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Evergrande Real Estate Group Limited

恒大地产集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

**CONSENT SOLICITATIONS IN RELATION TO
13% SENIOR NOTES DUE 2015 AND
RMB DENOMINATED US\$ SETTLED 9.25% SENIOR NOTES DUE 2016**

The board of directors (the “**Board**”) of Evergrande Real Estate Group Limited (the “**Company**”) hereby announces the following proposals:

- (1) a solicitation of consents to certain proposed amendments to the indenture, dated January 27, 2010 (as amended or supplemented to the date hereof, the “**2015 Indenture**”), by and among the Company, the subsidiary guarantors thereto, and Citicorp International Limited, as trustee, governing its 13% Senior Notes due 2015 (CUSIP: 300151 AA5, ISIN: US300151AA58, Common Code: 048317278 (Rule 144A) and CUSIP: G3225A AA1, ISIN: USG3225AAA19, Common Code: 048284361 (Reg S) (the “**2015 Notes**”)) (such solicitation, as may be amended or supplemented, the “**2015 Consent Solicitation**”), and
- (2) a solicitation of consents to certain proposed amendments to the indenture, dated January 19, 2011 (as amended or supplemented to the date hereof, the “**2016 Indenture**”, together with the 2015 Indenture, the “**Indentures**”), by and among the Company, the subsidiary guarantors thereto, and Citicorp International Limited, as trustee and as collateral agent, governing its RMB denominated

US\$ settled 9.25% Senior Notes due 2016 (ISIN: XS0576382492, Common Code: 057638249 (Reg S) (the “**2016 Notes**”)) (such solicitation, as may be amended or supplemented, the “**2016 Consent Solicitation**”, together with the 2015 Consent Solicitation, the “**Consent Solicitations**”). The proposed amendments to the 2015 Indenture and the proposed amendments to the 2016 Indenture are hereinafter referred to as the “**Proposals**”.

The 2015 Consent Solicitation will be on the terms and subject to the conditions set forth in the consent solicitation statement dated January 6, 2014 (as may be amended or supplemented, the “**2015 Consent Solicitation Statement**”) and the related consent form (as the same may be amended, the “**2015 Consent Form**”). The 2016 Consent Solicitation will be on the terms and subject to the conditions set forth in the consent solicitation statement dated January 6, 2014 (as may be amended or supplemented, the “**2016 Consent Solicitation Statement**”, together with the 2015 Consent Solicitation Statement, the “**Consent Solicitation Statements**”).

Unless otherwise defined herein, capitalized terms used in this announcement have the same meanings given to them in the Consent Solicitation Statements.

The principal purpose of the Consent Solicitations and the Proposals is to obtain the consent of the holders of at least a majority in aggregate principal amount of each of the outstanding 2015 Notes and 2016 Notes to amend certain provisions in the 2015 Indenture and the 2016 Indenture, respectively, to bring the Indentures into conformity with the terms of our recently issued 8.75% Senior Notes Due 2018 (the “**2018 Notes**”). The terms of the 2018 Notes were based on the covenant package for the 2015 Notes and the 2016 Notes, which were issued in January 2010 and January 2011, respectively, and were based on our business plans at the time. We made some modifications in the 2018 Notes to update the covenant package based on our current and anticipated business needs and to take advantage of market developments in “high-yield” notes covenants in recent years, which would enable us to pursue business opportunities that may not otherwise be available to us and to better suit the status of our development and our business needs. The Proposals include:

- (i) Amendments in relation to Subsidiary Guarantees, JV Subsidiary Guarantees and Share Pledges;
- (ii) Amendments in relation to Indebtedness, Investments and Liens;
- (iii) Amendments to the definition of “Consolidated EBITDA” and related definitions;
- (iv) Additional amendments in relation to the “Limitation on Restricted Payments” covenant;
- (v) Additional amendments in relation to the “Limitation on Liens” covenant;
- (vi) Amendments in relation to the “Limitation on Transactions with Shareholders and Affiliates” covenant;
- (vii) Amendments in relation to the “Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries” covenant;

- (viii) Amendments in relation to the “Limitation on Asset Sales” covenant;
- (ix) Amendments in relation to the “Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries” covenant;
- (x) Amendments in relation to the “Limitation on Sale and Leaseback Transactions” covenant;
- (xi) Amendments to the definition of “Total Assets”; and
- (xii) Amendments to the “Events of Default” provision.

