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CHINA EVERGRANDE GROUP

中 國 恒 大 集 團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

FURTHER ANNOUNCEMENT IN RESPECT OF (1) EXCHANGE OFFER FOR OUTSTANDING SENIOR NOTES

(i) 8.75% SENIOR NOTES DUE 2018 (ISIN (144A/Reg S): US300151AB32/USG3225AAD57, Common Code (144A/Reg S): 098624279/098129359, CUSIP (144A/Reg S): 300151AB3/G3225AAD5)

(ii) 12.0% SENIOR NOTES DUE 2020 (ISIN (Reg S): XS1165146488, Common Code (Reg S): 116514648)

(iii) 7.80% SENIOR PRIVATE NOTES DUE 2019 (ISIN (Reg S): XS1342921993, Common Code (Reg S): 134292199)

(iv) 8.0% SENIOR NOTES DUE 2019 (ISIN (Reg S): XS1344520561, Common Code (Reg S): 134452056)

AND

(2) PROPOSED ISSUANCE OF NEW NOTES

Reference is made to the announcement of the Company dated 8 June 2017 (the "**Announcement**"). Unless otherwise defined, terms used in this announcement shall have the same meaning as used in the Announcement.

In consideration of the US Federal Reserve increasing the interest rate by 0.25%, in order to maintain the friendly and mutually beneficial relationship between the Company and the investors, the management decided to fix the final interest rate of the New Notes as follows:

New 2021 Notes	:	6.25%
New 2023 Notes	:	7.50%
New 2025 Notes	:	8.75%

The Company will make a further announcement in respect of the New Notes and the results of the Exchange Offer in due course.

Shareholders, holders of the Old Notes and potential investors should note that completion of the Exchange Offer and the concurrent issue of the New Notes remains subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer and the issue of the New Notes as set forth in the Exchange Offer Memorandum and summarised in the Announcement. No assurance can be given that the Exchange Offer and the concurrent issue of the New Notes will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer and the issue of the New Notes with or without conditions.

The Company may, at its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer and the concurrent issue of the New Notes. As the Exchange Offer and the issue of the New Notes may or may not proceed, shareholders, holders of the Old Notes and potential investors should exercise caution when dealing in the shares of the Company or the Old Notes.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. The Company shall not be responsible for any violation of the restrictions applicable to any jurisdiction.

IMPORTANT NOTICE – THE EXCHANGE OFFER IS AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS (WITHIN THE MEANING OF REGULATION S) AND ARE OUTSIDE THE UNITED STATES. U.S. PERSONS (AS DEFINED UNDER REGULATION S); PERSONS ACTING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER THE EXISTING NOTES IN THE EXCHANGE OFFER.

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

Hong Kong, 16 June 2017

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