,878
113	Evergrande Metropolis Taiyuan	31,225	34,090	65,315



No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
114	Evergrande Scenic Garden Taiyuan	163,661	135,172	298,832
115	Evergrande Palace Taiyuan	81,813	14,827	96,641
116	Evergrande Royal Scenic Bay Taiyuan	411,995	677,272	1,089,268
117	Evergrande Emerald Court Taiyuan	37,947	—	37,947
118	Evergrande Left Bank Riverfront Taiyuan	71,184	10,600	81,784
119	Evergrande Atrium Taiyuan	16,651	—	16,651
120	Evergrande Future City Taiyuan	69,175	55,001	124,176
121	Evergrande City Taiyuan	292,446	—	292,446
122	Evergrande Bay Taiyuan	152,905	36,324	189,229
123	Evergrande City Hefei	124,232	0	124,232
124	Evergrande Royal View Garden Hefei	194,737	67,210	261,948
125	Evergrande International Center Hefei	206,960	592,906	799,866
126	Evergrande Plaza Hefei	586,330	24,294	610,625
127	Evergrande Crystal International Plaza Hefei	392,980	—	392,980
128	Evergrande Yue Long Tai Hefei	148,100	110,847	258,947
129	Evergrande Royal View Garden Chaohu	62,908	0	62,908
130	Evergrande Oasis Feidong	75,444	—	75,444
131	Evergrande City Nanchang	104,182	234,288	338,470
132	Evergrande Oasis Nanchang	28,662	—	28,662
133	Evergrande Metropolis Nanchang	112,647	0	112,647
134	Evergrande Royal View Garden Nanchang	26,845	—	26,845
135	Evergrande Emerald Court Nanchang	160,568	—	160,568
136	Evergrande Palace Nanchang	158,551	—	158,551
137	Evergrande Lin Xi Fu Nanchang	154,272	379,728	534,000
138	Evergrande Scenic Garden Fuzhou	95,515	—	95,515
139	Fuqing Evergrande City	105,823	101,217	207,041
140	Evergrande Oasis Harbin	148,692	114,754	263,446
141	Evergrande Metropolis Harbin	99,461	8,490	107,952
142	Evergrande City Harbin	207,316	80,689	288,005
143	Evergrande Royal View Garden Harbin	65,824	0	65,824
144	Evergrande Royal Scenic Bay Harbin	32,512	—	32,512
145	Evergrande Emerald Court Harbin	20,588	—	20,588
146	Evergrande Royal Garden Harbin	154,215	61,767	215,983
147	Evergrande Atrium Harbin	150,409	—	150,409
148	Evergrande Grand Century Harbin	27,586	—	27,586
149	Evergrande International Center Harbin	130,301	26,185	156,486
150	Evergrande Jinyuan Harbin	140,329	48,379	188,708
151	Evergrande Dingxiangjun Harbin	197,473	51,314	248,787
152	Evergrande Royal Summit Harbin	80,679	—	80,679
153	Evergrande Oasis Changchun	49,592	30,010	79,603
154	Evergrande City Changchun	84,120	65,679	149,800
155	Evergrande Royal Scenic Changchun	11,181	3,524	14,705
156	Evergrande Metropolis Changchun	83,109	256,281	339,390
157	Evergrande City Plaza Changchun	23,562	166,911	190,473
158	Evergrande Royal Summit Changchun	86,833	0	86,833
159	Evergrande Atrium Changchun	46,201	2,484	48,685
160	Evergrande Royal View Garden Changchun	227,243	31,355	258,598
161	Evergrande Bay Changchun	235,295	19,306	254,601
162	Evergrande Moon Residence Changchun	64,170	731	64,901
163	Evergrande First Palace Changchun	150,182	194,867	345,048
164	Evergrande Tan Xi Jun Changchun	179,358	—	179,358
165	Evergrande Oasis Shenyang	243,706	140,928	384,634
166	Evergrande City Shenyang	20,938	—	20,938
167	Evergrande Metropolis Shenyang	145,777	105,746	251,524
168	Evergrande Palace Shenyang	19,136	—	19,136
169	Evergrande Bay Shenyang	52,559	—	52,559
170	Evergrande Atrium Shenyang	195,860	225,490	421,350
171	Evergrande Emerald Court Shenyang	92,583	—	92,583
172	Evergrande Royal Scenic Bay Shenyang	27,216	—	27,216
173	Evergrande Left Bank Riverfront Shenyang	186,202	232,696	418,898
174	Evergrande Shengjing Plaza Shenyang	189,627	5,921	195,548

No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
175	Evergrande Central Plaza Shenyang	183,459	1,297,064	1,480,523
176	Evergrande Yihe&Shengjing Family	111,556	415,012	526,568
177	Evergrande Atrium Hohhot	90,260	35,352	125,612
178	Evergrande Metropolis Hohhot	64,839	—	64,839
179	Evergrande Palace Hohhot	48,158	83,659	131,817
180	Evergrande Royal Scenic Peninsula Shijiazhuang	543,387	380,503	923,891
181	Evergrande Splendor Shijiazhuang	4,406	129,066	133,472
182	Evergrande Forest Creek County Shijiazhuang	98,281	—	98,281
183	Evergrande Oasis Lanzhou	8,891	1,201,338	1,210,229
184	Evergrande Scenic Garden Lanzhou	262,830	85,461	348,291
185	Evergrande Metropolis Lanzhou	45,304	—	45,304
186	Evergrande Emerald Court Lanzhou	137,216	196,662	333,878
187	Evergrande Royal View Garden Lanzhou	64,700	265,526	330,226
188	Evergrande Metropolis Xining	99,981	—	99,981
189	Evergrande Metropolis Yinchuan	57,885	0	57,885
190	Evergrande Royal Scenic Yinchuan	68,096	42,847	110,942
191	Evergrande Royal View Garden Yinchuan	160,024	—	160,024
192	Evergrande Royal Scenic Peninsula Yinchuan	225,269	223,234	448,503
193	Evergrande Oasis Zhengzhou	341,954	—	341,954
194	Evergrande Scenic Garden Zhengzhou	201,055	220,224	421,278
195	Evergrande Emerald Court Zhengzhou	152,558	—	152,558
196	Evergrande Mansion Zhengzhou	115,582	3,761	119,344
197	Evergrande Atrium Zhengzhou	171,805	—	171,805
198	Evergrande City Zhengzhou	73,090	678,293	751,383
199	Evergrande Future City Zhengkai	566,762	1,566,684	2,133,447
200	Evergrande Splendor Xinxiang	308,932	402,733	711,665
201	Evergrande Royal Scenic Bay Xinxiang	99,531	200,921	300,452
202	Evergrande City Guiyang	72,269	162,717	234,986
203	Evergrande Metropolis Guiyang	62,347	—	62,347
204	Evergrande Atrium Guiyang	98,286	—	98,286
205	Evergrande Emerald Court Guiyang	112,583	—	112,583
206	Evergrande Royal View Garden Guiyang	137,663	651,286	788,949
207	Evergrande Golden Sun City Guiyang	484,444	1,785,604	2,270,049
208	Evergrande Central Park Guiyang	210,562	729,699	940,261
209	Evergrande Central Square Guiyang	402,310	423,619	825,929
210	Evergrande Metropolis Square Guiyang	71,154	244,562	315,716
211	Evergrande Splendor Kunming	405,229	340,291	745,519
212	Evergrande Yunbao Palace Kunming	455,102	229,791	684,893
213	Evergrande Metropolis Kunming	463,116	—	463,116
214	Evergrande Jiu Long Bay Kunming	186,026	668,396	854,422
215	Evergrande Oasis Nanning	273,043	57,666	330,709
216	Evergrande International Center Nanning	125,604	397,908	523,512
217	Evergrande Metropolis Nanning	173,315	3,123	176,438
218	Evergrande Royal View Garden Nanning	52,863	—	52,863
219	Evergrande Metropolis Nanning	25,875	—	25,875
220	Evergrande Palace Nanning	326,203	13,059	339,262
221	Evergrande Atrium Nanning	194,839	—	194,839
222	Evergrande Scenic View Garden Nanning	226,939	14,391	241,330
223	Evergrande Culture Tourist City Haikou	204,367	718,266	922,633
224	Evergrande Bay Haikou	25,408	40,974	66,382
225	Evergrande Bund Haikou	146,815	203,180	349,996
226	Evergrande Elissa Haikou	539,817	938,082	1,477,900
227	Evergrande Royal Scenic Bay Hainan	212,482	—	212,482
228	Evergrande Royal Sea Hainan	324,313	884,687	1,209,000
229	Evergrande Dingan Royal Lake Manor Haikou	89,375	151,863	241,238
230	Evergrande Oasis Urumchi	108,933	74,923	183,856
231	Evergrande Splendor Urumchi	482,665	1,272,375	1,755,040
232	Evergrande Metropolis Chongqing	136,104	—	136,104
233	Evergrande Atrium Chongqing	220,120	5,913	226,032
234	Evergrande Splendor Chongqing	652,420	701,990	1,354,411
235	Evergrande Emerald Court Chongqing	96,999	—	96,999

No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
236	Evergrande Royal Scenic Peninsula Chongqing	310,269	20,549	330,818
237	Evergrande Scenic Garden Chongqing	330,644	89,569	420,212
238	Evergrande Scenic Garden Fuling	221,115	—	221,115
239	Evergrande Royal Scenic Bay Chongqing	61,235	0	61,234
240	Evergrande Century City Chongqing	243,637	177,757	421,395
241	Evergrande C C Land Plaza	723	587,463	588,186
242	Evergrande The Coronation Chongqing	378,221	151,762	529,983
243	Evergrande Central Square Chongqing	291,598	461,695	753,293
244	Evergrande Emerald Bay Chongqing	90,300	188,226	278,526
245	Evergrande Gentleman Hill Palace Chongqing	403,045	—	403,045
246	Evergrande Lushan Lake Chongqing	71,137	250,262	321,399
247	Evergrande Future City Chongqing	174,045	365,336	539,381
248	Evergrande Excellent Live City Chongqing	436,900	110,159	547,059
249	Evergrande Smart Eco-city Chongqing	112,243	0	112,243
250	Evergrande Oasis Tianjin	569,391	2	569,393
251	Evergrande Scenic Garden Tianjin	254,637	5,497	260,134
252	Evergrande Splendor Tianjin	58,147	1,099,581	1,157,728
253	Evergrande Metropolis Tianjin	1,401	—	1,401
254	Evergrande Royal Scenic Peninsula Tianjin	102,316	—	102,316
255	Evergrande Royal View Garden Tianjin	184,215	0	184,215
256	Evergrande Royal Scenic Bay Tianjin	85,651	—	85,651
257	Evergrande Top Mansion Tianjin	433,698	—	433,698
258	Evergrande Huaxi town Tianjin	247,200	183,297	430,497
259	Evergrande Tanxijun Dalian	43,579	—	43,579
260	Evergrande Royal View Garden Dalian	179,527	—	179,527
261	Evergrande Royal Scenic Bay Dalian	32,599	—	32,599
262	Evergrande Harbor City Dalian	237,748	288,727	526,475
263	Evergrande Four seasons Dalian	121,620	54,301	175,921
264	Evergrande Park Avenue Dalian	108,000	42,000	150,000
265	Evergrande Golden Beach Qingdao	196,416	144,207	340,623
266	Evergrande Yue Long Court Qingdao	82,100	279,033	361,133
267	Evergrande Royal Billow International Qingdao	151,310	62,917	214,227
268	Evergrande City Lights Ningbo	160,307	307,063	467,370
269	Evergrande Scenic Garden Ningbo	206,056	329,018	535,074
270	Evergrande Peninsula On The Sea Xiangshan	385,234	328,187	713,420
271	Evergrande Yuyao Guanlan Palace	126,308	42,703	169,011
272	Evergrande Royal View Garden Xiamen	117,876	15,184	133,061
273	Evergrande Jewelry Suzhou	163,592	225,606	389,198
274	Evergrande Yue Long Bay Suzhou	103,800	68,070	171,870
275	Evergrande Atrium Zhangjiagang	165,051	1	165,052
276	Evergrande City Wuxi	84,549	—	84,549
277	Evergrande Oasis Wuxi	160,429	251,533	411,962
278	Evergrande Royal Seaview Bay Wuxi	135,411	134,598	270,009
279	Evergrande Yue Long Bay Wuxi	65,679	198,880	264,559
280	Evergrande Royal View Garden Jiangyin	178,082	—	178,082
281	Evergrande Royal Scenic Jiangyin	121,692	0	121,693
282	Evergrande Dongjiu Court Yixing	134,478	—	134,478
283	Evergrande Royal Scenic Bay Foshan	33,264	—	33,264
284	Evergrande Royal Garden Shunde	34,760	—	34,760
285	Evergrande Emerald Court Foshan	2,710	—	2,710
286	Evergrande City Foshan	96,461	—	96,461
287	Evergrande Royal Lake Bay Foshan	237,205	111,992	349,197
288	Evergrande Royal Lake Jun Foshan	220,100	—	220,100
289	Evergrande Li Lake City Foshan	364,081	352,347	716,428
290	Evergrande Longjiang Emerald Shunde	156,992	—	156,992
291	Evergrande Scenic Palace Foshan	444,911	221,886	666,797
292	Evergrande Royal Scenic Dongguan	43,790	0	43,790
293	Evergrande Emerald Court Dongguan	24,353	78,055	102,407
294	Evergrande Bay Dongguan	252,300	—	252,300
295	Evergrande Left Riverside Dongguan	221,391	—	221,391
296	Evergrande Royal Scenic Bay Quanzhou	24,673	0	24,673

No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
297	Evergrande Emerald Dragon Court Quanzhou	30,549	23,912	54,461
298	Evergrande Emerald Court Quanzhou	29,186	—	29,186
299	Evergrande City Plaza Quanzhou	150,126	—	150,126
300	Evergrande Metropolis Shishi	302,507	—	302,507
301	Anxi Evergrande Royal Scenic Bay	139,449	15,636	155,085
302	Evergrande Royal Seaview Garden Nantong	166,769	—	166,769
303	Evergrande Palace Tangshan	118,620	0	118,620
304	Evergrande Dragon Court Tangshan	944,400	566,900	1,511,300
305	Evergrande School Tangshan	396,100	276,187	672,287
306	Evergrande Metropolis Weifang	171,472	198,777	370,250
307	Evergrande Emerald Court Weifang	16,885	63,476	80,361
308	Evergrande Left Bank Riverfront Xuzhou	407,622	—	407,622
309	Evergrande Oasis Zhongshan	251,888	—	251,888
310	Evergrande Metropolis Zhongshan	1,800	0	1,800
311	Evergrande Royal Palace Zhongshan	195,105	70,064	265,169
312	Evergrande Royal Scenic Bay Shantou	131,920	—	131,920
313	Evergrande Bund Shantou	29,392	408,101	437,493
314	Evergrande Ocean Spring Zhuhai	314,713	—	314,713
315	Evergrande Royal Seaview Garden Sanya	230,512	0	230,512
316	Evergrande Royal Palace Sanya	158,892	211,695	370,587
317	Evergrande City Yunfu	210,318	1,081	211,399
318	Evergrande City Shaoguan	408,749	212,720	621,469
319	Evergrande Hawaii on the sea Yangjiang	182,240	375,155	557,395
320	Evergrande Metropolis Yangjiang	75,286	—	75,286
321	Evergrande City Chaozhou	358,068	471,888	829,956
322	Evergrande Scenic Garden Chaozhou	18,828	446,857	465,684
323	Evergrande Oasis Zhanjiang	128,448	0	128,448
324	Evergrande Royal View Garden Zhanjiang	238,768	80,705	319,473
325	Evergrande Metropolis Heyuan	118,537	29,070	147,606
326	Evergrande Oasis Jieyang	241,817	216,423	458,240
327	Evergrande Royal Scenic Peninsula Jiangmen	291,718	113,221	404,939
328	Evergrande Spring City Enping	119,160	1,607,870	1,727,030
329	Evergrande Century Dreamlike City Zhaoqing	382,321	1,919,022	2,301,343
330	Evergrande Royal Lake City Zhaoqing	323,166	90,014	413,180
331	Evergrande Emerald Court Zhaoqing	195,886	—	195,886
332	Evergrande Royal Scenic Peninsula Meizhou	294,488	1,487,640	1,782,129
333	Evergrande Royal View Garden Yangjiang	199,540	2,256	201,796
334	Evergrande Royal Lake Zhaoqing	157,877	725,282	883,159
335	Evergrande Royal Scenic Peninsula Quzhou	160,587	—	160,587
336	Evergrande Yue Long Bay Huzhou	223,455	73,038	296,493
337	Evergrande Left Shianghu Jiaxing	207,822	18,425	226,247
338	Evergrande Jewelry Palace Shaoxing	262,686	68,022	330,708
339	Oi Hu Tao Shengzhou Project	183,000	16,791	199,791
340	Evergrande Royal Scenic Bay Zhoushan	44,981	0	44,981
341	City Galaxy Project Taizhou	115,754	81,827	197,581
342	Evergrande Oasis Zhenjiang	12,123	8,604	20,727
343	Evergrande Metropolis Danyang	125,324	8,086	133,409
344	Evergrande City Danyang	25,573	62,559	88,132
345	Evergrande Metropolis Huai'an	140,998	312,329	453,327
346	Evergrande Palace Suqian	189,713	61,965	251,678
347	Evergrande Oasis Suqian	90,855	—	90,855
348	Evergrande Emerald Court Suqian	173,800	51,702	225,502
349	Evergrande Metropolis Lianyungang	199,075	7,917	206,992
350	Evergrande Metropolis Yancheng	229,979	—	229,979
351	Evergrande Royal View Garden Yancheng	374,961	8,663	383,624
352	Evergrande Emerald Court Changzhou	52,851	—	52,851
353	Evergrande Scenic View Garden Changzhou	52,814	152,373	205,187
354	Evergrande Royal Scenic Yangzhou	13,868	0	13,868
355	Ecological County	158,171	47,828	205,999
356	Evergrande Royal Peak Lianyugang	78,325	95,600	173,925
357	Evergrande Royal View Garden Kaifeng	101,742	127,171	228,913

No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
358	Evergrande Oasis Luoyang	454,194	1,274,735	1,728,929
359	Evergrande Metropolis Xinyang	152,306	110,720	263,026
360	Evergrande Emerald Court Xinyang	274,003	—	274,003
361	Evergrande Oasis Anyang	152,200	498,483	650,682
362	Evergrande Oasis Xuchang	191,097	—	191,097
363	Evergrande Emerald Court Xuchang	56,862	13,653	70,514
364	Evergrande Metropolis Luohe	290,286	32,581	322,867
365	Evergrande Royal Scenic Luohe	113,552	0	113,551
366	Evergrande Metropolis Zhumadian	34,498	0	34,498
367	Evergrande Royal Scenic Peninsula Pingdingshan	31,656	—	31,656
368	Evergrande Metropolis Zhumadian	122,936	6,142	129,078
369	Evergrande Metropolis Shangqiu	99,219	572,707	671,926
370	Evergrande Emerald Court Shangqiu	142,563	17,138	159,701
371	Evergrande Royal View Garden Nanyang	128,813	117,381	246,194
372	Evergrande Royal Scenic Bay Nanyang	90,281	70,725	161,007
373	Evergrande City Jiaozuo	302,119	—	302,119
374	Evergrande Yue Long Tai Puyang	171,926	—	171,926
375	Evergrande Metropolis Zhoukou	48,100	171,453	219,553
376	Evergrande Metropolis Hebi	142,561	126,626	269,187
377	Evergrande City Qinhuangdao	137,226	2,301,162	2,438,388
378	Evergrande City Cangzhou	207,129	9,719	216,848
379	Evergrande City Xingtai	157,811	—	157,811
380	Evergrande Royal View Garden Xingtai	35,150	0	35,150
381	Evergrande Metropolis Xingtai	2,112	118,349	120,461
382	Evergrande Scenic Garden Xingtai	17,378	89,657	107,035
383	Evergrande Metropolis Handan	399,224	211,233	610,458
384	Evergrande Emerald Court Handan	219,330	6,757	226,086
385	Evergrande City Hengshui	54,459	220,628	275,087
386	Evergrande Oasis Hengshui	197,143	138,175	335,318
387	Evergrande Metropolis Langfang	91,149	—	91,149
388	Langfang Zhongding Project	27,266	26,234	53,500
389	Evergrande Emerald Court Langfang	141,577	—	141,577
390	Evergrande Palace Changde	129,626	270,092	399,718
391	Evergrande Royal Scenic Bay Changde	196,847	—	196,847
392	Evergrande Palace Chenzhou	38,638	99,635	138,273
393	Evergrande Royal View Garden Chenzhou	118,068	119,204	237,272
394	Evergrande Metropolis Zhuzhou	51,139	2,514	53,653
395	Evergrande Palace Zhuzhou	173,383	239,255	412,638
396	Evergrande Oasis Hengyang	127,196	0	127,196
397	Evergrande Oasis Yiyang	114,294	825	115,119
398	Evergrande Nanhu Peninsula Yueyang	255,236	—	255,236
399	Evergrande Oasis Yueyang	360,337	3,000	363,337
400	Evergrande Royal View Garden Huaihua	167,523	153,340	320,863
401	Evergrande Emerald Court Xiangtan	150,743	264,896	415,639
402	Evergrande Palace Shaoyang	267,261	395,809	663,070
403	Evergrande Royal Scenic Bay Yueyang	61,226	119,166	180,392
404	Evergrande Literary Beijing	233,151	180,854	414,005
405	Evergrande Sky Capital Ezhou	354,828	471,332	826,160
406	Evergrande Metropolis Jingzhou	95,602	74,500	170,102
407	Evergrande Metropolis Jingzhou	261,097	—	261,097
408	Evergrande Emerald Court Jingzhou	139,767	—	139,767
409	Evergrande Metropolis Suizhou	144,478	41,932	186,410
410	Evergrande Metropolis Xiangyang	176,618	—	176,618
411	Evergrande Emerald Court Xiangyang	232,796	—	232,796
412	Evergrande Oasis Yichang	232,714	0	232,714
413	Evergrande Royal View Garden Yichang	102,025	—	102,025
414	Evergrande Scenic Garden	118,901	133,632	252,533
415	Evergrande Royal Scenic Bay Luzhou	38,242	—	38,242
416	Evergrande Palace Luzhou	236,000	25,792	261,792
417	Evergrande Emerald Court Mianyang	194,295	4,905	199,200
418	Evergrande City Panzhihua	338,288	76,999	415,287



