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CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

ISSUANCE OF ADDITIONAL US\$200 MILLION 9.5% SENIOR NOTES DUE 2022 (TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE US\$1,250 MILLION 9.5% SENIOR NOTES DUE 2022 ISSUED ON 11 APRIL 2019), US\$400 MILLION 10.0% SENIOR NOTES DUE 2023 (TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE US\$450 MILLION 10.0% SENIOR NOTES DUE 2023 ISSUED ON 11 APRIL 2019), AND US\$400 MILLION 10.5% SENIOR NOTES DUE 2024 (TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE US\$300 MILLION 10.5% SENIOR NOTES DUE 2024 ISSUED ON 11 APRIL 2019)

Reference is made to the Announcements. Unless otherwise defined, terms defined in this announcement shall have the same meanings as defined in the Announcements. The Board is pleased to announce that on 15 April 2019, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Credit Suisse in connection with the Additional Notes Issue.

THE PURCHASE AGREEMENT

Date: 15 April 2019

Parties: (i) the Company;
(ii) the Subsidiary Guarantors; and
(iii) Credit Suisse.

Pursuant to the Purchase Agreement, the Company will issue the Additional Notes and Credit Suisse, the lead manager will be the initial purchaser of the Additional Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Credit Suisse is an independent third party and is not a connected person of the Company.

THE ADDITIONAL NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT. THE ADDITIONAL NOTES ARE BEING OFFERED OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN COMPLIANCE WITH REGULATIONS S UNDER THE U.S. SECURITIES ACT AND WILL NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON ABSENT REGISTRATION EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. NONE OF THE ADDITIONAL NOTES WILL BE OFFERED TO THE PUBLIC IN HONG KONG.

PRINCIPAL TERMS OF THE ADDITIONAL NOTES

The principal terms of the Additional Notes are the same as the terms of the Original Notes as set forth in the announcement of the Company dated 8 April 2019, other than the followings:

Issue date

18 April 2019

Offering Price

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

- (a) 100% of the principal amount, plus accrued interest from (and including) 11 April 2019 to (but excluding) 18 April 2019), with respect to the Additional 2022 Notes;
- (b) 100% of the principal amount, plus accrued interest from (and including) 11 April 2019 to (but excluding) 18 April 2019), with respect to the Additional 2023 Notes; and
- (c) 100% of the principal amount, plus accrued interest from (and including) 11 April 2019 to (but excluding) 18 April 2019), with respect to the Additional 2024 Notes.

Notes Offered

Additional 2022 Notes

Subject to certain conditions to completion, the Company will issue the Additional 2022 Notes in an aggregate principal amount of US\$200 million, to be consolidated and form a single series with the Original 2022 Notes. The Additional 2022 Notes will mature on 11 April 2022, unless earlier redeemed in accordance with the terms thereof.

Additional 2023 Notes

Subject to certain conditions to completion, the Company will issue the Additional 2023 Notes in an aggregate principal amount of US\$400 million, to be consolidated and form a single series with the Original 2023 Notes. The Additional 2023 Notes will mature on 11 April 2023, unless earlier redeemed in accordance with the terms thereof.

Additional 2024 Notes

Subject to certain conditions to completion, the Company will issue the Additional 2024 Notes in an aggregate principal amount of US\$400 million, to be consolidated and form a single series with the Original 2024 Notes. The Additional 2024 Notes will mature on 11 April 2024, unless earlier redeemed in accordance with the terms thereof.

Certain temporary securities law transfer restrictions

The Additional Notes will be subject to certain temporary securities law transfer restrictions.

REASONS FOR THE ADDITIONAL NOTES ISSUE

The Company was founded in 1996 in Guangzhou, Guangdong Province, and gradually developed into a large-scale diversified group with “properties for the people” as its core foundation, cultural tourism and healthcare as supplemental growth businesses and high-tech industry as its emerging segment. It ranked 230th in the Fortune Global 500 in 2018. In recent years, the Company steadfastly transformed its development model from “large scale” to “scale+profitability”; and shifted its operating model from “three-high, one-low”, namely high debt, high leverage, high cost and low turnover, to “three-low, one-high”, namely low debt, low leverage, low cost and high turnover, achieving remarkable results.

The Additional Notes Issue is being undertaken by the Group to refinance existing indebtedness and for capital expenditures of the Group, with the remainder for general corporate purposes.

LISTING

The Original Notes are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Applications will be made to the SGX-ST for the listing and quotation of the Additional Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made,

opinions expressed or reports contained herein. Approvals in-principle from, admission to the Official List of, and listing and quotation of the Additional Notes on, the SGX-ST are not to be taken as an indication of the merits of the offering, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective associated companies (if any), the Original Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any).

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

RATING

The Original Notes are rated B2 by Moody's Investors Service, or Moody's, and B by Standard & Poor's Ratings Services, or S&P. The Company has also been assigned a corporate family rating of B1 with a positive outlook by Moody's and a rating of B+ with a positive outlook by S&P. The Additional Notes are expected to be rated "B" by Standard & Poor's Ratings Services and "B2" by Moody's Investors Service.

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

DEFINITIONS

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

“Additional 2022 Notes”	US\$ denominated senior notes due 2022 in the aggregate amount of US\$200 million to be issued by the Company (to be consolidated and form a single series with the 2022 Notes);
“Additional 2023 Notes”	US\$ denominated senior notes due 2023 in the aggregate amount of US\$400 million to be issued by the Company (to be consolidated and form a single series with the 2023 Notes);
“Additional 2024 Notes”	US\$ denominated senior notes due 2024 in the aggregate amount of US\$400 million to be issued by the Company (to be consolidated and form a single series with the 2024 Notes);
“Announcements”	the announcements dated 8 April 2019 in relation to the issue of the Original Notes and the announcement dated 15 April 2019 in relation to the proposed Additional Notes Issue;
“Original 2022 Notes”	the 9.50% senior notes due 2022 in the aggregate principal amount of US\$1,250 million issued by the Issuer on 11 April 2019;
“Original 2023 Notes”	the 10.0% senior notes due 2023 in the aggregate principal amount of US\$450 million issued by the Issuer on 11 April 2019;

“Original 2024 Notes”	the 10.50% senior notes due 2024 in the aggregate principal amount of US\$300 million issued by the Issuer on 11 April 2019;
“Original Notes”	the Original 2022 Notes, the Original 2023 Notes and the Original 2024 Notes; and
“Purchase Agreement”	the purchase agreement entered into between, among others, the Company, the Subsidiary Guarantors and Credit Suisse in relation to the Additional Notes Issue.

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

Hong Kong, 15 April 2019

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.