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PROPOSED ISSUANCE OF US\$ DENOMINATED SENIOR NOTES BY SCENERY JOURNEY LIMITED

PROPOSED NOTES ISSUE

The Issuer proposes to conduct an international offering of US\$ denominated senior notes. The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by Tianji Holding and by certain other subsidiaries of the Company organized outside the PRC. The Notes will benefit from a keepwell and equity interest purchase undertaking from Hengda Real Estate.

Hengda Real Estate as the keepwell and equity interest purchase undertaking provider, Tianji Holding as the parent guarantor, the Issuer and Citicorp International Limited as trustee of the Notes (“**Trustee**”) will enter into a keepwell and equity interest purchase agreement (the “**Keepwell and EIPU**”).

Pursuant to the Keepwell and EIPU, Hengda Real Estate will agree that it shall cause (i) (x) Tianji Holding to have a consolidated net worth of at least RMB1.0 billion at all times and (y) the Issuer, each Subsidiary Guarantor and each JV Subsidiary Guarantor (if any) to have a consolidated net worth of at least US\$1.00 at all times, (ii) the Issuer, Tianji Holding, each Subsidiary Guarantor and each JV Subsidiary Guarantor (if any) to have sufficient liquidity to ensure timely payment by such entity of any amounts payable in respect of the Notes or the guarantees in accordance with their terms of

payment as and when due and (iii) each of Tianji Holding, the Issuer, each Subsidiary Guarantor and each JV Subsidiary Guarantor (if any) shall remain solvent and a going concern at all times under the laws of their respective jurisdictions of incorporation or applicable accounting standards.

The Keepwell and EIPU does not constitute a guarantee by Hengda Real Estate of the payment obligation of the Issuer under the Notes. The performance by Hengda Real Estate of its obligations under the Keepwell and EIPU may be subject to necessary approvals, consents, licenses, orders, permits and any other authorizations from the relevant approval authorities.

Details of the Proposed Notes Issue, including the aggregate principal amount, the offer price and interest rates for the Notes will be determined through a book-building exercise conducted by Credit Suisse, UBS and BofA Securities as the joint global coordinators, joint lead managers and joint bookrunners. Upon finalising the terms and conditions of the Notes, it is expected that Credit Suisse, UBS and BofA Securities as the initial purchasers, Hengda Real Estate as Keepwell and EIPU provider, Tianji Holding as parent guarantor, the Issuer and the Subsidiary Guarantors will enter into the Purchase Agreement. The pricing and completion of the Proposed Notes Issue is subject to market conditions and investor interests.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT. THE NOTES ARE BEING OFFERED OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN COMPLIANCE WITH REGULATIONS S UNDER THE U.S. SECURITIES ACT AND WILL NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON ABSENT REGISTRATION EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

NONE OF THE NOTES WILL BE OFFERED TO THE PUBLIC IN HONG KONG.

REASONS FOR THE PROPOSED NOTES ISSUE

The Company was founded in 1996 in Guangzhou, Guangdong Province, and has established an overall industry layout leveraging in real estate development as its foundation, developing cultural tourism and health and wellbeing management industries as complementary pillars, and focusing in new energy vehicle as a lead growth driver. It ranked 138th in the Fortune Global 500 in 2019.

The Proposed Notes Issue is being undertaken by the Group mainly to refinance its existing indebtedness and for general corporate purposes.

LISTING

Applications will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approvals in-principle from, admission to the Official List of,

and the listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the offering, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective associated companies (if any).

EXPRESSION OF INTEREST TO PURCHASE NOTES BY CONNECTED PERSONS

Pursuant to the Proposed Notes Issue, Mr. Hui Ka Yan, the chairman and executive director of the Company, and other affiliates of the Company have expressed interest to subscribe the Notes to signify their confidence in and support to the Group. Further details in respect of their subscriptions will be separately announced if and when they elect to participate in the Proposed Notes Issue.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are reminded to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

DEFINITIONS

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

“Board”	the board of Directors;
“BofA Securities”	Merrill Lynch (Asia Pacific) Limited;
“Company”	China Evergrande Group, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Credit Suisse”	Credit Suisse (Hong Kong) Limited;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;

“Hengda Real Estate”	恒大地產集團有限公司 (Hengda Real Estate Group Co., Ltd), a company established in the PRC with limited liability, a non-wholly owned subsidiary of 廣州市凱隆置業有限公司 (Guangzhou Kailong Real Estate Company Limited), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issuer”	Scenery Journey Limited 景程有限公司, a company incorporated with limited liability in the British Virgin Islands, an indirectly wholly-owned subsidiary of the Company and the issuer of the Notes;
“JV Subsidiary Guarantors”	subsidiaries of the Company that will provide limited-recourse guarantee for the Notes;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	the one or more series of US\$ denominated senior notes proposed to be issued by the Issuer;
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposed Notes Issue”	the proposed issue of the Notes by the Issuer;
“Purchase Agreement”	the purchase agreement proposed to be entered into between, among others, Credit Suisse, UBS, BofA Securities, Hengda Real Estate, Tianji Holding, the Issuer, the Subsidiary Guarantors in relation to the Proposed Notes Issue;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantors”	the subsidiaries of Tianji Holding which guarantee the Notes;
“Tianji Holding”	Tianji Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Hengda Real Estate;
“UBS”	UBS AG Hong Kong Branch (UBS AG is incorporated in Switzerland with limited liability);

“US Securities Act”

The United States Securities Act of 1933, as amended; and

“US\$”

United States dollar, the lawful currency of the United States of America.

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

Hong Kong, 21 January 2020

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