No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
419	Evergrande City Ziyang	109,664	—	109,664
420	Evergrande Metropolis Zigong	70,405	56,499	126,904
421	Evergrande Oasis Zigong	187,931	—	187,931
422	Evergrande Metropolis Zigong	97,935	—	97,935
423	Evergrande Yonghe Bay Dazhou	81,855	343,805	425,660
424	Evergrande City	173,364	—	173,364
425	Evergrande Palm Islands Dongying	176,750	267,655	444,405
426	Evergrande Palm Islands Dongying	222,407	43,270	265,677
427	Evergrande Metropolis Jining	197,089	159,400	356,489
428	Evergrande Splendor Laiwu	425,744	500,711	926,455
429	Evergrande Palace Linyi	160,850	157,557	318,407
430	Evergrande Oasis Linyi	65,687	523,813	589,500
431	Evergrande Emerald Court Linyi	236,160	211,524	447,684
432	Evergrande City Tai'an	67,609	24,952	92,561
433	Evergrande Royal Seaview Garden Weihai	315,906	549,909	865,815
434	Evergrande Royal View Garden Zibo	70,193	251,571	321,765
435	Evergrande Emerald Court Zibo	40,077	164,076	204,153
436	ZhengCheng Family Project Zibo	145,446	271,171	416,617
437	Evergrande Oasis Datong	115,480	—	115,480
438	Evergrande Palace Linfen	27,020	58,571	85,591
439	Evergrande Palace Lvliang	25,044	—	25,044
440	Evergrande Royal View Garden Yangquan	206,582	61,732	268,314
441	Evergrande Oasis Yuncheng	17	103,477	103,495
442	Evergrande Metropolis Yuncheng	46,525	12,558	59,084
443	Evergrande City Hanzhong	31,289	65,330	96,619
444	Evergrande City Yangling	178,166	—	178,166
445	Evergrande Emerald Court Ganzhou	143,756	76,485	220,240
446	Evergrande Metropolis Ganzhou	117,877	—	117,877
447	Evergrande Royal Garden Ganzhou	282,700	9,767	292,467
448	Evergrande Royal View Garden Ji'an	286,560	—	286,560
449	Evergrande Metropolis Jingdezhen	26,917	—	26,917
450	Evergrande Royal Scenic Bay Jingdezhen	82,969	—	82,969
451	Evergrande Royal Scenic Jiujiang	128,164	0	128,164
452	Evergrande Bay Jiujiang	174,650	306,796	481,446
453	Evergrande Metropolis Shangrao	199,500	220,764	420,264
454	Evergrande Atrium Xinyu	54,854	247,040	301,894
455	Evergrande City Xinyu	27,691	—	27,691
456	Evergrande Oasis Yichun	319,046	97,613	416,660
457	Evergrande Oasis Yingtan	200,749	—	200,749
458	Evergrande Royal Scenic Yingtan	74,843	—	74,843
459	Evergrande Royal Scenic Yichun	195,880	4,421	200,301
460	Evergrande Oasis Anqing	210,622	—	210,622
461	Evergrande Emerald Court Bengbu	81,664	—	81,664
462	Evergrande City Bozhou	243,929	—	243,929
463	Evergrande Emerald Court Bozhou	189,385	119,508	308,893
464	Evergrande Royal View Garden Jiangbei Chuzhou	234,586	35,152	269,738
465	Evergrande Oasis Fuyang	133,086	—	133,086
466	Evergrande Royal Scenic Fuyang	246,661	68,628	315,289
467	Evergrande Metropolis Huaibei	152,681	0	152,681
468	Evergrande Atrium Huaibei	200,748	46,759	247,507
469	Evergrande Oasis Huainan	102,945	—	102,945
470	Evergrande Left Riverside Huangshan	168,830	54,870	223,700
471	Evergrande Royal Scenic Bay Lu'an	131,146	983,972	1,115,117
472	Evergrande Royal Scenic Bay Ma'anshan	93,876	—	93,876
473	Evergrande Oasis Maanshan	149,874	232,826	382,700
474	Evergrande Oasis Tongling	311,405	95,231	406,637
475	Evergrande Palace Wuhu	169,801	—	169,801
476	Evergrande Royal Scenic Bay Suzhou	204,062	49,672	253,734
477	Evergrande Metropolis Suzhou	203,265	303,478	506,743
478	Evergrande Royal City Project Xuancheng	83,108	203,912	287,020
479	Evergrande Oasis Longyan	95,200	—	95,200



No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
480	Evergrande Royal Scenic Nanping	57,663	16,450	74,113
481	Wuyishan Evergrande Scenic Garden	32,385	12,477	44,862
482	Evergrande Royal Scenic Peninsula Ningde	227,739	24,136	251,875
483	Evergrande Royal Scenic Peninsula Putian	270,747	130,980	401,727
484	Evergrande Royal Palace Sanming	323,686	38,215	361,901
485	Evergrande Royal Scenic Peninsula Zhangzhou	72,132	56,491	128,623
486	Evergrande Royal Scenic Peninsula Beihai	98,907	333,606	432,512
487	Evergrande Metropolis Beihai	96,981	54,863	151,845
488	Evergrande Royal Seaview Garden Beihai	95,429	197,466	292,895
489	Evergrande Atrium Beihai	127,447	176,640	304,088
490	Evergrande Royal Scenic Bay Fangchenggang	97,431	—	97,431
491	Evergrande City Guigang	220,743	111,619	332,362
492	Evergrande Plaza Guilin	105,724	145,250	250,975
493	Evergrande Bay Guilin	99,952	—	99,952
494	Evergrande City Guilin	196,641	377,866	574,507
495	Evergrande Emerald Court Liuzhou	63,943	0	63,943
496	Evergrande City Liuzhou	95,514	2,128	97,643
497	Evergrande Palace Liuzhou	46,817	222,124	268,941
498	Evergrande Palace Liuzhou	48,875	159,333	208,208
499	Evergrande Atrium Liuzhou	187,175	563,048	750,223
500	Evergrande Royal Scenic Bay Liuzhou	198,192	217,564	415,756
501	Evergrande Oasis Qinzhou	97,583	142,411	239,995
502	Evergrande Royal Scenic Peninsula Qinzhou	260,929	76,246	337,175
503	Evergrande Scenic Garden Wuzhou	30,646	48,088	78,734
504	Evergrande City Yulin	291,235	—	291,235
505	Evergrande Royal Scenic Yulin	2,418	164,250	166,668
506	Evergrande City Kaili	267,247	540,792	808,039
507	Evergrande City Zunyi	70,634	737,490	808,125
508	Evergrande Emerald Court Zunyi	3,589	419,288	422,877
509	Evergrande Palace Jilin	137,967	3,410	141,377
510	Evergrande Royal Scenic Bay Songyuan	67,137	159,501	226,639
511	Left Riverside Jilin	9,633	164,653	174,286
512	Evergrande Palace One Siping	8,954	299,968	308,922
513	Evergrande Oasis Anshan	122,970	969,188	1,092,158
514	Evergrande Metropolis Anshan	353,438	180,600	534,038
515	Evergrande Oasis Benxi	52,344	33,638	85,982
516	Evergrande Palace Fushun	35,052	269,045	304,097
517	Evergrande Plaza Fushun	24,726	589,625	614,351
518	Evergrande Royal Scenic Bay Huludao	130,281	306,445	436,726
519	Evergrande Oasis Liaoyang	249,503	246,003	495,505
520	Evergrande Palace Panjin	50,888	774,328	825,216
521	Evergrande Oasis Yingkou	181,103	333,369	514,473
522	Evergrande City Yingkou	292,728	119,493	412,222
523	Evergrande Bay Yingkou	211,196	1,030,282	1,241,478
524	Evergrande Riverside Panjin	6,699	878,666	885,365
525	Evergrande Oasis Mudanjiang	53,734	132,257	185,991
526	Evergrande Emerald Court Mudanjiang	24,461	0	24,461
527	Evergrande Emerald Court Tsitsihar	33,181	92,598	125,779
528	Evergrande Metropolis Tsitsihar	28,420	31,673	60,093
529	Evergrande Royal Scenic Qiqiha'er	25,618	—	25,618
530	Evergrande Royal Lakeside Manor Daqing	7,259	289,438	296,697
531	Evergrande Qizi Bay Changjiang	90,908	46,367	137,275
532	Evergrande Splendor Danzhou	281,759	—	281,759
533	Hainan Ocean Flower Island	5,201,829	8,447,557	13,649,386
534	Evergrande Oasis Wuwei	188,452	—	188,452
535	Evergrande Metropolis Qujing	34,248	254,198	288,446
536	Evergrande Oasis Qujing	239,654	424,477	664,131
537	Evergrande Palace Baotou	2,417	334,765	337,182
538	Evergrande Metropolis Baotou	808	78,681	79,490
539	Evergrande Oasis Wuhai	50,324	—	50,324
540	Evergrande Emerald Court Baotou	3,618	111,119	114,737

No.	Project	GFA with construction permits (m <sup>2</sup> )	GFA without construction permits (m <sup>2</sup> )	Total GFA Under development and Hold for future development (m <sup>2</sup> )
541	Evergrande Oasis Ulanhot	53,984	468,465	522,449
542	Evergrande City Tongliao	4,589	247,796	252,385
543	Evergrande Oasis Shizuishan	65,536	397,712	463,249
544	Evergrande Metropolis Wuzhong	46,651	—	46,651
545	Aiding Tibet Project Linzhi	59,987	44,814	104,801
546	Evergrande Atrium Yining	44,327	12,747	57,074
547	Evergrande Oasis Yining	78,703	131,754	210,457
<b>Total</b>		<b>93,634,419</b>	<b>110,578,507</b>	<b>204,212,926.7</b>

### *Product Series*

Over the years, we have developed and introduced various distinctive product series to the market, including:

- *Mid- to mid-high-end series.* This series consists mainly of products within our Evergrande Oasis (恒大綠洲) series, Evergrande Metropolis (恒大名都) series, Evergrande City (恒大城) series, Evergrande Atrium (恒大雅苑) series, Evergrande Royal Scenic Bay (恒大御景灣) series, Evergrande Emerald Court (恒大翡翠華庭) series, Evergrande Bay (恒大江灣) series, Evergrande Plaza (恒大廣場) series and Evergrande Bund (恒大外灘) series. We target for properties of this series to account for approximately 85% of our current projects. They are positioned as large residential complexes with a full range of ancillary facilities and services. Typically located in the sub-central urban areas with comprehensive infrastructure and a convenient transportation network, these projects generally include multi-story, mid-rise, mid-to-high-rise and high-rise apartments. They are usually equipped with large clubhouses, sports centers, kindergartens, commercial streets and other living facilities.
- *High-end series.* This series consists mainly of products of Evergrande Palace (恒大華府) series, Evergrande Royal Scenic Peninsula (恒大御景半島) series, Evergrande Emperor Scenic (恒大帝景) series and Evergrande Royal Scenic (恒大御景) series. We target for properties of this series to account for approximately 15% of our current projects. They are positioned as high-end urban residential projects targeting high-income residents. Typically situated in the prime locations of existing urban areas, or areas with significant future value appreciation potential within large cities, these projects generally include garden houses and condominiums. Most of them are large units with the highest and most luxurious design and construction standards. Usually, these projects are fully equipped with facilities and services of superior standards, including large luxurious clubhouse, commerce and education facilities.
- Our tourism related business mainly comprises of Evergrande Venice on the Sea Qidong Project (啟東恒大海上海威尼路項目) and the Hainan Ocean Flower Island Project (中國海南海花島項目). We focus on developing large-scale cultural tourism projects catering tourists and vacation house owners, including but not limited to large-scale facilities targeting tourists and vacation house owners, such as man-made islands, beaches, Evergrande Fairyland Theme Park (恒大童世界), recreation and shopping facilities, large-scale hotels, as well as large conference centers which are able to accommodate thousands of people.

We design and develop all of our product series under our standardized management and market them under the brand name of “Evergrande” on a nationwide basis. We also market products of these series under different project names.

Within our product series, we mainly develop five types of residential properties:

- villas, which are typically independent houses with one to three stories;

- semi-detached villas, which are typically two separate houses that share a common wall;
- townhouses, which are typically connected houses of more than two units;
- condominiums, which are typically low-rise residential buildings of four to 18 stories; and
- high-rise residential buildings, which are typically higher than 18 stories.

### ***Co-Developed Projects***

In recent years, we have entered into co-development arrangements with other property developers in which we share the cost of development of a project and sales proceeds from the sale and/or pre-sale of the properties in the development. We consider a number of criteria when evaluating whether to partner with a company for co-development of a project, including the company's economic strength and property development experience, whether they have obtained all or part of the land use rights, whether the prospective project location is good, the risk profile of the prospective project and the potential for appreciation, whether the payment terms are favorable, and whether there are low capital requirements for the early stages of development. As of June 30, 2017, we had 235 co-developed projects across 29 provinces and autonomous regions in China, including Shandong, Hebei and Zhejiang. For more information about our co-developed projects, please see "— Project Overview."

Our profit sharing arrangements generally correspond to our equity ownership in the project development company. The terms of our co-development vary but typically, we may: (i) provide the land use rights for a project and our co-developer would contribute to the development costs through capital injections into the project company or advances of land premium; or (ii) develop the project under our name and management.

We believe such co-development arrangements have helped us expand our nation-wide footprint, while lowering our development costs and investment risks associated with construction projects in new geographical regions. We may continue to enter into such co-development arrangements as suitable opportunities arise.

Since June 30, 2017, we have entered into new co-development arrangements with other property developers for more than 15 projects. Some major new co-development arrangements include Evergrande Xichen Oasis in Chengdu, Xuchang Yufengchang Project in Xuchang and Jiangmen Jinsha Bay Project in Jiangmen. Evergrande Xichen Oasis occupies a total site area of approximately 252,000 square meters with an aggregate total GFA of approximately 675,000 square meters. Xuchang Yufengchang Project occupies a total site area of 300,000 square meters with an aggregate total GFA of approximately 880,000 square meters. Jiangmen Jinsha Bay Project occupies a total site area of 445,400 square meters with an aggregate total GFA of approximately 873,000 square meters. We hold a 51% equity interest in Evergrande Xichen Oasis, 75% equity interest in Xuchang Yufengchang Project and 50% equity interest in Jiangmen Jinsha Bay Project.

### **Investment Properties**

Along with our residential property projects, we also develop office buildings, commercial properties, retail shop units and carpark spaces as part of our residential complexes for leasing. As we intend to hold these properties for long-term investment purposes, they are treated as investment properties. As of June 30, 2017, these investment properties included 7.4 million square meters of total GFA for commercial spaces and about 406,000 carparks. Some of our retail shop units and carpark spaces are, or may be, located in large, multiple-use complexes. We may choose to sell the retail shop units when we believe that sales would generate a better return on our investment than through rental and capital appreciation. In the years ended December 31, 2014, 2015, 2016 and the six months ended 2017, our rental income from investment properties amounted to RMB144 million, RMB241 million, RMB647 million (US\$95 million) and RMB328 million (US\$48 million), respectively. The increase is partly due to increased occupancy of our residential complexes.

Province	Location	Total attributable leasable GFA (m <sup>2</sup> )		No. of Carparks	
		Completed	Under Development	Completed	Under Development
Anhui Province	Anqing, Bengbu, Bozhou, Chaochu, Chuzhou, Feidong, Fuyang, Hefei, Huaibei, Huainan, Liu'an, Ma'anshan, Tongling, Wuhu, Suzhou	344,589	58,814	33,838	4,307
Beijing City	Beijing	17,097	—	—	—
Fujian Province	Quanzhou, Xiamen, Shishi	18,419	2,200	296	969
Gansu Province	Lanzhou, Wuwei	29,961	45,111	4,556	299
Guangdong Province	Chaozhou, Dongguan, Enping, Foshan, Guangzhou, Heyuan, Huiyang, Qingyuan, Shaoguan, Shenzhen, Yangjiang, Yunfu, Zhanjiang, Zhongshan	307,242	3,390	40,861	6,519
Guangxi Province	Beihai, Fangchenggang, Guilin, Liuzhou, Nanning, Qinzhou	173,425	403,200	1,575	7,254
Guizhou	Guiyang, Kaili, Zunyi	208,522	61,429	15,601	—
Hainan Province	Changjiang, Chengmai, Danzhou, Haikou	5,161	5,900	3,713	3,527
Hebei Province	Cangzhou, Handan, Hengshui, Langfang, Qinhuangdao, Shijiazhuang, Tangshan, Xingtai	200,094	263,950	3,381	6,650
Henan Province	Anyang, Luoyang, Luohe, Pingdingshan, Shangqiu, Xinxiang, Xinyang, Xuchang, Zhengzhou, Zhumadian	179,101	64,351	13,503	3,441
Heilongjiang Province	Daqing, Harbin, Mudanjiang, Qiqiha'er	151,001	14,041	5,310	—
Hubei Province	Ezhou, Wuhan, Xiangyang, Yichang	252,443	1,833	11,877	4,175
Hunan Province	Changde, Chenzhou, Hengyang, huaihua, Liuyang, Xiangtan, Yiyang, Yueyang, Changsha	132,563	—	25,811	—
Jilin Province	Songyuan, Changchun	160,532	12,881	3,364	1,292
Jiangsu Province	Changzhou, Danyang, Fengqiao, Huai'an, Jiangyin, Lianyungang, Nanjing, Suzhou, Wuxi, Suqian, Yancheng, Yangzhou, Zhangjiagang, Zhenjiang	395,972	101,375	18,803	2,029
Jiangxi Province	Ganzhou, Ji'an, Jingdezhen, Nanchang, Xiyu, Yingtian	221,332	4,441	20,797	182
Liaoning Province	Anshan, Benxi, Dalian, Fushun, Huludao, Liaoyang, Panjin, Shenyang, Yingkou	762,654	232,009	8,974	2,922
Inner Mongolia Autonomous Region	Baotou, Hohhot, Wuhai, Ulanhot	48,076	—	6,596	1,135

Province	Location	Total attributable leasable GFA (m <sup>2</sup> )		No. of Carparks	
		Completed	Under Development	Completed	Under Development
Ningxia	Shizuishan, Wuzhong, Yinchuan	20,721	—	5,768	1,164
Qinghai Province	Xining	2,904	—	422	—
Shandong Province	Dongying, Jinan, Jining, Laiwu, Linyi, Tai'an, Weifang, Zibo	285,538	129,314	17,998	—
Shanxi Province	Datong, Linfen, Lvliang, Taiyuan, Yangquan, Yuncheng	113,631	2,397	7,811	2,288
Shaanxi Province	Yangling, Hanzhong, Xi'an	38,531	9,045	9,007	—
Shanghai	Shanghai	43,695	—	3,715	—
Sichuan Province	Chengdu, Luzhou, Nanchong, Panzhihua, Qionglai, Ziyang, Zigong	524,161	273,543	38,303	1,523
Tianjin City	Tianjin	37,937	—	7,421	—
Hong Kong	Hong Kong	350,440	—	—	—
Xinjiang Province	Wujiaqu, Yining	16,172	21,788	978	—
Yunnan Province	Kunming, Qujing	13,025	93,657	2,867	2,851
Zhejiang Province	Chongfu, Diankou, Fenshui, Haiyan, Hangzhou, Hengcun, Huzhou, Jiaxing, Ningbo, Pinghu, Pinyao, Quzhou, Shuanglin, Tangqi, Xinli, Zeguo	297,071	78,341	6,095	—
Chongqing City	Fuling, Chongqing	241,024	11,295	33,830	631
Total		5,575,663	1,858,301	353,071	53,158

## Property Development

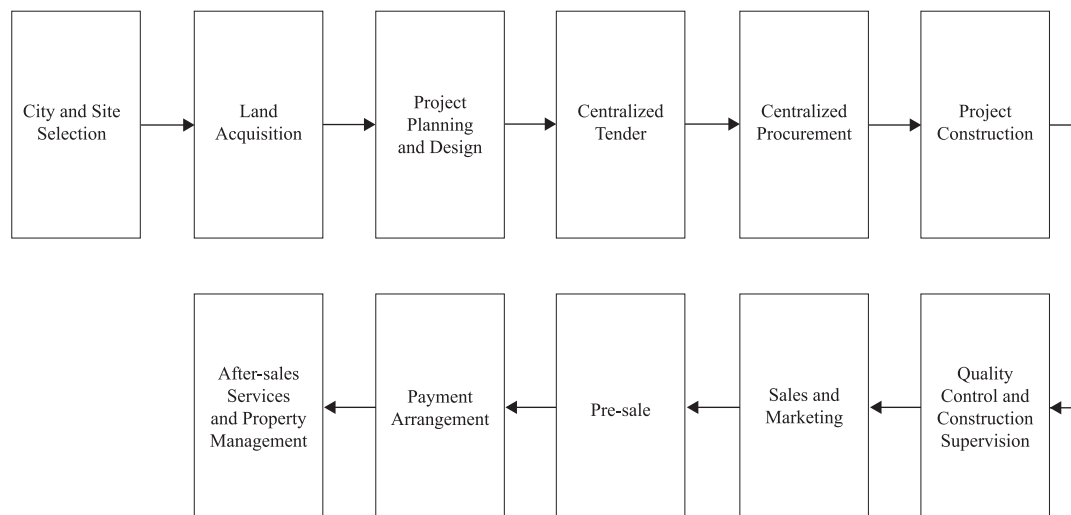
Our business operations are based on our industry-leading standardized operational model for quality real estate development. Our standard operational procedures cover all aspect of our project development process.

We believe our standardized approach to property development has enabled us to rapidly replicate our success in our home base in Guangzhou to other key provincial capitals and surrounding areas in China, to ensure consistent product quality at the same time.

The residential properties we develop are primarily composed of four major standard product series. We have also developed a standard for high-end ancillary facilities, a standard for gardening and landscaping, and a construction standard according to different product series. We develop a diversified portfolio of properties, including low-density residential buildings, multi-story residential buildings, and mid-rise and high-rise residential buildings, to cater to individual needs of different buyers. We generally favor large-scale and extra-large scale projects because our standardized operational model tends to work more effectively and efficiently with them, as they allow the appropriate economies of scale to maximize the upside potential of property development.

## Project Development and Management Procedures

We maintain a systematic development approach although each project is designed to cater to the specific target market. Our property development and management procedures are summarized as below:



### *City and Site Selection*

We screen cities and sites in China following a standardized process in order to identify opportunities suitable for our development. The primary criteria in our project site evaluation include the following:

- location in cities that we believe have high-growth potential;
- generally not less than 20,000 square meters in GFA for projects in first-tier and second-tier cities and not less than 300,000 square meters in GFA for projects in third-tier cities;
- beautiful surrounding environment, with established supporting infrastructure, convenient transportation system and appropriate value appreciation potential;
- minimal or no demolition and resettlement costs, allowing commencement of development soon after the acquisition of the land; and
- appropriate cost and attractive financial return.

### *Land Acquisition*

According to current PRC laws and regulations, state-owned land use rights for property development must be granted by the relevant governmental authorities via public tender, auction and listing-for-sale. Land reserves may also be acquired in the secondary market through acquisition of the equity interests of companies that possess the land use rights. We acquire land use rights either by bidding directly at auctions organized by the relevant government authorities or through acquiring companies that hold land use rights.



As a property developer targeting middle to upper-middle income customers, we believe that acquiring land at competitive prices is critical to our overall development strategy. The ability to identify potentially undervalued land reserves and the effective execution of our land acquisition strategy are our important strengths. Based on our current development and growth targets, we expect to maintain sufficient land reserves to fulfill our development requirements for the next five to eight years on a rolling basis. As of June 30, 2017, we had approximately 276 million square meters of GFA under development and held for future development. In accordance with our national strategic plan, we will continue to optimize the location of our residential properties. We will focus more on the development of projects in central urban areas in first- and second-tier cities and prime locations in third-tier cities to maintain stable land reserves and achieve a balanced national development distribution.

As of the date of this offering circular, we have not commenced the construction work as required by the relevant original land grant contracts with respect to a number of projects that we have acquired. However, we do not expect such land parcels to be subject to idle land fees or forfeiture primarily for the following reasons:

- the relevant local authorities' failure to deliver certain land to us due to their on-going re-zoning plans;
- our entry into supplementary agreements with the relevant local authorities to extend the commencement of the construction; and/or
- demolition of certain land has not been completed on the part of the government, preventing the construction from commencing on such land.