The Company is also seeking to clarify and amend certain provisions and definitions to conform to the 2018 Notes and to introduce related definitions in the Indentures.

The record date for the determination of holders entitled to give consents under both Consent Solicitations is 5:00 p.m., New York City time, on January 6, 2014. Both Consent Solicitations will expire at 5:00 p.m., New York City time, on January 17, 2014, unless extended or terminated by the Company. The Company is offering to the holders of record of the 2015 Notes as of the record date a consent fee of US\$3.75 for each US\$1,000 in principal amount of 2015 Notes in respect of which such holder has validly delivered (and has not validly revoked) a consent on or prior to the expiration of the 2015 Consent Solicitation. The Company is offering to the holders of record of the 2016 Notes as of the record date a consent fee of the U.S. Dollar Settlement Amount (as defined in the 2016 Consent Solicitation Statement) of RMB37.50 for each RMB10,000 in principal amount of 2016 Notes in respect of which such holder has validly delivered (and has not validly revoked) a consent on or prior to the expiration of the 2016 Consent Solicitation. The Company’s obligation to accept consents and pay the consent fees under the 2015 Consent Solicitation and the 2016 Consent Solicitation is conditioned on the receipt of requisite consents to amend both the 2015 Indenture and the 2016 Indenture and the other conditions more fully described in the Consent Solicitation Statements. The Company may, in its sole discretion, waive any of the conditions, in whole or in part, or otherwise amend the Consent Solicitations at any time prior to the acceptance of consents.

For a detailed statement of the terms and conditions of the Consent Solicitations and the Proposals, holders of the 2015 Notes should refer to the 2015 Consent Solicitation Statement and related documents, and holders of the 2016 Notes should refer to the 2016 Consent Solicitation Statement. The applicable Consent Solicitation Statement will be distributed to the holders of the 2015 Notes and the 2016 Notes by D.F. King & Co., Inc., the Information and Tabulation Agent for the Consent Solicitations. The Company has engaged J.P. Morgan Securities plc to act as the solicitation agent (the “**Solicitation Agent**”) for the Consent Solicitations. Questions from holders of the 2015 Notes and the 2016 Notes regarding the Consent Solicitations may be directed to the Solicitation Agent for the Consent Solicitation, at 25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom, telephone: +852 2800 7662, email: liability_management_asia@jpmorgan.com. Requests for additional copies of any of the Consent Solicitation Statements should be directed to the Information and Tabulation Agent (email: evergrande@king-worldwide.com; telephone: +44 207 920 9700 or +1 (212) 269-5550; www.king-worldwide.com/evergrande).

This announcement is not a solicitation of consents with respect to any 2015 Notes or 2016 Notes. The Consent Solicitations are being made solely pursuant to the respective Consent Solicitation Statements and related documents, each dated January 6, 2014 which sets forth in detail the terms of the Consent Solicitations, respectively.

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.

FORWARD-LOOKING INFORMATION

Forward-looking statements in this announcement, including those statements relating to the Consent Solicitations, such as the scheduled expiration date, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the 2015 Notes and/or the 2016 Notes; changes in the business and financial condition of the Company and its subsidiaries; changes in the debt markets in general; and the occurrence of events specified in the Consent Solicitations that would trigger a condition permitting termination or amendment of the Consent Solicitations.

By Order of the Board
Evergrande Real Estate Group Limited
Hui Ka Yan
Chairman

Hong Kong, January 6, 2014

As at the date of this announcement, the executive Directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Mr. Li Gang, Mr. Tse Wai Wah, Mr. Xu Wen and Mr. Lai Lixin, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.