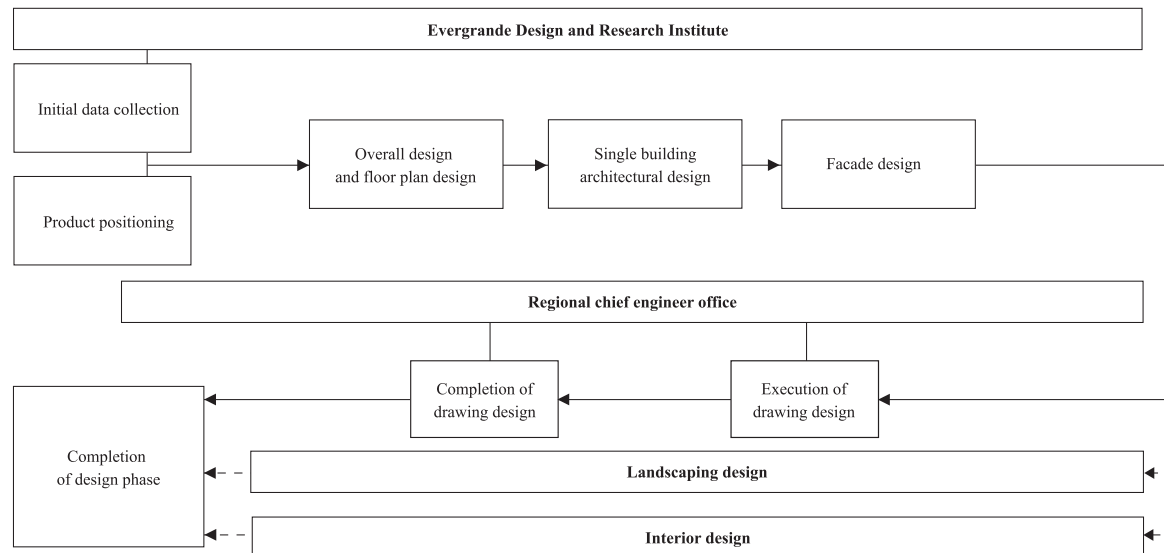
As of the date of this offering circular, we have not been required to pay any idle land fee or forfeit any land as a result of noncompliance with the relevant PRC laws and regulations. Although we cannot assure you that circumstances leading to forfeiture or significant delays in our development schedules will not arise in the future, we do not expect that any of our current land reserves will be subject to forfeiture based on our current development plans.

To ensure timely payment of land premiums and efficient execution of our property development, we have adopted internal control procedures to monitor and manage our land acquisitions and related financing. Our legal department has authority to perform due diligence investigations into our land acquisitions and our finance department is responsible for the feasibility analysis and funding sufficiency. Both departments report their findings and issues to our senior management. We also require our regional offices to strictly adhere to the schedules with respect to application for land use right certificates, construction land planning permits, construction work planning permits and construction permits in compliance with the PRC laws and regulations. We closely monitor the land acquisition and project development process. In the event that we experience delays in payment of land premiums or construction schedules we will seek immediate rectification, including application for an extension from the relevant government authorities as well as negotiation and entry into supplementary agreements. In addition, as part of our standardized operational model, we endeavor to train our staff at, and coordinate the proceedings in, our bidding and tendering department, development department and engineering department to ensure a timely property development in compliance with the PRC laws and regulations.

### ***Project Planning and Design***

We have strong in-house design capabilities. Evergrande Design and Research Institute, our in-house design subsidiary, is a nationally accredited architectural design firm composed of over 230 professionals as of June 30, 2017. Our design team works closely with our project managers and marketing team in master-planning and in detailed two-dimensional and three-dimensional architectural designs. Our design team also collaborates with reputable domestic and international design houses in

formulating, developing and finalizing the landscape and interior design for our projects. Our senior management is actively involved in the entire planning and design process, especially in the master-planning and architectural design of our projects. Our design process is summarized as below:



Based on our previous successful experiences, our professional R&D team has designed over 20 standard series of products, including the Evergrande Emerald Court series, the Evergrande Culture Tourist series, the Evergrande Bay series, the Evergrande Royal View Garden series, the Evergrande Central Plaza series, the Evergrande Royal Scenic Peninsula series, the Evergrande Metropolis series, the Evergrande Palace series, the Evergrande City series, the Evergrande Royal Scenic Bay series, the Evergrande Emerald Dragon Court series, the Evergrande Scenic Garden series, the Evergrande Splendor series, the Evergrande Oasis series, the Evergrande Silverlake City series, the Evergrande Atrium series, and the Evergrande Royal Scenic series. We also conduct detailed market research and analysis on the products placed by other major developers into the market. We endeavor to tailor-make and ensure highest construction, gardening, landscaping, and decoration quality in our different product series. We will continue to adopt creative architectural planning and innovative designs with a view to making our products distinctive from other offerings in the market.

In our efforts to integrate quality with distinctive designs for our properties, we have also retained renowned design houses, such as Atkins Shenzhen, Thornton Tomasetti Inc., Ove Arup & Partners Hong Kong Limited, Parsons Brinckerhoff (Asia) Limited, TFP Farrells Limited and Gensler Architectural Consulting (Shanghai) Co., Ltd., to optimize our architectural design in various aspects. As we seek to standardize the designs of our product series and customize our mature series, we will continue to introduce new series in accordance with market demands and preferences. As an important part of our project planning and design process, we work closely with external landscape and interior designers to maximize the esthetic appeal and eco-value of our properties. In addition to distinctive design features, we also seek to distinguish our property developments by offering additional value-added functions.

We have received numerous awards in recognition of our achievement in various areas of our project designs and floor plans, including the following:

- our construction company has obtained the China Premium Qualification as a general housing construction contractor, which allows us to develop land with a total GFA of over 200,000 square meters and top qualifications as a general municipal public works construction contractor to perform construction, municipal engineering, decoration and landscaping of historical style buildings, which allows us to vertically integrate the construction process; and

- Evergrande Group Project Management Ltd. has obtained the China Grade A Engineering Supervision qualification, which is the highest level of engineering supervision qualification recognized in China.

### ***Centralized Tender***

We organize tenders, and invite primarily first-rate construction companies in China to participate in the bidding, for interior decoration, gardening and landscaping and other construction work to ensure that we get high-quality construction service at competitive prices. We have centralized and standardized our tender process as a part of our standard operational procedures. We outsource substantially all of our project construction work to independent contractors. We have also acquired a nationally accredited construction company to undertake some of our project construction. We also maintain strict quality control measures throughout our development chain and partner with renowned international and national service and product providers to ensure the quality of our products. Vendors and suppliers we generally partner with in our projects include:

Services or products	Suppliers or vendors
Overall project planning/design .	China Architecture Design Group, Shenzhen General Institute of Architectural Design and Research
	The Architectural Design and Research Institute of Guangdong Province
Project construction . . . . .	China State Construction Engineering Corporation Ltd.
	Zhong-Tie Construction Group Corporation Limited
Interior design and decoration . .	Suzhou Gold Mantis Construction & Decoration Co., Ltd.
	Shenzhen Grandland Decoration & Construction Co., Ltd.
Elevators . . . . .	OTIS, Hitachi and Mitsubishi
Power box . . . . .	Schneider Electric, Panasonic, TCL Legrand and SIEMENS
Kitchen electric appliances . . .	Rinnai, ROBAM, Vatti, Haier, Electrolux, Whirlpool and SIEMENS
Bathroom fixtures . . . . .	TOTO, KOHLER and Roca
Power sockets . . . . .	Panasonic, SIEMENS and Legrand
Plumbing fixtures . . . . .	MOEN, American Standard and Roca
Paint . . . . .	NIPPON PAINT
Surveillance systems . . . . .	Samsung, Panasonic, SONY and Hikvision

### ***Centralized Procurement***

We have signed long-term procurement agreements with reputable service and product suppliers in China and overseas and we have also established a unified national distribution system. The procurement departments in our regional offices are managed directly by our headquarters. Our regional procurement departments submit their procurement plans of material and equipment to our headquarters on a monthly basis. We require that the difference between the actual monthly purchased quantities and the procurement plans should not exceed 10% under normal circumstances. Through such requirements, we endeavor to minimize our overall purchasing costs without compromising our quality requirement.

Our centralized procurement system plays an essential role in helping us achieve economies of scale and favorable commercial terms, and in promoting our long-term partnership with quality suppliers. We have established a rigorous screening and bidding process to select our suppliers. We mainly consider first-rate national suppliers during our screening process, from which we select three to five suppliers in each category to form our pre-qualified vendor pool. Pre-qualified suppliers are invited to submit bids based on our product specifications and requirements. All submitted bids are reviewed and evaluated by our bidding and tendering committee, which consists of members from our senior management, procurement departments and design team. The bidding and tendering committee determines the winner based on a set of standards described in our bid-solicitation documents, such as product quality, price, supply lead time, financial strength, reputation and after-sales services. Our objective in this centralized procurement system is to obtain the required quality products and services at the best prices. Certain key construction materials and services, such as aluminum alloy materials, hardwood floor panels and site preparation, are partly provided by our subsidiaries.

Since 2006, all our construction material procurement contracts are tri-partite arrangements among us, suppliers and construction contractors. Such arrangements require suppliers to deliver their supplies directly to our regional procurement departments, which then distribute them to our construction contractors. We will effect payments to suppliers on a monthly basis by deducting such payments directly from our fees payable to the construction contractors. These arrangements not only ensure the quality of materials and equipment used in our projects but also relieve the concerns of our suppliers over potential late payment or lack of accountability on the part of construction contractors. Through our large-volume and centralized procurement arrangements, we are able to form long-term strategic partnerships with top suppliers in China and overseas to provide us, and indirectly our customers, with premium products at competitive costs. For example, we source our elevators primarily from OTIS and Shanghai Mitsubishi; power switches from SIEMENS; electrical appliances from Panasonic, Samsung and SIEMENS; kitchen electric appliances from Rinnai; bathroom fixtures from TOTO and KOHLER; switch boards from Panasonic, air conditioners and cabinets from Haier, a renowned domestic brand.

### ***Project Construction***

Our headquarters, in collaboration with all our specialized departments, formulates the standard of construction requirements and we require each of our regional offices to follow and implement the standard consistently. Our headquarters has a dedicated team of over 750 professional staff who collect and analyze information on project progress and construction quality from all of our regional offices on a weekly basis through our in-house information management system. This team not only sends out professionals to conduct on-site inspection, but also dispatches qualified professionals and engineers to supervise the overall construction of each individual project from time to time.

Under the supervision of our headquarters, each of our regional offices is responsible for the day-to-day management of specific project construction in accordance with our centralized standard. The construction contracts we enter into with construction companies typically contain warranties with respect to quality and timely completion of the construction projects. We require construction companies to comply with the relevant PRC laws and regulations as well as our own standards and specifications. Our construction management department is charged with the responsibility of closely monitoring quality and construction progress as well as controlling cost during construction. In the event of unsatisfactory quality of work, we will reject such work pursuant to our contractual arrangements until it is redone to our satisfaction. Our construction contracts typically require payments based on construction progress until a specified maximum percentage of the total contract sum is paid. Except for approximately 5% of the contract sum, which we generally withhold for two years from the time of completion to cover any contingent expenses incurred as a result of any construction defects, the remaining balance is payable upon confirmation of the construction quality. You should refer to the section entitled “— Quality Control and Construction Supervision” below for additional information on our quality control system.

### ***Quality Control and Construction Supervision***

We control the overall project quality directly from our headquarters by the following means:

- provision of professional guidance and technical support to our regional offices for the purpose of overseeing and supervising the construction of all our projects;
- compilation of various standardized technical guidelines and assessment systems, including our property construction management system, to manage the various aspects of project developments;
- results evaluation conducted through the monthly plans and weekly progress reports submitted by our regional offices with respect to all of our projects under development from time to time; and
- dispatch of qualified personnel to conduct on-site quality inspections on a random basis.

We emphasize and enforce our quality control at every stage of a project development from its initial planning and design through its final completion. In addition to our stringent and intensive selection process in choosing our suppliers and service providers as disclosed in the sections entitled “— Centralized Tender” and “— Centralized Procurement” above, we employ strict procedures to select, inspect and test equipment and materials we purchase. Our project management teams inspect equipment and materials to ensure their compliance with the contractual specifications before accepting them and approving payment. We reject and return any supplies that are below our standards or that do not comply with our specifications.

To ensure quality and to monitor the progress and workmanship of a construction project, our wholly owned construction supervision company, Evergrande Engineering and Supervision Co., Ltd., monitors our projects developments on a nationwide basis. Evergrande Engineering and Supervision Co., Ltd. has earned the highest qualification recognized by the PRC government and currently employs over 2,300 qualified construction supervisor-engineers. In compliance with PRC laws and regulations, we also engage certified construction supervision companies to monitor certain aspects of our project construction as specified by the relevant rules and regulations. We also require the construction contractors to implement our quality control procedures, including the appointment of their internal on-site quality control engineers, examination of materials and supplies, and their on-site inspection. We rely on our own qualified construction supervisor-engineers to effectively monitor the construction process to ensure quality control. Our qualified construction supervisor-engineers not only conduct on-site quality inspection of the construction work on a daily and continuous basis, but also are authorized to tear down sub-standard work if they deem it necessary. We have formulated a series of internal quality assurance standards and systems to regulate all major processes and procedures in our project development, including construction works, water and electricity systems, pipe networks, landscaping, fitting-out works, interior design and decoration, controls over raw materials and equipment supply. To control product quality, we have also developed an information management system to enable our headquarters to access information, on a real-time basis, on the construction progress relating to each individual building across our projects anywhere in the country.

We also make great efforts to promote safety and environmental awareness at our construction sites. Many of our construction sites in Guangzhou have received “Double Excellence Construction Sites” awards by Guangzhou municipal government. In addition, prior to handing over our property to a purchaser, our sales and customer service departments, together with our engineers and the property management company, inspect the property to ensure it is fit for delivery.

### ***Sales and Marketing***

We combine a centralized sales and marketing management team with the employment of first-rate professional property sales agencies for our sales and marketing in China. Our internal sales and marketing management team is responsible for formulating our nationwide sales and marketing strategies and supervising their execution, while the retained sales agencies are responsible for implementing such strategies and actual sales. This approach assures consistency in our promotion and sales strategy on a nationwide basis and improves efficiency in our sales.

We have approximately 8,600 personnel to manage and coordinate our marketing and sales. Their principal responsibilities include the following:

- market research;
- brand promotion;
- sales planning;
- property pricing; and
- sales management.

Our centralized sales and marketing management team coordinates with our regional offices in selecting qualified sales agencies and promoting our brands across different regional markets in China. Our marketing and sales management team works closely with other internal teams and external agencies in order to determine the appropriate advertising and selling plans for any particular project. They also monitor sale and pre-sale procedures conducted by sales agencies. In addition, senior members of our sales and marketing management team are also actively involved in such matters as site selection, project planning and project design.

Our promotion channels primarily include advertising through newspapers, television, radio, internet, billboards, magazines and mobile phone text messages. We generally engage first-rate property sales agencies and advertising design houses in China, including E-House, Hopefluent Group Holdings Limited, Shenzhen World Union Properties Consultancy Company Limited and Guangdong Advertising Company Limited, Beijing crystal digital technology Co., Ltd. and Shenzhen Sapintial & perfect Advertising Co., Ltd. to assist us in our sales campaigns. As part of our marketing strategy, we organize potential customers to visit our property projects via our free shuttle buses. These showcase visits facilitate sales of our properties under development and help promote our brand.

### ***Pre-sale***

Like other developers, we pre-sell properties prior to the completion of their construction. Under the PRC pre-sale laws and regulations, property developers must satisfy specific conditions before they may pre-sell their properties under construction. These mandatory conditions include:

- The land premium has been paid in full;
- The land use right certificates, the construction land planning permits, construction works planning permits and the construction permits have been obtained;
- At least 25% of the total project development investments has been made;
- The progress and the expected completion and delivery date of the construction are certain; and
- The pre-sale permit has been obtained.



These mandatory conditions are designed to impose a timing restriction on developers with respect to the commencement of pre-sales. They are predicated on substantial progress in project construction and in capital expenditure. To protect the rights and interests of consumers, local governments generally require developers and property purchasers to use standard sales and purchase contracts prepared under the auspices of such local governments. Developers are required to file all such contracts with local land bureaus and real estate administrative authorities within 30 days of entering into such contracts. Local governments may impose additional conditions from time to time for commencing pre-sale of properties.

In addition to satisfaction of mandatory conditions required by PRC laws and regulations, we typically impose our own additional requirements before we pre-sell. To demonstrate our superior product quality to our potential buyers and to shorten the duration between pre-sale and delivery, we generally commence our pre-sale only after we have completed the landscaping, gardening, and the construction of the on-site show units and the lobby.

### ***Payment Arrangement***

Purchasers of our residential properties, including those purchasing our pre-sale properties, may pay us through mortgage loans with banks. We typically require our purchasers to pay a non-refundable deposit upon entering into provisional purchase contracts. If the purchasers later decide not to enter into formal purchase contracts, they will forfeit such deposits to us. Upon executing the formal purchase contracts, we offer the purchasers several types of payment plans with various terms. Typically, the purchasers are required to pay at least 30% of the total purchase price of the property within five days, and the remaining balance within 20 days. If the purchasers choose to fund their purchases by mortgage loans provided by banks, it is their own responsibility to apply for and obtain the mortgage approvals. Upon request, we also assist mortgage applicants by providing the relevant property information to expedite their application process. The payment terms of our sales and pre-sales are substantially identical.

Most of our customers purchase our properties through mortgage financing. In accordance with industry practice in China, we provide guarantees to mortgagee banks in respect of the mortgage loans provided to the purchasers of our pre-sold properties. These guarantees are released upon the earlier of (i) the relevant property ownership certificates being delivered to the purchasers; and (ii) the full repayment of mortgage loans by the purchasers of our properties. In line with industry practice, we do not conduct independent credit checks on our purchasers but rely on the credit checks conducted by the mortgagee banks. As of December 31, 2014, 2015, 2016 and June 30, 2017, our outstanding guarantees on the mortgage loans of the purchasers of our pre-sold properties were approximately RMB102,698 million, RMB141,591 million, RMB252,128 million (US\$37,191 million) and RMB290,184 million (US\$42,804 million), respectively. You should refer to the section entitled “Risk Factors — Risks Relating to Our Business — We guarantee mortgage loans of our customers and may become liable to the mortgagee banks if our customers default on their mortgage loans” for additional risk disclosure.

### ***After-sales Services and Property Management***

We have a dedicated customer service department to manage our after-sales services. We have also set up an ownership certificate department to assist our purchasers in obtaining their property ownership certificates. We offer various communication channels, such as designated mailboxes and emails, for our customers to conveniently express their feedback and complaints about our products or services. Our customer service staff is committed to finding the best solutions to the reported problems. We also provide free publications to our existing customers to cultivate a sense of belonging and community.

Prior to delivery of properties to customers, we usually engage Jinbi Property Management, our subsidiary and a nationally accredited property management company, to manage our properties until the property owners have established a homeowner’s association pursuant to the PRC laws and regulations to choose their own property management company. We also engage well-known external professional property management or consultancy companies to manage some of our high-end projects. As of June

30, 2017, most owners of our developments who had become statutorily entitled to elect their property management companies continued to engage Jinbi Property Management to manage their properties. The property management services we provide in relation to our projects include maintenance of common facilities, cleaning, security, gardening, landscaping and other services.

Currently our other businesses primarily included property construction, hotel and other property development related services and we have taken significant initiatives or made significant plans to expand into the grain and oil, healthcare, insurance, internet, football and cultural industries.

## **Hotels**

We are currently in various stages of development of 34 hotels in certain of our property projects and operation of 16 completed hotels. While we are currently operating some of these hotels ourselves, we may engage hotel and resort management companies to manage the others upon the completion of their construction. 10 of our completed hotels are managed by us through our own hotel management teams, and three are managed by renowned third-party hotel companies on our behalf. Our completed hotels include Guangzhou Evergrande Hotel (廣州恒大酒店), Zengcheng Hengda Hotel (增城恒大酒店), Qingyuan Evergrande Hotel (清遠恒大酒店), Chongqing Evergrande Hotel (重慶恒大酒店), Tianjin Evergrande Hotel (天津恒大酒店), Tianjing Dongli Lake Evergrande Hotel (天津東麗湖恒大酒店), Chengdu Jingtang Evergrande Hotel (成都金堂恒大酒店), Chengdu Pengshan Evergrande Hotel (成都彭山恒大酒店), E'zhou Evergrande Hotel (鄂州恒大酒店), Qidong Evergrande Hotel (啟東恒大酒店), Nanjing Evergrande Hotel (南京恒大酒店), Linzhi Lulang Town Evergrande Hotel (林芝魯朗恒大酒店), The St. Regis Chengdu Hotel (成都瑞吉酒店), AmanFayun Hotel (杭州法雲安縵酒店), AmanDayan Hotel (麗江大研安縵酒店), Holiday Inn Express Emei Mountain (峨眉山智選假日酒店) located in Guangdong, Sichuan, Hubei, Jiangsu, Yunnan and Jiangxi province, Chongqing and Tianjin municipality and Tibet Autonomous.

Some of our hotels under development include Kunming Evergrande Hotel (昆明恒大酒店), Laiwu Evergrande Hotel (萊蕪恒大酒店), Dongying Evergrande Hotel (東營恒大酒店), Urumqi Evergrande Hotel (烏魯木齊恒大酒店), Shuangyashan Evergrande Hotel (雙鴨山恒大國際酒店), Yichang Evergrande Hotel (湖北宜昌恒大酒店), Yangjiang Evergrande Hotel (陽江恒大酒店), Enping Evergrande Hotel (恩平恒大酒店), Quzhou Evergrande Hotel (衢州恒大酒店), Guilin Evergrande Hotel (桂林恒大酒店), Wankou Bay Evergrande Hotel (海口灣恒大酒店), Ocean Flower Island Four-star Castle Hotel (海花島四星城堡酒店), Ocean Flower Island Seven-star Castle Hotel (海花島七星城堡酒店), Shanghai Huafu Evergrande Hotel (上海華府恒大酒店), Zhengzhou Xinxiang Evergrande Hotel (鄭州新鄉恒大酒店), Lingshui Evergrande Hotel (陵水恒大酒店) and Hefei Evergrande Central Hotel (合肥恒大酒店) located in Yunnan, Hubei, Shandong, Hebei, Heilongjiang, Zhejiang, Guangdong, Guangxin, Hainan, Anhui province, Shanghai municipality and Guangxi Zhuang and Xinjiang Uygur Autonomous Region.

## **Other Business**

To diversify our business, we have taken significant initiatives or made significant plans to enter into industries, including but not limited to, healthcare, insurance, internet, football and cultural industries.

### ***Banking, Insurance and Internet Finance and Services***

We operate our banking, insurance and internet finance and services business under our financial holding group, Evergrande Finance. With a 17.28% equity interest, we are the largest shareholder of Shengjing bank. The bank's total assets amounted to RMB938.7 billion with total deposits amounting to RMB443.5 billion, as of June 30, 2017. In November 2015 we received approval from the China Insurance Regulatory Commission to acquire a 50% interest in GELC, a life insurance company based in China. We subsequently changed its name to Evergrande Life in order to leverage our strong brand recognition in the real estate industry and achieved rapid growth by providing insurance services to the

residents of our many communities. As of June 30, 2017 Evergrande Life's annual standardized premiums amounted to RMB19.2 billion, had 574,000 policy holders and operated seven branches located in Chongqing, Sichuan, Shaanxi, Hubei, Hunan, Henan and Guangdong.

In the first half of 2015 we and Tencent entered into a tri-party subscription agreement worth HK\$751 million with Mascotte Holdings Limited (HKEX: 00136), pursuant to which we and Tencent respectively subscribed for 55% and 20% equity interests in Mascotte. We subsequently rebranded as HengTen Networks Group Limited and have developed an open and collaborative internet community service platform (the “**ICS Online Platform**”) with both online and offline community services. The ICS Online Platform provides one-stop integrated services including ordering, logistical arrangements and delivery of goods and services. In March 2016, HDFAX was officially launched. As of June 30, 2017, HDFAX had accumulated nearly 10.0 million registered users and approximately 370,000 individuals have made transactions over the platform.

### ***Tourism and Culture***

We have entered into the tourism industry with the establishment of Evergrande Tourism. A large tourism composite comprising 28 commercial attractions including developments such as Marine World, Snow Mountain and our marquee development, Fairytale Land, all of which will be featured in our Haihua Island Project, covering 7.2 million square meters. Fairytale Land is being developed as an all season indoor theme park that will cater towards younger children and promote Chinese culture and global themes.

In addition to tourism, we have also established Evergrande Culture, our wholly owned subsidiary operating in the cultural industry in China, and features cinemas, music, film and television and animation businesses. Evergrande Culture currently operates 117 cinema theaters, with a collective 826 screens and is present in 94 cities.

In 2010 we entered into the professional football club market by establishing Evergrande Taobao, our joint venture engaged in the operation of a Chinese professional football club. On November 6, 2015, we received approval for the listing of and subsequently listed Evergrande Taobao on the NEEQS.

### ***Healthcare***

In February 2015, we acquired a majority interest in New Media Group Holdings Limited, a company listed in Hong Kong, and changed its name to Evergrande Health Industry Group Limited (“**Evergrande Health**”), which focuses on healthcare related businesses.

Evergrande Health is a large and comprehensive health group which operates high-end international hospitals and a community health management system, providing all-age healthcare services with an emphasis on serving the elder people. As of the date of this offering circular, Evergrande Health has four healthcare center projects, namely, Sanya Haitang Bay Evergrande • Elderly Care Valley, Haihua Island Lien Bay Evergrande • Elderly Care Valley, Xi'an Evergrande • Elderly Care Valley and Zhengzhou Evergrande • Elderly Care Valley. Evergrande Health has also cooperated with Brigham and Women's Hospital, a major hospital of Harvard Medical School, to jointly establish the Bo'ao Evergrande International Hospital to provide world-class oncologic disease screening, diagnosis, treatment and rehabilitation services. Moreover, Evergrande Health endeavors to establish a community-based health management system to enhance the value of the properties we develop.

### **Properties Used by Us**

As of June 30, 2017, we leased our office premises from independent third parties with a total GFA of 252,000 square meters in different regions of China.

## **Competition**

We compete with other real estate developers in terms of a number of factors, including product quality, service quality, price, financial resources, brand recognition, ability to acquire proper land reserves and other factors. The property market in China is highly competitive. Our existing and potential competitors include major domestic developers and, to a lesser extent, foreign developers, such as leading developers from Hong Kong. You should refer to the section entitled “Risk Factors — Risks Relating to Our Business — Intensified competition might adversely affect our business and our financial position” for additional disclosure.

## **Intellectual Property Rights**

We have applied for registration of “中國恒大集團” with the State Administration for Industry and Commerce in China and “Evergrande” and “China Evergrande Group” in Hong Kong as our trademarks. We have also applied for trademark registration with the PRC intellectual property administrative authorities with respect to our logo, Company name in Chinese and English, and certain other names and logos of our product series.

## **Insurance**

Property developers are not required under PRC national and local laws and regulations to maintain insurance coverage in respect of their property development operations. We do not maintain insurance coverage on our properties developed for sale other than with respect to those developments over which our lending banks have security interests, or for which we are required to maintain insurance coverage under the relevant loan agreements. In addition, we do not require the construction companies we engage to maintain insurance coverage on properties under construction. We generally do not carry insurance against personal injuries that may occur during the construction of our properties. The construction companies, however, are responsible for quality and safety control during the course of the construction and are required to maintain accident insurance for their construction workers pursuant to PRC laws and regulations. To help ensure construction quality and safety, we have formulated a set of standards and specifications for the construction workers to comply with during the construction process. We deploy our own qualified construction supervisor-engineers and also engage qualified external supervision companies to oversee the construction process. Under PRC laws and regulations, the owner or manager of a property under construction bears the civil liability for personal injuries arising out of construction work unless the owner or manager can prove that it is not at fault. We have taken these and other steps in an effort to prevent construction accidents and personal injuries. We believe that we should be in a position to demonstrate that we were not at fault as the property owner if a personal injury claim should be brought against us. In addition, according to our construction contracts, any liability that may arise from tortious acts committed on work sites should be borne by the construction companies. To date, we have not experienced any destruction of or material damage to our property developments nor have any material personal injury-related claims been brought against us.

We believe that our policies with respect to insurance are in line with the industry practice in China. However, there are risks that we do not have sufficient insurance coverage for losses, damages and liabilities that may arise in our business operations. You should refer to the section entitled “Risk Factors — Risks Relating to Our Business — We have limited insurance to cover our potential losses and claims” for additional risk disclosure.

## **Environmental and Safety Matters**

We believe that our key operations are in material compliance with currently applicable national and local environmental and safety laws and regulations. You should refer to the section entitled “Risk Factors — Risks Relating to Our Business — Potential liability for environmental damages could result in substantial outflow of our resources” for additional risk disclosure.

**Legal Proceedings**

From time to time we are involved in legal proceedings or disputes in the ordinary course of business, including claims relating to our guarantees for mortgage loans provided to our purchasers, contract disputes with our purchasers and suppliers and disputes with respect to our co-developed projects or land acquisition contracts. We are not aware of any material legal proceedings, claims or disputes currently existing or pending against us except as otherwise disclosed in this offering circular. You should refer to the section entitled “Risk Factors — Risks Relating to Our Business — We may be involved from time to time in material disputes, legal and other proceedings arising out of our operations or subject to fines and sanctions in relation to our non-compliance with certain PRC laws and regulations and may face significant liabilities as a result” for additional risk disclosure.

## MANAGEMENT

The following table sets forth certain information with respect to our directors and senior management as of December 31, 2017.

<u>Name</u>	<u>Age</u>	<u>Title</u>
Hui Ka Yan . . . . .	59	Chairman of the board and executive director
Xia Haijun . . . . .	53	Executive director and chief executive officer
He Miaoling . . . . .	52	Executive director and vice president
Shi Junping . . . . .	34	Executive director and vice president
Pan Darong . . . . .	44	Executive director and chief financial officer
Xu Wen . . . . .	54	Vice president and chairman of the board of HengTen Networks Group Limited
Huang Xiangui . . . . .	47	Executive director and general manager of Hong Kong company
Chau Shing Yim, David	54	Independent non-executive director
He Qi . . . . .	62	Independent non-executive director
Xie Hongxi . . . . .	59	Independent non-executive director
Shi Shouming . . . . .	43	Executive vice president and President of Real Estate Group
Qiu Huofa . . . . .	57	Executive vice president and chairman of financial group
Siu Shawn . . . . .	46	Executive vice president and chairman of the tourism group
Tan Zhaohui . . . . .	49	Executive vice president and chairwoman of the health industry group
Liang Weikang . . . . .	48	Executive vice president
Chen Min . . . . .	44	Vice President
Li Guodong . . . . .	54	Vice president
Lin Manjun . . . . .	47	Vice president
Xu Jianhua . . . . .	55	Vice president
Liu Yuzhi . . . . .	49	Vice president and general manager of management and supervision center
Yao Dong . . . . .	49	Vice president and chairman of Evergrande Dafang Poverty Alleviation Management Co., Ltd.
Liu Xuefei . . . . .	42	Vice president
Zhou Yingqiu . . . . .	43	Vice president
Pan Hanling . . . . .	43	Vice president
Fong Kar Chun, Jimmy	43	Company secretary



## Directors

Our board of directors consists of nine directors, three of whom are independent non-executive directors. The powers and duties of our board include:

- convening shareholders' meetings and reporting the board's work at the shareholders' meetings;
- implementing the resolutions passed at the shareholders' meetings;
- determining our business plans and investment plans;
- formulating our annual budget and final accounts;
- formulating our proposals for profit distributions and for the increase or reduction of our share capital; and
- exercising other powers, functions and duties as conferred by our memorandum and articles of association.

We have entered into service contracts with each of our executive directors and independent non-executive directors.

We operate our business in a centralized manner. Our corporate headquarters maintain overall control in management and operations of all our subsidiaries. The directors of our various project companies are appointed by our corporate headquarters primarily on the basis of their business expertise, management skills and local knowledge and for the purpose of complying with the various local PRC administrative requirements. These project company directors have limited powers and are required to report to and seek approvals from our headquarters on matters of significance. Our centralized corporate structure frees our senior executives up from the day-to-day administrative functions of our subsidiaries and allow them to focus on our overall business development and operations.

A description of the business experience and present employment of each of our directors is provided below.

### Board of directors

**Hui Ka Yan** (許家印), age 59, has served as chairman of our group since 1996. Dr. Hui was elected an executive director of our company on June 26, 2006. Dr. Hui is responsible for formulating the overall development strategies of our group. Dr. Hui is also the sole director of our Original Shareholder. Dr. Hui has over 30 years of experience in real estate investment, property development and corporate management. Prior to founding our company, he held management positions with a number of entities including Wuyang Iron and Steel Co., Ltd. and Guangzhou Pengda Group Company Limited. Currently Dr. Hui is a member of the 12th Standing Committee of the Chinese People's Political Consultative Conference. In addition, Dr. Hui also serves as a vice-chairman of the China Enterprise Confederation, China Enterprise Directors Association and China Real Estate Association. He was accredited as a "National Model Worker" (one of the highest civilian honors in China) by the State Council. He graduated from Wuhan University of Science and Technology with a bachelor's degree in metallurgy in 1982, and was awarded an honorary doctorate degree in commerce by the University of West Alabama in 2008. Dr. Hui has also been an adjunct professor at Wuhan University of Science and Technology since 2003 and was recently engaged to be the supervisor of PhD candidates. Dr. Hui was a director of Lujing Real Estate Limited, which was formerly known as Hengda Real Estate Corporation Limited (恒大地產股份有限公司), a company listed on the Shenzhen Stock Exchange, from November 2002 to November 2005 and has not otherwise been a director of any listed companies other than our company in the three years immediately preceding the date of this offering circular.

**Xia Haijun (夏海鈞)**, age 53, is our chief executive officer and executive director. Dr. Xia has over 20 years of experience in property development and corporate management, and is accredited as a senior economist in China. Dr. Xia is mainly in charge of the daily management of our nationwide business operations, including business expansion, procurement, marketing and corporate brand promotion, investor relations, accounts, construction and property management. Dr. Xia joined us in June 2007 as our chief executive officer and was elected an executive director on March 6, 2008. Dr. Xia worked for subsidiaries of CITIC Group between 1990 and 2003 and was an executive vice general manager of CITIC South China (Group) Co., Ltd. between 2000 and 2003. Dr. Xia graduated from Jinan University with a master's degree in business administration in 1998 and a doctor's degree in industrial economy in 2001. Dr. Xia has not been a director of any listed companies other than our company in the three years immediately preceding the date of this offering circular.

#### **Executive directors**

**He Miaoling (何妙玲)**, age 52, is our executive director and vice president. Ms. He was our executive director from October 2009 till June 2012 and is now re-elected an executive director on May 1, 2014. Ms. He has more than 16 years of experience in marketing strategies and brand promotion in the property industry. She joined us in August 1997. Ms. He is currently responsible for our real estate projects marketing management and business administration. Prior to joining us, Ms. He worked at Guangdong Petrochemical Construction Group Corporation from 1989 to 1997. She graduated from South China University of Technology with a bachelor's degree in applied mathematics in 1989 and received a master's degree in engineering management in 2011. Ms. He has not been a director of any listed companies other than our company in the three years immediately preceding the date of this offering circular.

**Shi Junping (史俊平)**, age 34, is our executive director and vice president. Mr. Shi has over 11 years of experience in property development and operation management. Mr. Shi joined the Group in 2006 and previously served as one of our vice presidents responsible for the administration, party-civilian building and brand strategic operations of the Group. Mr. Shi graduated from Hubei University and Wuhan University of Science and Technology with a bachelor's degree in arts, a bachelor's degree in law and a master's degree in engineering management. Mr. Shi has not been a director of any listed companies other than our company in the three years immediately preceding the date of this offering circular.

**Pan Darong (潘大榮)**, age 44, is our executive director and chief financial officer. Mr. Pan is responsible for accounting and capital management of our Group. He has over 22 years of experience in auditing, accounting and finance. He graduated from the investment and economics faculty of Zhongnan University of Economics, Politics and Law with a bachelor's degree in economics and is a certified public accountant in China. Mr. Pan has not been a director of any listed companies other than our company in the three years immediately preceding the date of this offering circular.

**Huang Xiangui (黃賢貴)**, age 47, is our executive director and general manager of the Hong Kong Company. Mr. Huang was elected an executive director on February 14, 2014. Mr. Huang has over 19 years of experience in marketing, human resource management, foreign capital operation and management. He joined us in December 2004. Mr. Huang is currently responsible for our international operations and capital investment management. He graduated from Harbin Engineering University with a bachelor's degree in chemical engineering in 1996 and received a master's degree of science in banking and finance from the University of Stirling in 2004. Mr. Huang is also currently an executive director of HengTen Networks Group Limited.

## Senior management

**Shi Shouming** (時守明), age 43, is our executive vice president, president of Hengda Real Estate and chairman of our Sichuan operations. Mr. Shi is responsible for the daily management of our real estate groups and has more than 19 years of experience in real estate, project development and operations management. Mr. Shi holds a Bachelor's degree in engineering and is a Certified Public Accountant.

**Qiu Huofa** (邱火發), age 57, our executive vice president and chairman of our finance group. Mr. Qiu is responsible for the daily operation and management of our finance group. He has over 37 years of experience in finance industry and banking system management. He holds a master's degree in finance and is an accredited senior economist in China.

**Siu Shawn** (肖恩), age 46, is our executive vice president and the chairman of our tourism group. Mr. Siu joined us in November 2013. He received a master's degree in economic law from Southwest University of Political Science and Law.

**Tan Zhaohui** (談朝暉), age 49, is our executive vice president and chairwoman of our health industry group. Ms. Tan joined us in March 1997. She is responsible for our product research and development. She holds a degree in civil engineering.

**Liang Weikang** (梁偉康), age 48, our executive vice president. Mr. Liang is responsible for the management and supervision of our material company, pearl river delta company and engineering and supervision company. Mr. Liang holds a degree in civil engineering structure.

**Chen Min** (陳敏), age 44, is our vice president. Ms. Chen is responsible for our overseas affairs, capital operations and the general management of our Hong Kong branch. She has more than 22 years' experience in the investment banking industry and capital operations.

**Li Guodong** (李國東), age 54, is our executive vice president. Mr. Li joined us in December 1996. He is responsible for part of our financial management and holds a degree in auditing.

**Xu Wen** (徐文), age 54, is our vice president and chairman of HengTen Networks Group Limited. Mr. Xu has more than 23 years of experience in project management and architectural research and development. Mr. Xu holds a national level registered structural engineer and supervision professional qualification and a Master's in project management.

**Liu Yuzhi** (劉玉芝), age 49, vice president and director of the office of Combating Bureaucracy. Mrs. Liu is responsible for the supervision and construction of work style of our group, management of discipline inspection and financial audit. She has over 27 years of experience in management of the real estate development and construction, finance and financial audit. She holds a bachelor's degree in business administration.

**Xu Jianhua** (許建華), age 55, is our vice president. Mr. Xu is currently responsible for our daily financing and oversees financing management. He has 32 years of experience in capital operations. Mr. Xu holds a doctorate degree in business administration and is a senior economist.

**Yao Dong** (姚東), age 49, our vice president and chairman of Evergrande Dafang Poverty Alleviation Management Co., Ltd. Mr. Yao is responsible for the management of the works of poverty alleviation of the Group. He holds a master's degree in business administration of Renmin University of China.

**Lin Manjun** (林漫俊), age 47, is our vice president. Mr. Lin is responsible for overseeing construction bidding, contracts and budgeting accounts as well as audit works during the development and construction process of our real estate projects on a nation-wide basis. He has over 21 years of experience in construction design and management of the tendering and bidding process. He holds a degree in architecture.

**Liu Xuefei** (劉雪飛), age 42, our vice president. Ms. Liu is responsible for the sales management of the property system and business center of the Group. She holds a master's degree in business administration from Sun Yat-sen University.

**Zhou Yingqiu** (周映秋), age 43, our vice president. Ms. Zhou is responsible for property project investment of the Group and investment management of the Industry Group (產業集團) projects. She holds a professional degree in law.

**Pan Hanling** (潘翰翎), age 43, our vice president. Mrs. Pan is responsible for our financing and operating management. She has over 22 years of experience in financial management. She holds a master's degree in economics and is a Certified Public Accountant.

### **Independent non-executive directors**

**Chau Shing Yim, David** (周承炎), age 54, is our independent non-executive director. Mr. Chau was elected an independent non-executive director on October 14, 2009. Mr. Chau has over 24 years of experience in corporate finance, working on projects ranging from initial public offerings and restructuring of PRC enterprises for cross-border and domestic takeovers. He was formerly a partner of Deloitte Touche Tohmatsu in Hong Kong, heading the merger and acquisition and corporate advisory services. He is a member of the Hong Kong Securities Institute, the Institute of Chartered Accountants of England and Wales, or ICAEW, with the Corporate Finance Qualification granted by ICAEW, and the Hong Kong Institute of Certified Public Accountants, or HKICPA. Mr. Chau was an ex-committee member of the Disciplinary Panel of HKICPA. He is an executive director of Tidetime Sun (Group) Holdings Limited and an independent non-executive director of Lee & Man Paper Manufacturing Limited, Shandong Molong Petroleum Machinery Company Limited, Evergrande Health Industry Group Limited, HengTen Networks Group Limited, and Varitronix International Limited, and the shares of all these companies are listed on the Hong Kong Stock Exchange.

**He Qi** (何琦), age 62, is our independent non-executive director. Mr. He was elected an independent non-executive director on October 14, 2009. Mr. He is the deputy secretary of China Real Estate Association, as well as the director of the training center and the intermediary professional committee of the China Real Estate Association. He worked in the State Infrastructure Commission of the State City Construction General Bureau from 1981 to 1994. He was an executive of the Development Center of the China Real Estate Association from 1995 to 1999, and an executive deputy mayor of Ji'an City of Jiangxi Province from 1999 to 2001. He has been the deputy secretary of the China Real Estate Association from 2006 to now.

**Xie Hongxi** (謝紅希), age 59, is our independent non-executive director. Ms. Xie is currently the deputy director, senior engineer and master degree instructor at the Engineering Training and National Experiment, Education and Demonstration Center of South China University of Technology. From 1982 to 2002, she worked at the Guangzhou Non-ferrous Metal Research Institute, chaired or participated in a number of major research projects, and was previously awarded the National Science and Technology Progress Award and the Science and Technology Achievement Award. Since 2002, she has been teaching at the South China University of Technology, engaging in operations management, teaching experimental studies at the undergraduate level and conducting research in the direction of metal surface technology. She has won provincial level awards, the university teaching achievement award and the outstanding teaching award.

## **Company secretary**

*Fong Kar Chun, Jimmy (方家俊)*, age 43, is our company secretary. He also serves as the company secretary of Evergrande Health Industry Group Limited and HengTen Networks Group Limited. Mr. Fong has been a member of the Law Society of Hong Kong and has been a qualified solicitor in Hong Kong since 2001. Mr. Fong joined us in June 2009. He is responsible for our investor relations and foreign legal affairs of our group. Mr. Fong was awarded the Bachelor of Laws degree and the Postgraduate Certificate in Laws in 1997 and 1998, respectively, from the University of Hong Kong. Mr. Fong was also awarded a master's degree in banking and finance law in 2000 from the London School of Economics and Political Science.

## **Audit committee**

We have established an audit committee in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee will be to review and supervise our financial reporting process and internal control system and provide advice and comments to our Board. The audit committee consists of three members who are our independent non-executive directors. The chairman of the audit committee is Chau Shing Yim, David.

## **Remuneration committee**

We have established a remuneration committee which consists of Dr. Hui, Xie Hongxi, and He Qi. He Qi has been appointed as the chairman of the remuneration committee. The remuneration committee considers and recommends to our board the remuneration and other benefits paid by us to our Directors and senior management. The remuneration of all our directors and senior management is subject to regular monitoring by the remuneration committee to ensure that levels of their remuneration and compensation are appropriate.

## **Nomination committee**

We have established a nomination committee which consists of Dr. Hui, He Qi and Chau Shing Yim, David. Dr. Hui has been appointed as the chairman of the nomination committee. The nomination committee considers and recommends to our board suitably qualified persons to become our board members and is responsible for reviewing the structure, size and composition of our board on a regular basis.

## **Compensation of Directors, Senior Management and Employees**

We reimburse our directors for expenses which are necessarily and reasonably incurred for providing services to us or executing their functions in relation to our operations. The executive directors are also our employees and receive, in their capacity as our employees, compensation in the form of salaries and other allowances and benefits in kind.

The aggregate amount of salaries and other allowances and benefits in kind paid by us to our five highest paid individuals during the years ended December 31, 2014, 2015 and 2016 were approximately RMB169 million, RMB205 million and RMB368 million (US\$54 million), respectively. We paid approximately RMB75,000, RMB123,000 and RMB154,000 (US\$22,716) as our contribution to the pension schemes in respect of such individuals in the years ended December 31, 2014, 2015 and 2016, respectively.

During the years ended December 31, 2014, 2015 and 2016, Dr. Hui received RMB240,000, RMB251,000 and RMB251,000 (US\$37,024) of emoluments from us.

During the years ended December 31, 2014, 2015 and 2016, the aggregate amount of salaries and other allowances, pension scheme contributions (including Mandatory Provident Fund contributions in Hong Kong) and benefits in kind paid by us to or on behalf of all of our directors was RMB122 million, RMB208 million and RMB321 million (US\$47 million), respectively.

### Directors' Interests in Securities

As of the date of this offering circular, the interests of our directors and their associates in our equity securities were as follows:

<u>Name of Director</u>	<u>Capacity</u>	<u>Number of shares of the Company</u>	<u>Number of share options<sup>(2)</sup></u>	<u>Approximate shareholding percentage (%)</u>
Hui Ka Yan <sup>(3)</sup> . . . . .	Interest of a controlled corporation	10,162,119,735 <sup>(1)</sup>	—	77.14
Xia Haijun . . . . .	Beneficial owner	—	100,600,000	0.76
He Miaoling . . . . .	Beneficial owner	—	10,600,000	0.08
Shi Junping . . . . .	Beneficial Owner	—	6,500,000	0.05
Pan Darong . . . . .	Beneficial Owner	—	3,000,000	0.02
Huang Xiangui . . . . .	Beneficial owner	—	5,300,000	0.04
Chau Shing Yim, David . . . . .	Beneficial owner	—	1,000,000	0.01
He Qi . . . . .	Beneficial owner	—	1,000,000	0.01
Xie Hongxi. . . . .	Beneficial owner	—	1,000,000	0.01

*Notes:*

- (1) All interests in these shares are long positions.
- (2) These are the share options we granted under the Share Option Scheme on May 18, 2010 and on October 6, 2017.
- (3) Of the 10,162,119,735 shares held, 9,370,871,497 shares were held by Xin Xin (BVI) Limited, a company wholly owned by Hui Ka Yan and 791,248,238 shares were held by Even Honor Holdings Limited, a company wholly owned by Mrs. Hui, spouse of Hui Ka Yan.



## SUBSTANTIAL SHAREHOLDERS

The following table sets forth certain information regarding ownership of our outstanding shares as of the date of this offering circular by those persons who beneficially own more than 5% of our outstanding shares and underlying shares, as recorded in the register maintained by us pursuant to Part XV of the Hong Kong Securities and Futures Ordinance (Chapter 571), or the SFO.

<u>Name of Shareholder</u>	<u>Capacity</u>	<u>Number and class of securities</u>	<u>Approximate shareholding percentage</u>
			<i>% (Note 1)</i>
Hui Ka Yan . . . . .	Interest in controlled corporation	10,162,119,735 (Note 2)	77.14
Ding Yumei . . . . .	Interest in controlled corporation	10,162,119,735 (Note 2)	77.14
Xin Xin (BVI) Limited. . .	Beneficial owner	9,370,871,497 (Note 3)	71.14
Yaohua Limited . . . . .	Interest in controlled corporation	791,248,238 (Note 4)	6.01
Even Honour Holdings Limited . . . . .	Beneficial owner	791,248,238 (Note 4)	6.01
Lau Luen Hung. . . . .	Interest of spouse and children under 18 years of age	934,382,000 (Note 5)	7.09
Chan Hoi Wan . . . . .	Beneficial owner, interest in controlled corporations, trustee and interest of children under 18 years of age	934,382,000 (Note 5)	7.09

*Notes:*

1. Calculated on the basis of 13,173,299,900 Shares in issue as of the date of this offering circular.
2. Of the 10,162,119,735 Shares held, (i) 9,370,871,497 Shares were held by Xin Xin (BVI) Limited, a company wholly owned by Mr. Hui Ka Yan, and (ii) 791,248,238 Shares were held by a company wholly owned by Ms. Deng Yumei, the spouse of Mr. Hui Ka Yan.
3. Xin Xin (BVI) Limited is wholly owned by Mr. Hui Ka Yan.
4. Even Honour Holdings Limited a wholly owned subsidiary of Yaohua Limited which in turn is wholly owned by Ms. Ding Yumei.
5. Based on the disclosure of interests forms filed by Lau Luen Hung and Chan Hoi Wan (spouse of Lau Luen Hung) on November 7, 2017, of these 934,382,000 Shares, (i) 100,000,000 Shares were held by Chan Hoi Wan as beneficial owner, (ii) an aggregate of 834,382,000 Shares were held by Chan Hoi Wan through a chain of controlled corporations in her capacity as trustee for a trust.

## RELATED PARTY TRANSACTIONS

The following discussion describes certain material related party transactions between our consolidated subsidiaries and our directors, executive officers and substantial shareholders and, in each case, the companies with whom they are affiliated. Each of our related party transactions was entered into in the ordinary course of business, on fair and reasonable commercial terms, in our interests and the interests of our shareholders.

As a listed company on the Hong Kong Stock Exchange, we are subject to the requirements of Chapter 14A of the Listing Rules, which require that certain “connected transactions” with “connected persons” be approved by a company’s independent shareholders. Each of our related party transactions disclosed hereunder that constitutes a connected transaction within the meaning of the Listing Rules requiring shareholder approval has been so approved, or otherwise exempted from compliance under Chapter 14A of the Listing Rules.

The following table sets forth certain material transactions between us and our related parties for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2014	2015	2016	2017
	(RMB)	(RMB)	(RMB)	(RMB)
		(in million)		(in million)
Due from related parties <sup>(1)</sup> — total . . . . .	1,775	2,262	2,042	2,062
Due to related parties <sup>(1)</sup> — total . . . . .	1,102	1,299	4,358	13,021
Directors’ emoluments . . . . .	122	208	321	236
Key management compensation				
— Salaries and other short-term employee benefits . . . . .	191	318	654	409
— Retirement scheme contributions . . . . .	1	1	2	1
	192	319	656	410
Revenue				
— Sales of goods to associates <sup>(2)</sup> . . . . .	36	77	101	—
— Provision of services to associates <sup>(2)</sup> . . . . .	—	—	16	—
— Sales of goods to joint ventures <sup>(2)</sup> . . . . .	—	—	39	207
— Provision of services to a joint venture . . . . .	—	23	36	20
— Rental income from joint ventures <sup>(2)</sup> . . . . .	—	4	6	4
	36	104	198	231
Cost				
— Advertisement service fee charged by joint ventures <sup>(2)</sup> . . . . .	10	39	267	137
— Rental fee charged by joint ventures . . . . .	—	—	—	24
— Purchase of goods from joint ventures <sup>(2)</sup> . . . . .	—	77	10	4
— Loan interests by an associate and a joint venture . . . . .	—	—	232	649
	10	116	509	814

Notes:

(1) The balances are cash in advance in nature and are unsecured, interest-free and repayable on demand.

(2) Such revenue and cost were charged in accordance with term of the underlying agreements.

## TERMS AND CONDITIONS OF THE BONDS

*The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the Bonds, substantially as they will appear on the reverse of each of the definitive certificates evidencing the Bonds.*

The issue of the HK\$18,000,000,000 in aggregate principal amount of 4.25 per cent. secured and guaranteed convertible bonds due 2023 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 16 and consolidated and forming a single series therewith) of China Evergrande Group (the “**Issuer**”) and the right of conversion into Shares (as defined in Condition 6(a)(v)) was authorized by a resolution of the board of directors of the Issuer on January 30, 2018. The Bonds are jointly and severally guaranteed by the Subsidiary Guarantors (as defined below). The giving of the Guarantees of the Bonds (as defined below) was authorized by a resolution of the board of directors and a resolution of the shareholders of each of the Subsidiary Guarantors on January 30, 2018. The Bonds and the Guarantees of the Bonds have the benefit of the Security (as defined below) as set out in Condition 4. The Bonds are constituted by a trust deed (as amended or supplemented from time to time, the “**Trust Deed**”) dated February 14, 2018 (the “**Issue Date**”) made between the Issuer, the Subsidiary Guarantors, the Chargors and Citicorp International Limited as trustee for the holders (as defined below) of the Bonds (the “**Trustee**”, which expression shall include all persons for the time acting as trustee or trustees under the Trust Deed). These terms and conditions (the “**Conditions**”) include summaries of which and are subject to the detailed provisions of the Trust Deed. The Bondholders (as defined below) are entitled to the benefit of, and are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed, the Intercreditor Agreement (as defined below) and the Security Documents (as defined below), and are deemed to have notice of those provisions applicable to them of the paying, conversion and transfer agency agreement dated February 14, 2018 (the “**Agency Agreement**”) relating to the Bonds made between the Issuer, the Subsidiary Guarantors, the Trustee, Citibank, N.A., London Branch as principal paying, conversion and transfer agent (the “**Principal Agent**”) and as transfer agent (the “**Transfer Agent**”) and Citigroup Global Markets Deutschland AG as registrar (the “**Registrar**”) and the other paying, conversion and transfer agents appointed under it (each a “**Paying Agent**”, “**Conversion Agent**”, “**Transfer Agent**” and together with the Registrar and the Principal Agent, the “**Agents**”) relating to the Bonds. References to the “**Principal Agent**”, “**Registrar**” and “**Agents**” below are references to the principal agent, registrar and agents for the time being for the Bonds. Copies of the Trust Deed, the Agency Agreement, the Intercreditor Agreement and the Security Documents are available for inspection during usual business hours at the principal office for the time being of the Paying Agent presently at Citibank, N.A., London Branch, c/o Citibank, N.A., Dublin Branch, One North Wall Quay, Dublin 1, Ireland.

### 1. Status

#### (A) Status and Security

- (i) *Status*: The Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4, at all times rank at least equally with all of the Issuer’s other present and future unsecured and unsubordinated obligations, including the Existing Notes (as defined below).
- (ii) *Security*: Substantially simultaneous with the issuance of the Bonds, the Trustee will accede to the Intercreditor Agreement and the Bonds and the Guarantees of the Bonds will have the benefit of the Shared Collateral (as defined below) as security for the Issuer’s payment obligations and the performance of the Issuer’s obligations in respect of the Bonds, the Trust Deed and the Agency Agreement and of the Subsidiary

Guarantors' obligations under the Guarantees of the Bonds. Subject to the Intercreditor Agreement, the Shared Collateral is held by the Collateral Agent for the benefit of the Trustee, holders of the Bonds and the other secured parties referred to in the Intercreditor Agreement on a *pari passu* basis.

**(B) *Subsidiary Guarantees***

- (i) *Guarantees of the Bonds:* Each Subsidiary Guarantor has unconditionally and irrevocably guaranteed, on a joint and several basis, the due payment of all sums expressed to be payable by the Issuer under the Bonds, the Trust Deed and the Agency Agreement. Each Subsidiary Guarantor's obligations in that respect (the “**Guarantees of the Bonds**”) are contained in the Trust Deed. The obligations of the Issuer under the Bonds, the Trust Deed and the Agency Agreement shall be guaranteed by the Subsidiary Guarantors on a *pari passu* basis with the obligations of the Issuer under the Existing Notes (as defined below).
- (ii) *Status of the Guarantees of the Bonds:* The Guarantees of the Bonds of each Subsidiary Guarantor constitutes direct, unconditional and unsubordinated obligations of such Subsidiary Guarantor and shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4, at all times rank at least equally with all of such Subsidiary Guarantor's other present and future unsecured and unsubordinated obligations.
- (iii) *Initial Subsidiary Guarantors:* As of the Issue Date, the Subsidiary Guarantors (comprising all of the Subsidiaries of the Issuer which guarantee the payment obligations of the Issuer under the Bonds and the Existing Notes as of the Issue Date) are ANJI (BVI) Limited (安基(BVI)有限公司), Billion Mark Limited, Fengyu (BVI) Limited (丰域(BVI)有限公司), Full Hill Limited, Goldbridge Limited, Grandday Group Limited (朝隆集團有限公司), Honour Oasis Limited, Jiading Holdings Limited (嘉鼎控股有限公司), Jiajian (BVI) Limited (嘉建(BVI)有限公司), Jiaying Holdings Limited (嘉穎控股有限公司), Jiayu Holdings Limited (嘉譽控股有限公司), Lucky Grow Holdings Limited (智煌控股有限公司), Pyramid Wealth Holdings Limited, Shengjian (BVI) Limited (盛建(BVI)有限公司), Value Depot Holdings Limited and Yitong (BVI) Limited (亿通(BVI)有限公司).
- (iv) *Future Subsidiary Guarantors:* The Issuer will cause (a) each of its future Subsidiaries which guarantees the payment of amounts payable under the Existing Notes and (b) any Subsidiary which from time to time guarantees the payment of amounts payable under any Permitted *Pari Passu* Secured Indebtedness (as defined below) to execute and deliver to the Trustee a supplemental trust deed to the Trust Deed (a “**Supplemental Trust Deed**”) pursuant to which each such Subsidiary will guarantee the payment of any amount payable under the Bonds or the Trust Deed on a *pari passu* basis with the obligations of such Subsidiary under the Existing Notes and, as the case may be, any such Permitted *Pari Passu* Secured Indebtedness.
- (v) *Release of Subsidiary Guarantors:* A Subsidiary Guarantor shall be simultaneously released from its obligations under the Guarantees of the Bonds upon and only to the extent of the release of the Subsidiary Guarantor from both (a) its guarantee obligation under the Existing Notes and (b) its guarantee obligation under any Permitted *Pari Passu* Secured Indebtedness. The Trust Deed provides that no release of a Subsidiary Guarantor from the Guarantees of the Bonds shall be effective against the Trustee or the Bondholders until the Issuer has delivered to the Trustee an officer's certificate stating that all requirements relating to such release and discharge have been complied with and that such release and discharge is authorized and permitted under the Trust Deed.

The Trustee shall be entitled to conclusively rely on and shall be protected and shall incur no liability to any Bondholder for or in respect of any action taken, omitted or suffered in reliance upon such officer's certificate.

- (vi) *Interpretation:* In these Conditions, “**Subsidiary Guarantor**” means any initial Subsidiary Guarantor named herein and any other Subsidiary which guarantees the payment of the Bonds pursuant to the Trust Deed; provided that Subsidiary Guarantor will not include any person whose Guarantee of the Bonds has been released in accordance with the Trust Deed.

## 2. Form, Denomination and Title

### (A) *Form and Denomination*

The Bonds are in registered form in the denomination of HK\$2,000,000 each and integral multiples of HK\$1,000,000 in excess thereof (the “**Authorized Denomination**”). A certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the “**Register**”) which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by the Global Certificate deposited with a common depositary for, and representing Bonds registered in the name of a nominee of, Euroclear and Clearstream. The Conditions are modified by certain provisions contained in the Global Certificate. See “The Global Certificate”.*

### (B) *Title*

Title to the Bonds passes only by transfer and registration in the Register as described in Condition 3. The holder of any Bond will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions “**Bondholder**” and (in relation to a Bond) “**holder**” means the person in whose name a Bond is registered (or in the case of a joint holding, the first named thereof).

## 3. Transfers of Bonds; Issue of Certificates

### (A) *Register*

The Issuer will cause the Register to be kept at the specified office of the Registrar outside Hong Kong and the United Kingdom and in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

### (B) *Transfer*

Subject to Conditions 3(E) and 3(F) and the terms of the Agency Agreement, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back of such Certificate duly completed and signed by the holder or his attorney duly authorized in writing, to the specified office of either the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of

the transfer; *provided, however, that* a Bond may not be transferred unless the principal amount of the Bond transferred and (where not all of the Bonds held by the holder are being transferred) the principal amount of the balance of the Bonds not so transferred, is an Authorized Denomination. Where not all Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor. No transfer of a Bond will be valid unless and until entered on the Register.

*Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.*

**(C) *Delivery of New Certificates***

Each new Certificate to be issued upon a transfer or (if applicable) conversion of Bonds will, within five business days (as defined below) of receipt by the Registrar or, as the case may be, any Transfer Agent of the original certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer. The Registrar will, within five business days of receipt by the Registrar or any Transfer Agent of the documents above, register the transfer in question.

*Except in the limited circumstances described herein (see "The Global Certificate"), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.*

Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted or redeemed, a new Certificate in respect of the Bonds not so transferred, converted or redeemed will, within five business days of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted or redeemed (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register.

For the purposes of Condition 3, Condition 6 and Condition 10, "business day" shall mean a day other than a Saturday or Sunday on which banks are open for business in Hong Kong and the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

**(D) *Formalities Free of Charge***

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but (i) upon payment (or the giving of such indemnity as the Issuer or such Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer and (ii) subject to Condition 3(F).

**(E) *Closed Periods***

No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the dates for payment of any principal pursuant to the Conditions; (ii) after a Conversion Notice (as defined in Condition 6(B)) has been delivered by such Bondholder with respect to a Bond; (iii) after a Relevant Event Redemption Notice (as defined in Condition 8(D)) has been deposited by such Bondholder in respect of such Bond pursuant to Condition 8(D); (iii) after a Put Notice (as defined in Condition 8(E)) has been deposited by such



Bondholder in respect of such Bond pursuant to Condition 8(E); (iv) during the period of 15 days ending on (and including) any date of redemption pursuant to Conditions 8(B) and 8(C); and (v) during the period of 15 days ending on (and including) any Interest Record Date (as defined in Condition 7(A)). Each such period is a “**Closed Period**”.

**(F) Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon prior written request and proof of holding.

**4. Security, Permitted Pari Passu Secured Indebtedness and Negative Pledge**

**(A) Security**

The payment obligations and the performance of all of the obligations (i) of the Issuer under the Bonds and the Trust Deed and (ii) of each Subsidiary Guarantor under its Guarantees of the Bonds are secured by the Share Charges (as defined below) (the “**Security**”) over the shares of the Charged Subsidiaries (as defined below) held by the Company and a Subsidiary Guarantor (collectively, the “**Shared Collateral**”, and each Subsidiary Guarantor granting such Share Charges from time to time, a “**Chargor**”). The Security is granted by the Issuer and the Chargors in favor of the Trustee pursuant to the Share Charges.

The Shared Collateral will be shared pursuant to the Intercreditor Agreement on a *pari passu* basis by the holders of the Bonds and, to the extent outstanding at such time, the secured parties with respect to the Existing Pari Passu Secured Indebtedness and any other secured parties with respect to any Permitted Pari Passu Secured Indebtedness (as defined below).

In the event of the occurrence of an Event of Default (as defined in Condition 10(A)) where the Security becomes enforceable under (a) the Trust Deed, (b) the Intercreditor Agreement or (c) the Security Documents, the Trustee (through the Collateral Agent) may, in accordance with the provisions of the Trust Deed, the Intercreditor Agreement and the Security Documents, enforce the Security. The Trustee and the Collateral Agent shall not be bound to take any such proceedings or action, unless it is indemnified and/or secured and/or pre-funded to its satisfaction.

In these Conditions:

“**Charged Subsidiaries**” means, subject to release permitted under these Conditions, each of ANJI (BVI) Limited (安基(BVI)有限公司), Billion Mark Limited, Fengyu (BVI) Limited (丰域(BVI)有限公司), Full Hill Limited, Goldbridge Limited, Grandday Group Limited (朝隆集团有限公司), Honour Oasis Limited, Jiading Holdings Limited (嘉鼎控股有限公司), Jiajian (BVI) Limited (嘉建(BVI)有限公司), Jiaying Holdings Limited (嘉穎控股有限公司), Jiayu Holdings Limited (嘉譽控股有限公司), Lucky Grow Holdings Limited (智煌控股有限公司), Pyramid Wealth Holdings Limited, Shengjian (BVI) Limited (盛建(BVI)有限公司), Value Depot Holdings Limited and Yitong (BVI) Limited (亿通(BVI)有限公司), *provided that* (a) any Chargor which ceases to provide security over Shared Collateral for the benefit of the holders of any Existing Pari Passu Secured Indebtedness and Permitted Pari Passu Secured Indebtedness shall cease to be a “**Chargor**” under these Conditions and (b) if any further Subsidiary Guarantor provides security over any collateral for the benefit of the holders of any Existing Pari Passu Secured Indebtedness and Permitted Pari Passu Secured Indebtedness, such entity shall be a “**Chargor**” under these Conditions;

**“Existing Bank Loans”** means bank loans advanced to either the Issuer or a Subsidiary Guarantor and which are outstanding on the Issue Date and secured by the Shared Collateral and subject to the Intercreditor Agreement;

**“Existing Notes”** means the 7.00 per cent. senior notes due 2020 issued by the Issuer (the **“March 2020 Notes”**), the 8.25 per cent. senior notes due 2022 issued by the Issuer (the **“2022 Notes”**), the 9.50 per cent. senior notes due 2024 issued by the Issuer (the **“2024 Notes”**), the 6.25 per cent. senior notes due 2021 issued by the Issuer (the **“2021 Notes”**), the 7.50 per cent. senior notes due 2023 issued by the Issuer (the **“2023 Notes”**) and the 8.75 per cent. senior notes due 2025 issued by the Issuer (the **“2025 Notes”**);

**“Existing Pari Passu Secured Indebtedness”** means the Existing Bank Loans and the Existing Notes;

**“Security Documents”** means the Share Charges; and

**“Share Charges”** means the January 19, 2011 Share Charges (as defined in the Intercreditor Agreement) as amended from time to time, and the share charges executed by the Issuer or its Subsidiaries, as the case may be, in favour of the Collateral Agent (as defined therein) dated June 10, 2011, September 7, 2011, October 15, 2013, May 27, 2016 and September 29, 2016.

**(B) Permitted Pari Passu Secured Indebtedness**

At any time on or after the Issue Date, the Issuer and each other Chargor may create further Encumbrances (each, a **“Further Encumbrance”**) over any part of the Shared Collateral for the purposes of securing indebtedness of the Issuer (including further bonds issued pursuant to Condition 16) and/or any Subsidiary Guarantor and any Pari Passu Subsidiary Guarantee of a Chargor (such indebtedness and any such Pari Passu Subsidiary Guarantee, **“Permitted Pari Passu Secured Indebtedness”**); *provided that* (1) the holders (or their representatives) of such indebtedness (other than any further bonds issued pursuant to Condition 16) become party to the Intercreditor Agreement; (2) the Issuer and such Chargor deliver to the Trustee and the Collateral Agent an officers’ certificate with respect to corporate and collateral matters in connection with the Security Documents stating that either (i) all necessary actions have been taken with respect to the recording, registering and filing of the Security Documents, financing statements or other instruments necessary to make effective the Encumbrances intended to be created by the Security Documents, and reciting the details of such action or (ii) no such action is necessary to make such Encumbrance effective. The Trustee and the Collateral Agent will be permitted and authorized, without the consent of any Bondholder, to enter into any amendment to the Security Documents, the Intercreditor Agreement or the Trust Deed and take any other action necessary to permit the creation and registration of any Further Encumbrance on the Shared Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with this paragraph. **“Pari Passu Subsidiary Guarantee”** means a guarantee by any Subsidiary Guarantor of indebtedness of the Issuer (including in respect of any further Bonds issued under Condition 16); *provided that* such guarantee ranks *pari passu* with the Subsidiary Guarantee of such Subsidiary Guarantor.“

**(C) *Negative Pledge***

So long as any Bond remains outstanding (as defined in the Trust Deed):

- (a) if any amounts are outstanding under any Existing Notes or any Future Senior Notes, the Issuer will not, and the Issuer will ensure that none of its Restricted Subsidiaries will, create or permit to subsist, any Encumbrance, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness unless:
  - (i) it is a Permitted Encumbrance; or
  - (ii) at the same time or prior thereto the Issuer's obligations under the Bonds (and each Subsidiary Guarantor's obligations relating thereto) are secured equally and rateably (x) therewith or by the same Encumbrance or (y) by such other security, guarantee, indemnity or other arrangement as either (aa) shall be deemed not to be materially less beneficial to the interests of the Bondholders or (bb) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

To give effect to sub-clauses (i) and (ii) above, the Trustee and the Collateral Agent may, without the consent of any Bondholder:

- (W) enter into any amendments to the Bonds, the Security Documents, the Agency Agreement or the Trust Deed which may be necessary or desirable in order to facilitate the creation of such Encumbrance(s) or Further Encumbrance(s);
- (X) enter into one or more amendments or supplements to the Intercreditor Agreement prior to the incurrence of any Permitted Pari Passu Secured Indebtedness or any other indebtedness;
- (Y) enter into any agreement, security document, trust deed or indenture in relation to the Shared Collateral or Encumbrance, security, guarantee, indemnity or other arrangement referred to in paragraph (a)(ii) above; and/or
- (Z) take any other action,

in each case (x) as may be necessary to facilitate the creation and registration of any such Encumbrance(s) or Further Encumbrance(s) on, or sharing arrangements in relation to, the Shared Collateral, including, without limitation, the appointment of any collateral or security agent under the Intercreditor Agreement to hold, enforce or take any other action in relation to the Shared Collateral on behalf of the Bondholders and the holders of other indebtedness, the Existing Pari Passu Secured Indebtedness or Permitted Pari Passu Secured Indebtedness, and (y) at the cost and expense of the Issuer and subject to the Trustee and the Collateral Agent being indemnified and/or secured and/or pre-funded to its satisfaction in relation thereto; and

- (b) if no amounts are outstanding under any Existing Notes or Future Senior Notes, neither the Issuer nor any Subsidiary Guarantor will, and the Issuer and each Subsidiary Guarantor will ensure that none of its Unlisted Subsidiaries will, create or permit to subsist, any Encumbrance, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (other than Permitted Pari Passu Secured Indebtedness), or any guarantee or indemnity in respect of any Relevant Indebtedness unless at the same time or prior

thereto the Issuer's and the Subsidiary Guarantors' obligations under the Bonds are secured equally and rateably (x) therewith or by the same Encumbrance or (y) by such other security, guarantee, indemnity or other arrangement as either (aa) shall not be materially less beneficial to the interests of the Bondholders or (bb) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

In these Conditions:

- (I) **"Encumbrance"** means a mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind);
- (II) **"Future Senior Notes"** means senior secured debt securities constituting Permitted Pari Passu Secured Indebtedness;
- (III) **"Intercreditor Agreement"** means the intercreditor agreement (as amended, waived, restated, replaced and/or supplemented from time to time) dated as of January 19, 2011, by and among others, the Issuer and Citicorp International Limited as collateral agent (the **"Collateral Agent"**), as acceded to by holders (or representatives, agents or trustees thereof) of Existing Pari Passu Secured Indebtedness;
- (IV) **"Permitted Encumbrances"** means (i) Encumbrances which exist or are created by the Issuer or any of its Subsidiaries as an Encumbrance permitted under the indentures governing the Existing Notes and the Future Senior Notes, in each case to the extent outstanding at such time; and (ii) Encumbrances or Further Encumbrances created for the purposes of securing Permitted Pari Passu Secured Indebtedness;
- (V) **"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality;
- (VI) **"Relevant Indebtedness"** means any indebtedness incurred outside the PRC which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or on any securities market (including, without limitation, any over-the-counter market), and for the avoidance of doubt, the definition of **"Relevant Indebtedness"** shall not include any loans raised by the Issuer or any of its Subsidiaries under a bilateral or syndicated loan agreement;
- (VII) **"Restricted Subsidiary"** means any Subsidiary which is from time to time designated as such under either (i) any Existing Notes or (ii) any Future Senior Notes;
- (VIII) **"subsidiary"** or **"Subsidiary"** of any person means any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to appoint directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of Hong Kong, should have its accounts consolidated with those of that person; and

- (IX) “**Unlisted Subsidiary**” means any Subsidiary of the Issuer or a Subsidiary Guarantor other than one the shares or capital stock of which are at the relevant time listed (directly or indirectly) on (1) the Hong Kong Stock Exchange (as defined below), the SGX-ST (as defined below), the London Stock Exchange plc (including the Alternative Investment Market), the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Taiwan Stock Exchange, the New York Stock Exchange or NASDAQ Stock Market, or (2) a national securities exchange (as such term is defined in Section 6 of the Exchange Act) or a designated offshore securities market (as such term is defined in Rule 902(b) under the Securities Act).

**(D) Release**

The Security shall be released with respect to the Bonds as soon as reasonably practicable upon the earlier of the date on which (i) all of the Bonds have been redeemed or converted in full and (ii) all outstanding obligations of the Issuer and each Subsidiary Guarantor under the Bonds, the Trust Deed and the Agency Agreement have been fully discharged. The Trustee and the Collateral Agent shall comply with a request to release the security interest over any of the Collateral under this Condition 2(D) if the conditions precedent to such release set forth in these Conditions and the Trust Deed have been complied with, as evidenced by an officers’ certificate from the Issuer, and the Trustee and the Collateral Agent shall take all actions necessary to effect and evidence such release in accordance with the terms of these Conditions, the Trust Deed, the Intercreditor Agreement and the Security Documents. Further, any Security created in respect of all or part of the Collateral shall be released simultaneously upon the release of any security interest in respect of the same Collateral for the Existing Notes and the Future Senior Notes.

**5. Interest**

The Bonds bear interest from and including February 14, 2018 (the “**Issue Date**”) at the rate of 4.25 per cent. per annum (the “**Rate of Interest**”) payable semiannually in arrear on February 14, and August 14, in each year (each an “**Interest Payment Date**”). If any such Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined in Condition 7(F)), it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day. Each Bond will cease to bear interest (a) (subject to Condition 6(B)(iv)) where the Conversion Right attached to it shall have been exercised by a Bondholder, from and including the Interest Payment Date immediately preceding the relevant Conversion Date (as defined below), or if none, the Issue Date (subject in any case as provided in Condition 6(B)(iv)), or (b) where such Bond is redeemed or repaid pursuant to Condition 8 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, it will continue to bear interest at 7.25 per cent. per annum (both before and after judgment) until whichever is the earlier of (x) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (y) the day which is seven days after the Trustee or the Principal Agent has notified Bondholders that it is in receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Interest in respect of each Bond shall be calculated per HK\$2,000,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall, be equal to the product of the Rate of Interest, the Calculation Amount and the Day Count Fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). If interest is required to be paid in respect of a Bond on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the principal amount of

such Bond divided by the Calculation Amount. “**Day Count Fraction**” means, in respect of any period, the actual number of days elapsed in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

## 6. Conversion

### (A) *Conversion Right*

- (i) *Conversion Period:* Subject as hereinafter provided, the Bondholders have the right to convert their Bonds into Shares (as defined in Condition 6(A)(v)) at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Shares is called the “**Conversion Right**”.

Subject to and upon compliance with, the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after March 27, 2018 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the seventh day prior to the Maturity Date (as defined in Condition 8A) (both days inclusive), except as provided in Condition 6(A)(iv), and Condition 10, in no event thereafter) or, if such Bond has been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 15 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(D) or Condition 8(E) then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice (the “**Conversion Period**”).

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of shareholders of the Company is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the Shares (a “**Book Closure Period**”), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 6(B)(i)) following the expiry of such Book Closure Period.

If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period or after the relevant redemption date, such Conversion Date shall be deemed to be the final day of such Conversion Period or the relevant redemption date, as the case may be.

The number of Shares issuable upon conversion of any Bond shall be determined by dividing the principal amount of the Bond converted by the Conversion Price in effect on the Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted by such holder.

- (ii) *Fractions of Shares:* Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if a Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole



number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after January 30, 2018 which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash (in Hong Kong dollars by means of a Hong Kong dollar cheque drawn on a bank in Hong Kong) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6(A)(i), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds HK\$100.00. Any such sum shall be paid not later than five Stock Exchange Business Days (as defined in Condition 6(B)(i)) after the relevant Conversion Date.

- (iii) *Conversion Price*: The price at which Shares will be issued upon conversion (the “**Conversion Price**”) will initially be HK\$38.99 per Share, but will be subject to adjustment in the manner provided in Condition 6(C).
- (iv) *Revival and/or Survival after Default*: Notwithstanding the provisions of Condition 6(A)(i), if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called or put for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10(A), or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(A) or the applicable date for redemption in accordance with Condition 8(D), the Conversion Rights attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Conversion Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and notwithstanding the provisions of Condition 6(A)(i), any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined below) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Conversion Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.
- (v) *Meaning of “Shares”*: As used in these Conditions, the expression “**Shares**” means ordinary shares of par value US\$0.01 each of the Issuer or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

**(B) Conversion Procedure**

- (i) *Conversion Notice*: Upon the exercise of any Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during 9:00 a.m. to 3:00 p.m. on a business day at the specified office of any Conversion Agent a notice of conversion (a “**Conversion Notice**”) in the form (for the time being current) obtainable from the specified office of the Conversion Agent, together with the relevant Certificate and confirmation that any amounts required to be paid by the Bondholder under Condition 6(B)(ii) have been so paid or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(D) or Condition 8(E) then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice. Conversion Rights shall be exercised subject in each case to any applicable

fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

The conversion date in respect of a Bond (the “**Conversion Date**”) must fall at a time when a Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(A)(iv) and Condition 10) and will be deemed to be the Stock Exchange Business Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice to the relevant Conversion Agent and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice deposited outside the hours specified above or on a day which is not a business day at the place of the specified office of the relevant Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent during the hours specified above on the next business day following such day. Any Bondholder who deposits a Conversion Notice during a Closed Period will not be permitted to convert the Bonds into Shares (as specified in the Conversion Notice) until the next business day after the end of the Closed Period, which (if all other conditions to the exchange have been fulfilled) will be the Conversion Date for such Bonds notwithstanding that such date may fall outside the Conversion Period. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal or the Issuer fails to deliver Shares in accordance with these Conditions. “**Stock Exchange Business Day**” means any day (other than a Saturday or Sunday) on which The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) or the Alternative Stock Exchange (as defined in Condition 6(C) below), as the case may be, is open for the business of dealing in securities, *provided that* if no Closing Price (as defined in Condition 6(C) below) is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

- (ii) *Stamp Duty etc.*: A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant authorities (A) any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital, stamp, issue or registration duties payable in the Cayman Islands, the British Virgin Islands, the People’s Republic of China (the “**PRC**”) and Hong Kong and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the Hong Kong Stock Exchange or the Alternative Stock Exchange on conversion) and (B) all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion (together, the “**Taxes**”), but without prejudice to the Issuer’s obligations under Condition 9. The Issuer will pay all other expenses arising on the issue of Shares on conversion of Bonds. The Bondholder (and, if different, the person to whom the Shares are to be issued) must declare in the relevant Conversion Notice that any Taxes payable to the relevant tax authorities pursuant to this Condition 6(B)(ii) have been paid. Neither the Trustee nor any Agent is under any obligation to determine whether a Bondholder is liable to pay or has paid any taxes including capital, stamp, issue, registration or similar taxes and duties or the amounts payable (if any) in connection with this Condition 6(B)(ii).
- (iii) *Registration*: As soon as practicable, and in any event not later than five Stock Exchange Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the relevant Bondholder as required by sub-paragraphs (i) and (ii)

have been paid, (A) register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's share register and (B) (x) if the Bondholder has also requested in the Conversion Notice and to the extent permitted under the rules and procedures of the Central Clearing and Settlement System of Hong Kong (the "CCASS") effective from time to time, take all necessary action to procure that Shares are delivered through the CCASS for so long as the Shares are listed on the Hong Kong Stock Exchange; or (y) make such certificate or certificates available for collection at the office of the Issuer's share registrar in Hong Kong (currently Computershare Hong Kong Investor Services Ltd.) notified to Bondholders in accordance with Condition 17 or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice and which are to be registered in the same name.

If the Conversion Date in relation to any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 6(C) but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares as is, together with Shares to be issued on conversion of the Bonds, equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date.

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members (the "**Registration Date**"). The Shares issued upon conversion of the Bonds will be fully-paid and in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this sub-paragraph (iii) prior to the time such retroactive adjustment shall have become effective), the Issuer will calculate and pay to the converting Bondholder or his designee an amount in Hong Kong dollars (the "**Equivalent Amount**") equal to the Fair Market Value (as defined below) of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by means of a Hong Kong dollar cheque drawn on a bank in Hong Kong and sent to the address specified in the relevant Conversion Notice.

Under the Trust Deed, those Bonds in respect of which the Conversion Right has been exercised and the obligations of the Issuer in relation thereto duly performed shall be deemed not to remain outstanding.

- (iv) *Interest Accrual:* If any notice requiring the redemption of any Bonds is given pursuant to Condition 8(B) or Condition 8(C) on or after the fifteenth Hong Kong business day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Payment Date, since the Issue Date) in respect of any dividend or distribution payable in respect of the Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next following such record date, interest shall (subject as hereinafter provided) accrue on Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from, and including, the Issue Date) to, but excluding, such Conversion Date; provided that no such interest shall accrue on any Bond in the event that the Shares issued on conversion thereof shall carry an entitlement to receive such dividend or distribution or in the event the Bond carries an entitlement to receive an Equivalent Amount. Any such interest shall be paid not later than 14 days after the relevant Conversion Date by a Hong Kong dollar cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.
- (v) *No issue of Shares if in breach of Listing Rules:* The Issuer is not obliged to issue Shares in satisfaction of the Conversion Rights in breach of its obligations under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”).

**(C) Adjustments to Conversion Price**

Upon the occurrence of any of the following events described below, the Conversion Price will be adjusted as follows:

- (i) *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

(ii) *Capitalization of Profits or Reserves:*

- (a) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of the Shares (the “**Shareholders**”) by way of capitalization of profits or reserves including Shares paid up out of distributable profits or reserves and/or share premium account issued, save where Shares are issued in lieu of the whole or any part of a specifically declared cash dividend (the “**Relevant Cash Dividend**”), being a dividend which the Shareholders concerned would or could otherwise have received (a “**Scrip Dividend**”) and which would not have constituted a Distribution (as defined in this Condition 6(C)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue; and
- B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (b) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares on the last Trading Day preceding the date of announcement of the terms of such issue exceeds 105 per cent. of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue;
- B is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is such Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and
- C is the aggregate nominal amount of Shares issued by way of such Scrip Dividend;

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(iii) *Distributions:*

- (a) Subject to Condition 6(C)(iii)(B), if and whenever the Issuer shall pay or make any Distribution to the Shareholders other than in cash only (except to the extent that the Conversion Price falls to be adjusted under Condition 6(C)(ii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the date on which the Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Distribution is actually made or, if later, the first date upon which the Fair Market Value of the Distribution is capable of being determined as provided in these Conditions.

- (b) If and whenever the Issuer shall pay or make any Distribution in cash only to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the date on which the Distribution in cash is publicly announced; and

B is the amount of cash so distributed attributable to one Share.

Such adjustment shall become effective on the date on which such Distribution in cash is actually made or if a record date is fixed therefore, immediately after such record date.

For the avoidance of doubt, when the Distribution is by means of distribution of cash dividend as referred to in the definition of “Distribution”, only such portion of cash dividend or distribution which exceeds the threshold as referred to therein shall be regarded as a Distribution (the “**Excess Portion**”) and only the Excess Portion should be taken into account in determining the amount of cash or Fair Market Value (as the case may be) attributable to one Share under this Condition 6(C)(iii).



- (iv) *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

- (v) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class, by way of rights, or the grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

- (vi) *Issues at less than Current Market Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(C)(iv) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in Condition 6(C)(iv) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 95 per cent. of the Current Market Price on the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe, purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Issuer of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

- (vii) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(C)(vii), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Condition 6(C)(iv), 6(C)(v) or 6(C)(vi)), or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries), any other company, person or entity shall issue wholly for cash any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price on the date of announcement of the terms of issue of such securities.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

(viii) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(C)(vii) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 95 per cent. of the Current Market Price for one Share on the date of announcement of the proposals for such modification.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such modification;
- B is the maximum number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Advisor considers appropriate (if at all) for any previous adjustment under this Condition 6(C)(viii) or Condition 6(C)(vii).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (ix) *Other Offers to Shareholders:* If and whenever the Issuer or any of its Subsidiaries issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(C)(iv), Condition 6(C)(v), Condition 6(C)(vi) or Condition 6(C)(vii)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the date on which such issue, sale or distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

- (x) *Determination by the Issuer:* If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances (whether or not referred to in paragraphs (i) to (ix) above) (even if the relevant event or circumstance is specifically excluded in these Conditions from the operation of paragraphs (i) to (ix) above), or that an adjustment should not be made (even if the relevant event or circumstance is specifically provided for in paragraphs (i) to (ix) above), or that the effective date for the relevant adjustment should be a date other than that mentioned in paragraphs (i) to (ix) above, the Issuer may, at its own expense, request an Independent Financial Advisor, acting as expert, to determine as soon as practicable (i) what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereto and is appropriate to give the result which the Independent Financial Advisor considers in good faith to reflect the intentions of the provisions of this Condition 6(C); and (ii) the date on which such adjustment should take effect; and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination; provided that where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(C) have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6(C) as may be advised by the Independent Financial Advisor to be in its opinion appropriate to give the intended result, provided that an adjustment shall only be made pursuant to this Condition 6(C) if it would result in a reduction to the Conversion Price.
- (xi) *Change of Control:* If a Change of Control shall occur, the Issuer shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) in accordance with Condition 17 within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within 30 days following a Change of Control, or, if later, 30 days following the date on which the Change of Control

Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \frac{\text{OCP}}{1 + (\text{CP} \times \frac{c}{t})}$$

where:

“**NCP**” means the new Conversion Price.

“**OCP**” means the Conversion Price in effect on the relevant Conversion Date.

“**CP**” means 40 per cent. expressed as a fraction.

“**c**” means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date.

“**t**” means the number of days from and including the Issue Date to but excluding the Maturity Date.

If the last day of a Change of Control Conversion Period shall fall during a Closed Period, the Change of Control Conversion Period shall be extended such that its last day will be the fifteenth day following the last day of the Closed Period.

For the purposes of these Conditions:

“**Alternative Stock Exchange**” means at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;

“**Closing Price**” for the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet;

“**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the average of the Closing Price for one Share (being a Share carrying full entitlement to dividend) for each of the 5 consecutive Trading Days ending on the Trading Day immediately preceding such date; *provided that* if at any time during the said 5 Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the Closing Price thereof reduced by an amount equal to the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the Closing Price thereof increased by such similar amount;

and provided further that if the Shares on each of the said 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share;

**“Daily Quotation Sheet”** means the daily quotation sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange;

**“Distribution”** means any dividend or distribution, whether of cash or assets in specie or other property by the Issuer for any financial period, and whenever paid or made and however described or declared after the Issue Date (which shall include the final dividend for the financial year ended December 31, 2017), and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6(C)(ii)(A) by way of capitalization of reserves and including any Scrip Dividend to the extent of the Relevant Cash Dividend) unless it comprises a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer), where the weighted average price (before expenses) on any one day in respect of such purchase does not exceed 105 per cent. of the Current Market Price of the Shares as published in the Daily Quotation Sheet, as the case may be, either (1) on that date, or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (1) or (2), the relevant day is not a Trading Day, the immediately preceding Trading Day;

**“Fair Market Value”** means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Financial Advisor; provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Financial Advisor) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded;

**“Independent Financial Advisor”** means a reputable independent financial advisor or financial institution with appropriate expertise selected by the Issuer. The Trustee shall not be responsible for or under any obligation to appoint an Independent Financial Advisor and shall have no responsibility or liability for verifying any calculation, determination, certification, advice or opinion made, given or reached by it;

**“Trading Day”** means a day when the Hong Kong Stock Exchange or, as the case may be an Alternative Stock Exchange is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days; and



On any adjustment, the relevant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with Condition 17 as soon as practicable after the determination thereof.

The Conversion Price may not be reduced so that, on conversion of Bonds, Shares would fall to be issued at a discount to their par value or Shares would be required to be issued in any other circumstances not permitted by applicable laws then in force in Hong Kong.

Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Financial Advisor, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Financial Advisor to be in its opinion appropriate in order to give such intended result.

Notwithstanding any other provision in these Conditions and the Trust Deed, adjustment will not be made to the Conversion Price in the following circumstances:

- (i) when Shares or other securities (including rights or options) are issued, offered or granted to employees or former employees (including directors or former directors) of the Issuer or any Subsidiary of the Issuer pursuant to any Employee Share Scheme (as defined in the Trust Deed) (and which Employee Share Scheme is in compliance with the Listing Rules or, if applicable, the listing rules of an Alternative Stock Exchange); and
- (ii) no adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(C)(i) above or where there has been a proven manifest error in the calculation of the Conversion Price.

Neither the Trustee nor the Conversion Agent shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation (or verification thereof) in connection with the Conversion Price and will not be responsible to Bondholders or any other person for any loss arising from any failure by them to do so. All adjustments to the Conversion Price under Condition 6(C) shall be determined by the Issuer, and neither the Trustee nor the Conversion Agent shall be responsible for calculating or verifying the Conversion Price.

**(D) Undertakings**

The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders:

- (i) it will use its reasonable endeavours (a) to maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the Hong Kong Stock Exchange, *provided that* if the Issuer is unable to obtain or maintain such listing or if the maintenance of such listing is unduly onerous, it will use its reasonable endeavours to obtain and maintain a listing for all the issued Shares on such Alternative Stock Exchange as the Issuer may from time to time determine and will forthwith give notice to the Trustee in writing and to the Bondholders in accordance with Condition 17 of the listing or delisting of the Shares (as a class) by any of such stock exchanges;
- (ii) it will use its reasonable endeavours to maintain a listing for the Bonds on the Singapore Exchange Securities Trading Limited (the “SGX-ST”), *provided that* if the Issuer is unable to obtain or maintain such listing or if the maintenance of such listing is unduly onerous, it will use its reasonable endeavours to obtain and maintain a listing for the Bonds on such other internationally recognised stock exchange commonly used for the listing of debt securities as the Issuer may from time to time determine and will forthwith give notice to the Bondholders and the Trustee in accordance with Condition 17 of the listing or delisting Bonds by any of such stock exchanges;
- (iii) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund except, in each case, where the redemption or reduction (a) is permitted by applicable law and (b) results in (or would, but for the provision of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made); and
- (iv) it will provide a list of “Unrestricted Subsidiaries” at the time the Issuer is required to deliver the financial statements to the Trustee under the Trust Deed or upon the written request of the Trustee.

In the Trust Deed, the Issuer has also undertaken with the Trustee that so long as any Bond remains outstanding:

- (aa) it will reserve, free from any other pre-emptive or other similar rights, out of its authorized but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds from time to time remaining outstanding and shall ensure that all Shares delivered on conversion of the Bonds will be duly and validly issued as fully-paid;
- (bb) it will pay the expenses of the issue of, and all expenses of obtaining and maintaining a listing on the SGX-ST for the Bonds;
- (cc) it will pay the expenses of the issue of, and all expenses of obtaining a listing on the Hong Kong Stock Exchange for, Shares arising on conversion of the Bonds (save for any taxes specified in Condition 6(B)(ii)) and comply with all applicable requirements of the Listing Rules with respect to the Shares;

- (dd) it will comply with any law, rule, regulation, judgment, order, authorization or decree of any government, governmental or regulatory body or court, domestic or foreign having jurisdiction over the Issuer or any Subsidiary or any of their respective assets and properties; and
- (ee) it will not make any offer, issue or make any distribution or take any action which would result in an adjustment of the Conversion Price if, after giving effect thereto, the Conversion Price would be reduced to such an extent that the Shares to be issued on the conversion of any Bond would be issued below the par value of the Shares of the Issuer,

provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

**(E) Notice of Change in Conversion Price**

The Issuer shall give notice to the Bondholders in accordance with Condition 17 and to the Trustee and the Conversion Agent of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

**7. Payments**

**(A) Principal, interest and premium**

Payment of principal, premium and interest due other than on an Interest Payment Date will be made by wire transfer to the registered account of the Bondholder or, if the Bonds are in definitive form and the Issuer is acting as its own paying agent, by Hong Kong dollar cheque drawn on a bank in Hong Kong mailed to the registered address of the Bondholder, at the risk of the Bondholder, if it does not have a registered account. Payment of principal and premium will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the “**Interest Record Date**”). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder or by Hong Kong dollar cheque drawn on a bank in Hong Kong mailed to the registered address of the Bondholder, at the risk of the Bondholder, if it does not have a registered account.

References in these Conditions, the Trust Deed and the Agency Agreement to principal in respect of any Bond shall, where the context so permits, be deemed to include a reference to any premium payable thereon.

*So long as the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

**(B) *Registered Accounts***

For the purposes of this Condition, a Bondholder's registered account means the Hong Kong dollar account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

**(C) *Fiscal Laws***

All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

**(D) *Payment Initiation***

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

**(E) *Delay In Payment***

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

**(F) *Business Day***

In this Condition, “**business day**” means a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and the city in which the specified office of the Principal Agent is located, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

**8. Redemption, Purchase and Cancellation**

**(A) *Maturity***

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at its principal amount together with accrued and unpaid interest thereon on February 14, 2023 (the “**Maturity Date**”). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8(B) or 8(C) below (but without prejudice to Condition 10).

**(B) *Redemption for Taxation Reasons***

- (i) The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 17 and to the Trustee (which

notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if (i) the Issuer or any Subsidiary Guarantor has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of any jurisdiction in which the Issuer or the applicable Subsidiary Guarantor or Chargor is organized or resident for tax purposes or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after February 14, 2018, and (ii) such obligation cannot be avoided by the Issuer or such Subsidiary Guarantor taking reasonable measures available to it, *provided that* no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer or such Subsidiary Guarantor would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Prior to the publication of any Tax Redemption Notice pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognized standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders. Upon the expiry of the Tax Redemption Notice, the Issuer will be bound to redeem the Bonds on the date fixed for redemption, *provided that* redemption under this Condition 8(B)(i) may not occur within 15 days of the end of a Closed Period, but otherwise may occur when the Conversion Right is expressed in these Conditions to be exercisable.

- (ii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(B)(i), each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of principal or premium to be made in respect of such Bond(s) whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. To exercise a right pursuant to this Condition 8(B)(ii), the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent (the “**Tax Option Exercise Notice**”) together with the Certificate evidencing the Bonds on or before the day falling 10 days prior to the date fixed by the Issuer for the redemption of the Bonds pursuant to this Condition 8(B). A Tax Option Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer’s consent. Notwithstanding any of the foregoing, if a Bondholder electing not to have its Bonds redeemed converts its Bonds in connection with the Issuer’s election to redeem the Bonds as described under (iv) below and Condition (6)(A)(i) above, the Issuer will be obligated to pay Additional Tax Amounts, if any, with respect to such conversion.
- (iii) Notwithstanding anything to the contrary herein, the Issuer may not redeem the Bonds in the case that Additional Tax Amounts are payable in respect of PRC withholding tax at the Applicable PRC Rate or less.

“**Applicable PRC Rate**” means (i) in the case of deduction or withholding of PRC income tax, 10%, (ii) in the case of deduction or withholding of PRC value added tax (including any related local levies), 6.72%, or (iii) in the case of deduction or withholding of both PRC income tax and PRC value added tax (including any related local levies), 16.72%.

- (iv) In the case that upon receipt of a Tax Redemption Notice, a Bondholder may elect to convert its Bonds up to the close of business on a date no later than 15 days prior to the date fixed for redemption as described in Condition 8(B)(i) above.

**(C) *Redemption at the Option of the Issuer***

On giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 17 and the Trustee (which notice will be irrevocable), the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued (including any further bonds issued pursuant to Condition 16 and consolidated and forming a single series with the Bonds) has already been converted, redeemed or purchased and cancelled.

If there shall occur an event giving rise to a change in the Conversion Price during any such 30 Trading Day period, appropriate adjustments for the relevant days shall be made, as determined by two Independent Financial Advisors, for the purpose of calculating the Closing Price for such days.

Redemption under this Condition 8(C) may not occur within 15 days of the end of a Closed Period but otherwise may occur when the Conversion Right is expressed in these Conditions to be exercisable.

**(D) *Redemption for Delisting or Suspension of Trading or Change of Control***

Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only (subject to the principal amount of such holder's Bonds redeemed and the principal amount of the balance of such holder's Bonds not redeemed being an Authorized Denomination) of such holder's Bonds on the Relevant Event Redemption Date at their principal amount together with interest accrued to the Relevant Event Redemption Date. To exercise such right, the holder of the relevant Bond must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent, specifying the number of Bonds to be redeemed and the Relevant Event that has occurred ("**Relevant Event Redemption Notice**"), together with the Certificate evidencing the Bonds to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 17. The "**Relevant Event Redemption Date**" shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent and the Issuer shall redeem the Bonds the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date. The Issuer shall give notice to Bondholders in accordance with Condition 17 by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 8(D) and shall give brief details of the Relevant Event.

The Trustee shall not be required to take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur and shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer. The Trustee shall not be required to take any steps to ascertain whether the condition for the exercise of the rights in accordance with Condition 8(D) has occurred. The Trustee shall not be responsible for determining or verifying whether a Bond is to be accepted for redemption



under this Condition 8(D) and will not be responsible to Bondholders for any loss arising from any failure by it to do so. The Trustee shall not be under any duty to determine, calculate or verify the redemption amount payable under this Condition 8(D) and will not be responsible to Bondholders or any other person for any loss arising from any failure by it to do so.

A “**Relevant Event**” occurs:

- (i) when the Shares cease to be listed or admitted to trading, or are suspended from trading for a period equal to or exceeding 21 consecutive Trading Days, on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a “**Delisting**”); or
- (ii) when there is a Change of Control.

**(E) *Redemption at the option of the Bondholders***

The Issuer will, at the option of the holder of any Bond, redeem all or some only (subject to the principal amount of such holder’s Bonds redeemed and the principal amount of the balance of such holder’s Bonds not redeemed being an Authorized Denomination) of such holder’s Bonds on February 14, 2021 (the “**Put Option Date**”) at their principal amount together with interest accrued to the Put Option Date. To exercise such option, a holder must deposit at the specified office of any Paying Agent a duly completed and signed put notice in the form for the time being current, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed not more than 60 days and not less than 30 days prior to the Put Option Date.

A put notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer’s consent. No fewer than 30 nor more than 45 days’ notice of the commencement of the period in which the put option can be exercised pursuant to this Condition 8(E) shall be given to the Bondholders.

**(F) *Purchase***

The Issuer or any of its Subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise. Such Bonds may (subject to applicable law and regulation, including without limitation to rules of the Hong Kong Stock Exchange and the SGX-ST) be held, resold or reissued, or, at the option of the Issuer or the relevant Subsidiary, forwarded to or to the order of the Registrar for cancellation. Any Bonds held by or on behalf of the Issuer or any such Subsidiary shall not entitle the holder thereof to vote at any meetings of the Bondholders and shall be deemed not to be outstanding for the purposes of calculating quorums at the meetings of the Bondholders for the purposes of Condition 14(A).

**(G) *Cancellation***

All Bonds which are redeemed or converted, or purchased by the Issuer or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

**(H) *Redemption Notices***

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will specify (i) the Conversion Price as at the date of the relevant notice, (ii) the Conversion Period, the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, (iii) the amount of any accrued interest payable (if any), (iv) the date for redemption and (v) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Bondholder pursuant to this Condition), the first in time shall prevail. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable hereunder.

*In the case of a partial redemption of Bonds represented by the Global Certificate, the Bonds to be redeemed will be selected in accordance with the rules of the relevant clearing system.*

**(I) Definitions**

For the purposes of this Condition 8:

**“Affiliate”** means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (1) or (2) and the term **“Affiliated”** shall be construed in accordance with the foregoing sentence. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise;

**“Capital Stock”** means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Issue Date or issued thereafter;

a **“Change of Control”** occurs upon, other than as permitted under Condition 11:

- (i) the merger, amalgamation or consolidation of the Issuer with or into another Person (other than the Permitted Holders) or the merger or amalgamation of another Person (other than one or more Permitted Holders) with or into the Issuer, or the sale of all or substantially all of the assets of the Issuer to another Person;
- (ii) the Permitted Holders being the beneficial owners of less than 40 per cent. of the total voting power of the Voting Stock of the Issuer;
- (iii) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934 (the **“Exchange Act”**)) being or becoming the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Issuer greater than such total voting power held beneficially by the Permitted Holders;
- (iv) the individuals who on the Issue Date constituted the board of directors of the Issuer, together with any new directors whose election by the board of directors was approved by a vote of at least a majority of the directors then still in office who were either directors or whose election was previously so approved, ceasing for any reason to constitute a majority of the board of directors of the Issuer then in office; or
- (v) the adoption of a plan relating to the liquidation or dissolution of the Issuer;

**“Permitted Holders”** means any or all of the following:

- (i) Dr. Hui Ka Yan, Ms. Ding Yumei and any of their children;
  - (ii) any Affiliate of the Person specified in paragraph (i) above; and
  - (iii) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80 per cent. by Persons specific in paragraphs
- (i) and (ii) above;

**“Person”** means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof;

**“Voting Stock”** means, with respect to any person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

## 9. Taxation

All payments and deliveries made by or on behalf of the Issuer and any Subsidiary Guarantor under or in respect of the Bonds, the Guarantees of the Bonds, the Trust Deed or the Agency Agreement (including deliveries of Shares upon Conversion) will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Issuer or the applicable Subsidiary Guarantor or Chargor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) or through which a payment is made or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer or, as the case may be, the relevant Subsidiary Guarantor will pay such additional amounts (the **“Additional Tax Amounts”**) as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Bond:

- (i) *Other connection:* to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his (or a beneficial owner for which the holder holds the Bonds) having some connection with any jurisdiction in which the Issuer or the applicable Subsidiary Guarantor or Chargor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond;
- (ii) to a holder (or to a third party on behalf of a holder) who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such declaration or claim, such holder fails to do so within any applicable period prescribed by such relevant tax authority;
- (iii) *Presentation more than 30 days after the relevant date:* (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days; or

- (iv) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (“**FATCA**”), any current or future Treasury Regulations or rulings promulgated thereunder, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA.

For the purposes hereof:

“**relevant date**” means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and cheques dispatched or payment made; and

If the Issuer or any Subsidiary Guarantor becomes subject at any time to any taxing jurisdiction other than Hong Kong, the PRC, the British Virgin Islands or the Cayman Islands, references in these Conditions to the Hong Kong, the PRC, the British Virgin Islands and the Cayman Islands shall be construed as references to Hong Kong, the PRC, the British Virgin Islands and the Cayman Islands and/or such other jurisdiction.

References in these Conditions to principal, premium, interest and all other payments and deliveries on the Bonds (including deliveries of Shares upon conversion) shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## 10. Events of Default

### (A) *Events of Default*

If any of the following events (each an “**Event of Default**”) occurs the Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding, or if so directed by an Extraordinary Resolution, shall (subject in either case to being indemnified and/or secured and/or pre-funded by the holders to its satisfaction), give notice to the Issuer and the Subsidiary Guarantors that the Bonds are, and they shall immediately become due and repayable at their principal amount together with accrued interest (if any) to the date of payment (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6) if:

- (i) *Non-Payment*: there is a default in the payment of any principal or premium in respect of the Bonds on the due date for such payment or there is a default in the payment of any interest in respect of the Bonds immediately after the due date for such payment, and in the case of interest only, such default continues for 30 days;
- (ii) *Breach of Other Obligations*: the Issuer or, as the case may be, any Subsidiary Guarantor does not perform or comply with one or more of its other obligations in the Bonds, the Guarantees of the Bonds, the Trust Deed or the Agency Agreement (to which it is a party) which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer or such Subsidiary Guarantor (as the case may be) by the Trustee;
- (iii) *Failure to deliver Shares*: the Issuer fails to deliver the Shares as and when such Shares are required to be delivered following conversion of a Bond and such failure continues for 7 days;

- (iv) *Insolvency*: the Issuer or any of its Significant Relevant Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or any part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Significant Relevant Subsidiaries or, except in connection with a solvent liquidation, liquidation, winding-up or dissolution an administrator or liquidator of the Issuer, or any of its Significant Relevant Subsidiaries or the whole or any part of the assets and revenue of the Issuer or any of its Significant Relevant Subsidiaries is appointed (or application for any such appointment is made);
- (v) *Cross Default*: (i) any other present or future indebtedness (whether actual or contingent) of the Issuer or any of its Relevant Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) a failure to make any principal amount of such indebtedness when due, or (iii) the Issuer or any of its Relevant Subsidiaries fails to pay when due any principal amount payable by it under any guarantee for any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph 10(A)(v) have occurred equals or exceeds US\$20,000,000 or its equivalent in any other currency or currencies;
- (vi) *Enforcement Proceedings*: a distress, attachment, execution, seizure before judgment or other legal process in an amount exceeding US\$20,000,000 is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Significant Relevant Subsidiaries and is not discharged or stayed within 60 days;
- (vii) *Winding up*: an order is made or an effective resolution passed for the liquidation, winding-up or dissolution, judicial management or administration of the Issuer or any of its Significant Relevant Subsidiaries (except for a voluntary liquidation, winding-up or dissolution on a solvent basis), or the Issuer or any of its Significant Relevant Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for (a) the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Bondholders, or (b) in the case of a Significant Relevant Subsidiary, whereby the undertaking and assets of such Significant Relevant Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries;
- (viii) *Security Enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer and its Relevant Subsidiaries (taken as a whole);
- (ix) *Nationalisation*: (a) any step is taken by any governmental or judicial authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer or any of its Significant Relevant Subsidiaries or (b) the Issuer or any of its Significant Relevant Subsidiaries is prevented from exercising normal control over all or any material part of its property, assets and revenue;

- (x) *Security*: (a) at any time, any of the Security ceases to be in full force or effective; (b) at any time, the Trustee ceases to have a security interest in the Security ranking *pari passu* with the holders of the other secured parties under the Intercreditor Agreement; or (c) the Issuer or any Chargor defaults in the performance of any of its obligations under any Security Document, which materially and adversely affects the enforceability, validity or priority of the Security or which adversely affects the condition or value of the Shared Collateral, taken as a whole, in any material respect;
- (xi) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (a) to enable the Issuer and each of the Subsidiary Guarantors lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds, Trust Deed or the Agency Agreement (to which it is a party), (b) to ensure that those obligations are legal, valid, binding and enforceable and (c) to make the Bonds, Trust Deed, the Agency Agreement, the Intercreditor Agreement or the Security Documents admissible in evidence in the courts of the Cayman Islands, the British Virgin Islands, Hong Kong or England is not taken, fulfilled or done;
- (xii) *Unlawfulness*: it is or will become unlawful for the Issuer or any Subsidiary Guarantor to perform or comply with any of their respective obligations under or in respect of the Bonds or the Trust Deed;
- (xiii) *Guarantees of the Bonds*: any Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or, except as permitted by these Conditions and the Trust Deed, any Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect; or
- (xiv) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (iv), (vi) or (vii) above.

For the purposes of this Condition 10(A),

- (a) “**Relevant Subsidiary**” means (i) if any amounts are outstanding under any Existing Notes or Future Senior Notes, any Subsidiary which is from time to time designated as a “Restricted Subsidiary” under any such Existing Notes; and (ii) if no amounts are then outstanding, any Subsidiary of the Issuer; and
- (b) “**Significant Relevant Subsidiary**” means (i) if any amounts are outstanding under any Existing Notes or Future Senior Notes, any Subsidiary which is from time to time designated as a “Significant Subsidiary” under any such Existing Notes or Future Senior Notes; and (ii) if no such amounts are then outstanding, any Subsidiary of the Issuer, when consolidated with its Subsidiaries, that would be a “significant subsidiary” using the conditions specified in the definition of significant subsidiary in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Issue Date, if any of the conditions exceeds 5%.

**(B) Default Cure Amount**

If the Bonds have become due and payable pursuant to Condition 10(A), notwithstanding Condition 6(A) and receipt of any payment after the acceleration of the Bonds and provided that no Conversion Notice has been delivered, a Bondholder may exercise its Conversion Right in accordance with this Condition 10(B) by depositing a Conversion Notice (unless with respect to Condition 10(A)(iii) a Conversion Notice has already been deposited) with a Conversion Agent during the period from and including the date of an acceleration notice with respect to an event



specified in Condition 10(A) (at which time the Issuer will notify the Bondholders of the number of Shares per Bond to be delivered upon conversion, assuming all the then outstanding Bonds are converted) to and including the 30th business day after such payment.

If the Conversion Right attached to any Bond is exercised pursuant to this Condition 10(B), or if an Event of Default has occurred pursuant to Condition 10(A)(iii), the Issuer shall at the option of the converting Bondholder (notice of exercise of such option to be delivered to the Conversion Agent in writing) in lieu of delivery of the relevant Shares pay to such Convertible Bondholder an amount (the “**Default Cure Amount**”) equal to the product of (x) (i) the number of Shares that are required to be delivered by the Issuer to satisfy the Conversion Right in relation to such converting Bondholder minus (ii) the number of Shares that are actually delivered by the Issuer pursuant to such Bondholder’s Conversion Notice and (y) the Closing Price on the Conversion Date; provided that if such Bondholder has received any payment under the Bonds pursuant to this Condition 10(B), the amount of such payment shall be deducted from the Default Cure Amount. Payment of the Default Cure Amount shall be paid to the converting Bondholder on the third business day following the date on which notice of exercise of the option to receive the Default Cure Amount is delivered.

## **11. Consolidation, Amalgamation or Merger**

So long as any of the Bonds remain outstanding, the Issuer will not consolidate with, merge or amalgamate into or transfer all or substantially all of its assets (as an entirety or substantially an entirety) to any corporation or convey or transfer all or substantially all of its assets (as an entirety or substantially an entirety) to any person other than transfer or conveyance of assets to any Subsidiary of the Issuer or any entity upon such transfer or conveyance will become a Subsidiary of the Issuer (the consummation of any such event, a “**Merger**”), unless:

- (i) the corporation formed by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental trust deed, all obligations of the Issuer, under the Trust Deed and the performance of every covenant and agreement applicable to it contained therein;
- (ii) immediately after giving effect to any such Merger, no Event of Default, and no event which, after notice or lapse of time or both, may become an Event of Default shall have occurred and be continuing or would result therefrom; and
- (iii) the corporation formed by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal, premium and interest on the Bonds,

and such Merger shall not be effective until the Issuer has delivered to the Trustee an officers’ certificate stating that all requirements relating to such Merger have been complied with and that such Merger is authorised and permitted under the Trust Deed. The Trustee shall be entitled to conclusively rely on and shall be protected and shall incur no liability to any Holder for or in respect of any action taken, omitted or suffered in reliance upon such officers’ certificate.

## **12. Prescription**

Claims in respect of amounts due in respect of the principal amount of the Bonds and the amount of interests in respect of the Bonds will become prescribed unless made within 10 years and 5 years, respectively, from the relevant date (as defined in Condition 9) in respect thereof.

### 13. Enforcement

At any time after the Bonds have become due and repayable, the Trustee may, at its discretion and without further notice, take such actions or proceedings against the Issuer or any Subsidiary Guarantor as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed and instruct the Collateral Agent to enforce its rights under the Intercreditor Agreement and the Security Documents, but it will not be bound to take any such actions or proceedings unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (ii) it and the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer or any Subsidiary Guarantor unless the Trustee or, as the case may be, the Collateral Agent, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

### 14. Meetings of Bondholders, Modification, Waiver and Substitution

#### (A) Meetings

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the amount of principal, interest or premium (if any) or Equivalent Amount payable in respect of the Bonds or changing the method of calculation of interest, (iii) to change the currency of payment of the Bonds, (iv) to modify (except by an adjustment to the Conversion Price in accordance with Condition 6(C)) or cancel any of the Conversion Rights, (v) to modify Condition 4 (other than to the extent necessary to give effect to the creation of (x) any Further Encumbrance to secure Permitted Pari Passu Secured Indebtedness or (y) any Encumbrance to secure any other indebtedness, in each case, as permitted under these Conditions) or (vi) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution (each a “**Reserved Matter**”), in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 90 per cent., or at any adjourned such meeting not less than 75 per cent., in aggregate principal amount of the Bonds for the time being outstanding.

An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting.

The Trust Deed provides that (a) a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding or (b) approval of resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding, shall be as valid and effective as a duly passed Extraordinary Resolution.

**(B) *Modification and Waiver***

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except for Reserved Matters in Condition 14(A) above) to, or the waiver or authorization of any breach or proposed breach of, the Bonds, the Agency Agreement, the Trust Deed, the Intercreditor Agreement or the Security Documents which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds, the Agency Agreement, the Trust Deed, the Intercreditor Agreement or Security Documents which, in the opinion of the Trustee, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorization will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter. For the avoidance of doubt, the consent of Bondholders will not be required in order for the Trustee to give effect to the provisions of Condition 4(B) or Condition 4(C).

*In the event of the passing of an Extraordinary Resolution, a modification, waiver or authorization above, the Issuer will procure that the Bondholders are notified in accordance with Condition 17.*

**(C) *Interests of Bondholders***

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorization, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, any Subsidiary Guarantor or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Condition 9 and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

**(D) *Certificates/Reports***

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not obtained by or addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be conclusively relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

**15. *Replacement of Certificates***

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

**16. *Further Issues***

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them or relevant securities law transfer restrictions) and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

## **17. Notices**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar or published in a leading newspaper having general circulation in Asia (which is expected to be the *Asian Wall Street Journal*). Any such notice shall be deemed to have been given on the later of the date(s) of such publication(s) and the seventh day after being so mailed, as the case may be.

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled account holders in substitution for notification as required by these Conditions.*

## **18. Agents**

The names of the initial Agents and the Registrar and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar and to appoint additional or other Agents or a replacement Registrar. The Issuer will at all times maintain (a) a Principal Agent and (b) a Registrar which will maintain the Register outside Hong Kong and the United Kingdom. Notice of any such termination or appointment, of any changes in the specified offices of any Agent or the Registrar and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Bondholders and in any event not less than 45 days' notice will be given.

## **19. Indemnification of the Trustee and the Collateral Agent**

The Trust Deed, the Security Documents and the Intercreditor Agreement contain provisions for the indemnification of the Trustee and the Collateral Agent for their respective relief from responsibility, including provisions relieving it from taking actions or proceedings to enforce repayment or taking steps to enforce the Security unless indemnified and/or secured and/or pre-funded to their satisfaction. The Trustee, the Collateral Agent and the Agents are entitled to enter into business transactions with the Issuer, any Subsidiary Guarantor or any Bondholder and any entity related to the Issuer or any Subsidiary Guarantor or any Bondholder without accounting for any profit.

## **20. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act.

## **21. Governing Law and Submission to Jurisdiction**

The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by the laws of England. In relation to any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds the Issuer and each Subsidiary Guarantor has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of the courts of England and in relation thereto has appointed Law Debenture Corporate Services Limited, as its agent for service of process in England. The Issuer and each Subsidiary Guarantor waives any objection to the courts of England and Wales on the grounds that they are an inconvenient or inappropriate forum. The Trustee and the Bondholders may take any suit, action or proceeding arising out of or in connection with the Bonds, the Trust Deed and the Agency Agreement (including any dispute relating to the existence, validity or termination of this Trust Deed or the Agency Agreement or any noncontractual obligations arising out of or in connection therewith) (together referred to as

**“Proceedings”**) against each of the Issuer and the Subsidiary Guarantors in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions to the extent allowed by law.

## **22. Waiver of Immunity**

If the Issuer or any of its property or assets is or are entitled in any jurisdiction to any immunity from service of process or of other documents relating to proceedings, or to any immunity from jurisdiction, suit, judgment, execution, attachment (whether before judgment, in aid of execution or otherwise) or other legal process, this is irrevocably waived to the fullest extent permitted by the law of that jurisdiction. The Issuer also irrevocably agrees not to claim any such immunity for itself or its property or assets.

## TAXATION

*The following summary of certain Cayman Islands, British Virgin Islands, Hong Kong and PRC, tax consequences of the purchase, ownership and disposition of Bonds is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this offering circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and Shares and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Bonds and Shares, including such possible consequences under the laws of their country of citizenship, residence or domicile.*

### **Cayman Islands**

Under the laws of the Cayman Islands, payments of interest and principal or premium on the Bonds and dividends on shares and conversion of Bonds to Shares will not be subject to taxation and no withholding will be required on the payment of interest and principal or premium to any holder of the Bonds and dividends on the Shares, as the case may be, nor will gains derived from the disposal of the Bonds or Shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Bonds.

An instrument of transfer in respect of a Bond is stampable if executed in or brought into the Cayman Islands. Where the Global Certificate evidencing the Bonds contains a promise to pay, it will be stampable if it is executed in or brought into the Cayman Islands.

No stamp duty is payable in respect of the issue of the Shares (upon conversion of the Bonds) or on an instrument of transfer in respect of a Share.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands as to tax concessions under the Tax Concessions Law (1999 Revision). In accordance with the provision of section 6 of The Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with China Evergrande Group:

- That no law which is hereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable, on or in respect of the shares, debentures or other obligations of the Company, or by way of the withholding, in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).
- These concessions shall be for a period of 20 years from July 4, 2006.

### **British Virgin Islands**

There is no income or other tax of the British Virgin Islands imposed by withholding or otherwise on any payment to be made to or by the Subsidiary Guarantors pursuant to the Subsidiary Guarantees.

### **Hong Kong**

*Withholding Tax.* No withholding tax in Hong Kong is payable on payments of principal (including any premium payable on redemption of the Bonds) or interest in respect of the Bonds.



*Profits Tax.* Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business. Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), or the Inland Revenue Ordinance, as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal or redemption of the Bonds where such sale, disposal or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest payments on the Bonds will be subject to Hong Kong profits tax where such payments have a Hong Kong source, and are received by or accrue to:

- a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- a corporation carrying on a trade, profession or business in Hong Kong; or
- a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and such interest is in respect of the funds of the trade, profession or business.

Although no tax is imposed in Hong Kong in respect of capital gains, Hong Kong profits tax may be chargeable on trading gains arising on the sale or disposal of the Bonds where such transactions are or form part of a trade, profession or business carried on in Hong Kong.

*Stamp Duty.* No Hong Kong stamp duty will be chargeable upon the issue, transfer (if the register of holders of the Bonds is maintained outside Hong Kong) or conversion of a Bond.

No Hong Kong stamp duty will be chargeable upon the issue of the Shares. Hong Kong stamp duty is payable, however, on any purchase and sale of Shares for as long as the transfer thereof is required to be registered in Hong Kong. The duty is charged on each of the purchaser and the seller at the ad valorem rate of 0.1 per cent. of the consideration for, or (if greater) the value of, the Shares bought and sold. In other words, a total of 0.2 per cent. is currently payable on a typical sale and purchase transaction of Shares. In addition, any instrument of transfer (if required) will be subject to a flat rate of stamp duty of HK\$5. Where a sale or purchase of Shares registered on a Hong Kong share register is effected by a person who is not resident in Hong Kong and any stamp duty payable thereon is not paid, the relevant instrument of transfer (if any) is chargeable with such duty in default and the transferee is liable to pay such duty.

## PRC

*Taxation on Interest and dividends.* The PRC Enterprise Income Tax Law and its implementation regulations, effective January 1, 2008, impose a withholding tax at the rate of 10% on interest paid to holders of the Bonds and dividends paid to holders of Shares that are “non-resident enterprises” so long as such “non-resident enterprise” holder does not have an establishment or place of business in China or, despite the existence of establishment or place of business in China, the relevant income is not effectively connected with such establishment or place of business in China, to the extent such interests are sourced within China. We may be considered a PRC tax resident enterprise, as described in “Risk Factors — Risks Relating to Our Business — We may be deemed a PRC resident enterprise under the PRC Enterprise Income Tax Law, which may subject us to PRC taxation on our worldwide income, require us to withhold taxes on interest we pay on the Bonds and dividends we pay on the Shares and require holders of the Bonds and dividends paid to non-resident enterprise holders of Shares to pay taxes on gains realized from the sale of the Bonds and Shares.” Pursuant to these provisions of the PRC tax law, despite many uncertainties with respect to their application, if we are considered a PRC resident enterprise, interest paid to non-resident enterprise holders of the Bonds and dividends paid to non-resident enterprises holders of Shares may be treated as income derived from sources within China and be subject to the PRC withholding tax at a rate of 10%. In the case of non-resident individual holders of the Bonds and Shares, the tax may be withheld at a rate of 20%. To the extent that China has entered

into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of tax, such lower rate may apply to qualified investors in the Bonds and Shares.

*Taxation on Capital Gains.* The PRC Enterprise Income Tax Law and its implementation regulations, effective January 1, 2008, impose a tax at the rate of 10% on capital gains realized by holders of the Bonds and Shares that are “non-resident enterprises” so long as any such “non-resident enterprise” holder does not have an establishment or place of business in China or, despite the existence of establishment or place of business in China, the relevant gain is not effectively connected with such establishment or place of business in China, to the extent such capital gains are sourced within China. Pursuant to these provisions of the PRC tax law, despite many uncertainties with respect to their application, if we are considered a PRC resident enterprise, the capital gains realized by holders of the Bonds and Shares may be treated as income derived from sources within China and be subject to the PRC tax at a rate of 10% (or possibly 20% in the case of non-resident individual holders of the Bonds and Shares). To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of tax, such lower rate may apply to qualified investors in the Bonds and Shares.

*Stamp duty.* No PRC stamp tax will be chargeable upon the issue or transfer of a Bond (for so long as the register of holders of the Bonds is maintained outside Mainland China).

## DESCRIPTION OF THE SHARES

*The following is a description of the Shares, including summaries of material relevant provisions of our Memorandum and the Articles of Association and the Companies Law (2016 revision) of the Cayman Islands (the “Companies Law”). These summaries do not purport to be complete and are qualified in their entirety by reference to the full Memorandum and the Articles of Association.*

### General

We were incorporated in the Cayman Islands as an exempted company with limited liability on June 26, 2006 under the Companies Law. Our current authorised share capital is US\$1,000,000,000 divided into 100,000,000,000 Shares of US\$0.01 each.

### Alteration of Capital

We may, in general meeting, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase our share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

We may from time to time by ordinary resolution:

- (a) increase our capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- (b) consolidate and divide all or any of our capital into shares of larger amount than our existing shares;
- (c) convert all or any of our paid up shares into stock and reconvert that stock into paid up shares of any denomination;
- (d) divide our shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as us in general meeting or as our directors may determine;
- (e) sub-divide our shares or any of them into shares of smaller amount than is fixed by our Memorandum, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as we have power to attach to unissued or new shares; or
- (f) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

We may by special resolution reduce our share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Law.

## **Variation of rights of existing shares or classes of shares**

If at any time our share capital is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of our Articles of Association relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## **Transfer of Shares**

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Exchange or in such other form as our Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as our Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that our Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. Our Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

Our Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless our Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Companies Law.

Our Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which we have a lien.

Our Board may decline to recognize any instrument of transfer unless a fee of such maximum sum as the Exchange may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as our Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

### **Power for us to purchase our own Shares**

We are empowered by the Companies Law and our Articles of Association to purchase our own shares subject to certain restrictions and our Board may only exercise this power on our behalf subject to the authority of our members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Exchange and the Securities and Futures Commission of Hong Kong.

### **Power of any subsidiary of ours to own Shares**

There are no provisions in our Articles of Association relating to the ownership of shares by a subsidiary.

### **Annual general meetings**

We shall in each year hold a general meeting as our annual general meeting in addition to any other general meeting in that year and shall specify the meeting as such in the notice calling it; and not more than 15 months (or such longer period as the Exchange may authorise) shall elapse between the date of one annual general meeting of us and that of the next.

### **Notice of meetings and business to be conducted thereat**

An annual general meeting and any extraordinary general meeting called for the passing of a special resolution shall be called by notice of not less than 21 clear days and any other extraordinary general meeting shall be called by not less than 14 clear days. The notice shall be inclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions to be considered at the meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of us (other than those who, under the provisions of our Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from us).

Notwithstanding that a meeting of us is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members entitled to attend and vote thereat or their proxies; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

- (a) the declaration and sanctioning of dividends;
- (b) the consideration and adoption of the accounts and balance sheets and the reports of our Board and the auditors and other documents required to be annexed to the balance sheet;
- (c) the election of directors in place of those retiring;

- (d) the appointment of auditors;
- (e) the fixing of, or the determining of the method of fixing of, the remuneration of our Board and of the auditors;
- (f) the granting of any mandate or authority to our Board to offer, allot, grant options over or otherwise dispose of the unissued shares of us representing not more than 20 per cent. (or such other percentage as may from time to time be specified in the Listing Rules) in nominal value of our then existing issued share capital and the number of any securities repurchased pursuant to sub-paragraph (g) below; and
- (g) the granting of any mandate or authority to our Board to repurchase securities of us.

### **Quorum for meetings and separate class meetings**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by our Articles of Association the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of our Articles of Association to be present in person if represented by its duly authorized representative being the person appointed by resolution of our directors or other governing body of such corporation to act as its representative at the relevant general meeting of us or at any relevant general meeting of any class of members of us.

### **Special resolution — majority required**

A “special resolution” is defined in our Articles of Association to have the meaning ascribed thereto in the Companies Law, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of us as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of us entitled to vote at a general meeting of us in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an “ordinary resolution” is defined in our Articles of Association to mean a resolution passed by a simple majority of the votes of such members of us as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with our Articles of Association and includes an ordinary resolution approved in writing by all the members of us aforesaid.

### **Voting rights**

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by our duly authorised representative) or by proxy shall have one vote for each share registered in his name in our register of members.



Where any member of us is, under the Listing Rules, required to abstain from voting on any particular resolution or is restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of us in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in our Articles of Association or as otherwise determined by our Board, no person other than a member of us duly registered and who shall have paid all sums for the time being due from him payable to us in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of us), or to be counted in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll.

If a recognised clearing house (or our nominee) is a member of us it may authorise such person or persons as it thinks fit to act as our proxy(ies) or representative(s) at any general meeting of us or at any general meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or our nominee) which he represents as that recognised clearing house (or our nominee) could exercise if it were an individual member of us holding the number and class of shares specified in such authorisation.

## **Proxies**

Any member of us entitled to attend and vote at a meeting of us is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of us or at a class meeting. A proxy need not be a member of us and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

## **Dividends and other methods of distributions**

Subject to the Companies Law, we in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by our Board.

Our Articles of Association provide dividends may be declared and paid out of the profits of us, realised or unrealised, or from any reserve set aside from profits which our directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. Our directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to us on account of calls or otherwise.

Whenever our Board or we in general meeting has resolved that a dividend be paid or declared on the share capital of us, our Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as our Board may think fit. We may also upon the recommendation of our Board by an ordinary resolution resolve in respect of any one particular dividend of us that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of us in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to us. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever our Board or we in general meeting has resolved that a dividend be paid or declared our Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by our Board for the benefit of us until claimed and we shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by our Board and shall revert to us.

No dividend or other monies payable by us on or in respect of any share shall bear interest against us.

## **Inspection of register of members**

Our register of members shall be kept in such manner as to show at all times the members for the time being and the shares respectively held by them. The register may, on 14 days' notice being given by advertisement in the newspapers, or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by us by electronic means as provided in our Articles of Association be closed at such times and for such periods as our Board may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of thus may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as our Board may impose) be open to inspection by any member of us without charge and by any other person on payment of such fee not exceeding HK\$2.50 (or such higher amount as may from time to time be permitted under the Listing Rules) as our Board may determine for each inspection.

## **Calls on Shares and forfeiture of Shares**

Our Board may from time to time make calls upon the members of us in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times and each member shall (subject to us serving upon him at least 14 days' notice specifying the time and place of payment) pay us at the time and place so specified the amount called on his shares. A call may be revoked or postponed as our Board may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of our Board authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other moneys due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15 per cent. per annum, as our Board may determine, but our Board shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, our Board may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of our Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be our property and may be sold, re-allotted or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to us all moneys which at the date of forfeiture were payable by him to us in respect of the shares, together with (if our Board shall in their discretion so require) interest thereon at such rate not exceeding 15 per cent. per annum as our Board may prescribe from the date of forfeiture until payment, and our Board may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

### **Rights of minorities in relation to fraud or oppression**

There are no provisions in our Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

### **Procedure on liquidation**

If we shall be wound up, and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If we shall be wound up, the liquidator may with the sanction of a special resolution of us and any other sanction required by the Companies Law, divide amongst the our members in specie or kind the whole or any part of our assets (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction and subject to the Companies Law, shall think fit, but so that no member shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

### **Untraceable members**

Pursuant to our Articles of Association, we may sell any of the shares of a member who is untraceable if (i) all cheque(s) or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, we has not during that time received any indication of the existence of the member; and (iii) we have caused an advertisement to be published in accordance with the rules of the Exchange giving notice of its intention to sell such shares and a period of three months, or such shorter period as may be permitted by the Exchange, has elapsed since the date of such advertisement and the Exchange has been notified of such intention. The net proceeds of any such sale shall belong to us and upon receipt by us of such net proceeds, it shall become indebted to the former member of us for an amount equal to such net proceeds.

## PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

*The Global Certificate contains provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions set out in this offering circular. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions:*

The Bonds will be represented by a Global Certificate which will be registered in the name of Citivic Nominees Limited as nominee for, and deposited with, a common depositary for Euroclear and Clearstream.

The Global Certificate will become exchangeable in whole, but not in part, for individual Certificates if Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

The Global Certificate will contain provisions which modify the Conditions of the Bonds as they apply to the Bonds evidenced by the Global Certificate. The following is a summary of certain of those provisions:

### **Meetings**

The registered holder of the Global Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each HK\$1,000,000 in principal amount of Bonds for which the Global Certificate is issued. The Trustee may allow any accountholder (or the representative of such person) of a clearing system entitled to Bonds in respect of which the Global Certificate has been issued to attend and speak (but not to vote) at a meeting of Bondholders on appropriate proof of his identity.

### **Cancellation**

Cancellation of any Bonds required by the Conditions to be cancelled following their redemption, conversion or purchase by the Issuer will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

### **Trustee's Powers**

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may to the extent it considers it appropriate to do so in the circumstances, have regard to any information provided to it by such clearing system as to the identity (either individually or by category) of its accountholders with entitlements to Bonds and may consider such interests as if such accountholders were the holders of the Bonds.

### **Conversion**

The Bonds are convertible into fully-paid ordinary shares of par value US\$0.01 of the Issuer subject to and in accordance with the Conditions and the Trust Deed. Subject to the requirements of Euroclear and Clearstream (or any other clearing system an “**Alternative Clearing System**”), the Conversion Rights (as defined in the Conditions) attaching to the Bonds may be exercised by the presentation thereof to or to the order of the Conversion Agent of one or more Conversion Notices (as defined in the Conditions) duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of the Global Certificate with the Conversion Agent together with the relevant Conversion Notice(s) shall not be required. The exercise of the Conversion Right shall be notified by the Conversion Agent to the Registrar and the holder of the Global Bond Certificate.

## **Record Date**

Notwithstanding Condition 7(A) (*Payments — Principal, interest and premium*), so long as the Global Certificate is held on behalf of Euroclear, Clearstream or any Alternative Clearing System, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

## **Notices**

Notwithstanding Condition 17 (*Notices*), so long as the Global Certificate is held on behalf of Euroclear, Clearstream or any Alternative Clearing System, notices to holders of Bonds represented by the Global Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream or (as the case may be) such Alternative Clearing System.

## **Determination of entitlement**

The Global Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the holder is entitled to payment in respect of the Global Certificate.

## **Transfer**

Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

## **Partial Redemption**

In the case of a partial redemption of the Bonds, such Bonds to be redeemed will be selected, in accordance with the rules of the relevant Clearing System, not more than 60 and not less than 30 days prior to the date fixed for redemption.

## **Enforcement**

For all purposes other than with respect to the payment of principal and premium (if any) and interest on the Bonds in respect of which the Global Certificate is issued, each person who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular principal amount of such Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream as to the principal amount of Bonds represented by a Global Certificate standing to the account of any person shall be conclusive and binding for all purposes) shall be recognized as the holder of such principal amount of Bonds.



## SUBSCRIPTION AND SALE

The Issuer and the Subsidiary Guarantors have entered into a subscription agreement with the Managers dated January 30, 2018 (the “**Subscription Agreement**”) pursuant to which, and subject to certain conditions contained therein, the Issuer agreed to sell to the Managers, and the Managers have, severally but not jointly, agreed to subscribe and pay for, or procure subscribers to subscribe and pay for, the Bonds at an issue price of 100 per cent. of their principal amount in the amount set forth below:

<u>Manager</u>	<u>Principal Amount of Bonds</u>
Credit Suisse (Hong Kong) Limited . . . . .	HK\$14,186,000,000
Haitong International Securities Company Limited . . . . .	HK\$1,292,000,000
UBS AG Hong Kong Branch . . . . .	—
Merrill Lynch (Asia Pacific) Limited . . . . .	—
Citigroup Global Markets Limited . . . . .	HK\$1,261,000,000
Deutsche Bank AG, Hong Kong Branch . . . . .	HK\$1,261,000,000
<b>Total</b> . . . . .	<b><u>HK\$18,000,000,000</u></b>

The Issuer and the Subsidiary Guarantors have agreed with the Managers in the Subscription Agreement that, neither the Issuer, the Subsidiary Guarantors, nor any person acting on their behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or any securities issued or guaranteed by the Company or the Subsidiary Guarantors that are substantially similar to the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of a majority of the Managers between January 30, 2018 and the date which is 90 calendar days after the Issue Date (both dates inclusive) except for (i) the Bonds and the new Shares issued on conversion of the Bonds and (ii) the Shares issued or options to purchase Shares issued to employees of the Company or the Subsidiaries under employee stock option plans.

Xin Xin (BVI) Limited has undertaken that for a period from January 30, 2017 up to 90 calendar days after the Issue Date (both dates inclusive), neither it nor any of its subsidiaries (if applicable) or affiliates (if applicable) over which it exercises management or voting control, nor any person acting on its behalf will, without the prior written consent of a majority of the Managers, (a) issue, offer, sell, and it shall procure such entities to not, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the lock-up Shares or other instruments representing interests in the lock-up Shares, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the lock-up Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of lock-up Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing.

The Subscription Agreement provides that the Issuer will indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Managers are subject to certain conditions precedent, and entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Managers and certain of their subsidiaries or affiliates may have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with the Issuer or its subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses. The Managers and their subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer or its subsidiaries and affiliates in the ordinary course of their business.

The Managers and Joint Bookrunners or certain of their affiliates may purchase the Bonds and be allocated the Bonds for asset management and/or proprietary purposes but not with a view to distribution. The Managers or their respective affiliates may purchase the Bonds for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this offering circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds).

Accordingly, the Bonds should not be offered or sold, directly or indirectly, and neither this offering circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Bonds should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable rules and regulations and will not, save as disclosed in this offering circular, impose any obligations on the Issuer or the Managers.

The distribution of this offering circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this offering circular or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This offering circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

The Bonds are new issues of securities with no established trading market. Approval in-principle has been received from the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. However, no assurance can be given as to the liquidity of any trading market for the Bonds.

## **Selling Restrictions**

### ***General***

No action has been taken or will be taken in any jurisdiction by us or the Managers that would permit a public offering of the Bonds, or the possession, circulation or distribution of this offering circular or any other material relating to the Bonds or this offering, in any jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this offering circular or any amendment or supplement thereto nor such other material may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

### ***United States***

The Bonds have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of this offering, an offer or sale of the Bonds within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act.

The Managers, through their affiliates, acting as selling agents where applicable, propose to offer the Bonds to non-U.S. persons in offshore transactions in reliance on Regulation S. The Bonds will not be offered, sold or delivered within the United States. Terms used in this paragraph have the meanings given to them by Regulation S.

### ***United Kingdom***

Each of the Managers, severally and not jointly, represents and warrants to and agrees with the Issuer that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom's Financial Services and Markets Act 2000 (as amended, the “**FSMA**”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Subsidiary Guarantors; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

### ***Hong Kong***

Each of the Manager, severally and not jointly, represents and warrants to and agrees with the Issuer that this offering circular has not been or will not be registered with the Registrar of Companies in Hong Kong. Accordingly, such Manager shall not issue, circulate or distribute this offering circular in Hong Kong, except that a copy of this offering circular may be issued to a limited number of prospective applicants for the Bonds in Hong Kong in a manner which does not constitute an offer of the Bonds to the public in Hong Kong or an issue, circulation or distribution in Hong Kong of a prospectus for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong). No advertisement, invitation or document relating to the Bonds may be issued or may be in the possession of any person other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571. Laws of Hong Kong) and any rules made thereunder.

### ***Japan***

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the “**FIEL**”), and disclosure under the FIEL has not been made with respect to the Bonds. Each of the Manager, severally and not jointly, represents and warrants to and agrees with the Issuer that it may not offer or sell the Bonds, directly or indirectly, in Japan or to, or for the account of, any resident of Japan, or to others for reoffering or resale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan, except pursuant to any exemption from the registration requirements of the FIEL and otherwise in compliance with the FIEL and other applicable provisions of Japanese laws and regulations. As used in this paragraph, “resident of Japan” means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

## ***Singapore***

This offering circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor under Section 274 of the SFA; (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## ***PRC***

This offering circular does not constitute a public offer of the Bonds, whether by sale of by subscription, in the PRC. The Bonds will not be offered or sold within the PRC by means of this offering circular or any other document except pursuant to the applicable laws and regulations of the PRC.

## ***Bermuda***

The Managers have not made and will not make on behalf of the Company any invitation directly or indirectly to the public in Bermuda to subscribe for any of the Bonds.

### ***British Virgin Islands***

No offer or invitation may be made to the public in the British Virgin Islands to subscribe for the Bonds. The Bonds have not been and will not be offered or sold in the British Virgin Islands.

### ***Cayman Islands***

No offer or invitation may be made to the public in the Cayman Islands to subscribe for the Bonds. The Bonds have not been and will not be offered or sold in the Cayman Islands.

### ***European Economic Area***

The Managers will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA.

For the purpose of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Directive 2002/92/EC as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

## **RATINGS**

We have 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. We cannot assure you that the ratings will remain in effect for any given period or that the ratings will not be revised by such rating agencies in the future if in their judgment circumstances so warrant.

## **LEGAL MATTERS**

Certain legal matters with respect to the Bonds will be passed upon for us by Maples and Calder (Hong Kong) LLP as to matters of Cayman Islands law and British Virgin Islands law, Sidley Austin as to matters of Hong Kong, United States federal and New York law and Commerce and Finance Law Offices as to matters of PRC law. Certain legal matters will be passed upon for the Managers by Davis Polk & Wardwell as to matters of United States federal and New York law and King & Wood Mallesons as to matters of PRC law.

## **INDEPENDENT AUDITOR**

The consolidated financial data of the Group as of and for each of the years ended December 31, 2014, 2015 and 2016, included in this offering circular, have been audited by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong. The condensed consolidated financial data of the Group as of and for the six months ended June 30, 2016 and 2017 included in this offering circular have been reviewed by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong.



## GENERAL INFORMATION

### Consents

We have obtained all necessary consents, approvals and authorizations in the Cayman Islands, the British Virgin Islands and Hong Kong in connection with the issue and performance of the Bonds and the Subsidiary Guarantees. The entering into of the Trust Deed and the issue of the Bonds have been authorized by a resolution of our board of directors dated January 30, 2018.

### Litigation

Except as disclosed in this offering circular, there are no legal or arbitration proceedings against or affecting us, any of our subsidiaries or any of our assets, nor are we aware of any pending or threatened proceedings, which are or might be material in the context of this issue of the Bonds or the Subsidiary Guarantees.

### No Material Adverse Change

Except as disclosed in this offering circular, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of our general affairs since June 30, 2017 that is material in the context of the issue of the Bonds.

### Documents Available

Copies of the latest annual reports and interim reports of the Group may be downloaded free of charge from the website of <http://www.hkexnews.hk> and copies of the memorandum and articles of association of the Issuer, the Trust Deed and the Agency Agreement will be made available for inspection, at the Company's principal office in Hong Kong (being 23/F, China Evergrande Centre, No. 38 Gloucester Road, Wanchai, Hong Kong.) during normal business hours or at the principal office of the Trustee upon written notice during normal business hours, so long as any of the Bonds is outstanding.

### Clearing Systems

The Bonds have been accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Bonds is set forth below:

	ISIN	Common Code
The Bonds . . . . .	XS1767800961	176780096

Only Bonds evidenced by a Global Certificate have been accepted for clearance through Euroclear and Clearstream.

### Listing of the Bonds

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Bonds on, the SGX-ST are not to be taken as an indication of the merits of the offering, the Company, the Subsidiary Guarantors or any of their respective associated companies (if any), the Bonds or the Subsidiary Guarantees. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of HK\$2,000,000.

For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Global Certificate is exchanged for definitive Certificates, we will appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption. In addition, in the event that a Global Certificate is exchanged for definitive Certificates, an announcement of such exchange will be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the paying agent in Singapore.

## REGISTERED OFFICES

### *Registered Office*

**China Evergrande Group**  
P.O. Box 309  
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Grand Cayman, KY1-1104  
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### *Place of Business in Hong Kong*

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Wanchai, Hong Kong

## TRUSTEE AND COLLATERAL AGENT

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39/F, Champion Tower  
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Central, Hong Kong

## PAYING AGENT AND TRANSFER AGENT

**Citibank, N.A., London Branch**  
c/o Citibank, N.A. Dublin Branch  
One North Wall Quay  
Dublin 1  
Ireland

## REGISTRAR

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