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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)

PROPOSED ISSUE OF US\$ SENIOR NOTES

The Company proposes to conduct an international offering of US\$ senior notes.

The pricing of the proposed Notes, including the aggregate principal amount, the offer price for the Notes and interest rates, will be determined through a book building exercise conducted by J.P. Morgan as the sole global coordinator and J.P. Morgan, Credit Suisse, Deutsche Bank and China Merchants Securities (HK) as the joint lead managers and the joint bookrunners. Upon finalizing the terms of the Notes, J.P. Morgan, Credit Suisse, Deutsche Bank, China Merchants Securities (HK) and the Company will enter into the Purchase Agreement.

The Company intends to use the proceeds of the Notes to refinance the existing indebtedness of the Group.

Application has been made for the listing of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST 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) or the Notes.

As the Proposed Notes Issue may or may not materialize, investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

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

THE PROPOSED NOTES ISSUE

Introduction

The Company proposes to conduct an international offering of US\$ senior fixed rate notes.

The pricing of the proposed Notes, including the aggregate principal amount, the offer price for the Bonds and interest rates, will be determined through a book building exercise conducted by J.P. Morgan as the sole global coordinator and J.P. Morgan, Credit Suisse, Deutsche Bank and China Merchants Securities (HK) as the joint lead managers and the joint bookrunners. The completion of the Proposed Notes Issue is subject to market conditions and investor interest. Upon finalizing the terms of the Notes, J.P. Morgan, Credit Suisse, Deutsche Bank, China Merchants Securities (HK) and the Company will enter into the Purchase Agreement, pursuant to which J.P. Morgan, Credit Suisse, Deutsche Bank and China Merchants Securities (HK) will be the initial purchasers of the Notes. The Company will make further announcement in respect of the Proposed Notes Issue upon the execution of the Purchase Agreement.

The Notes have not been and will not be registered under the U.S. Securities Act. The Notes will only be offered and sold by the initial purchasers to non-U.S. persons (as defined under Regulation S) outside the United States (as defined under Regulation S) in offshore transactions in reliance on Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong or be placed to any connected person of the Company.

Use of Proceeds for the Notes Issue

The Proposed Notes Issue is being undertaken to refinance the existing indebtedness of the Group.

Listing

Application has been made for the listing of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST 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) or the Notes.

Recent Development

Other New Business

To diversify the Group's business, the Group has recently taken initiatives or made plans to expand into, among others, grain and oil and dairy products industries.

Grain and Oil

In 2014, the Group has entered into the grain and oil business through its subsidiary, Evergrande Grain & Oil Group, after acquiring a number of companies that engaged in the production of rice, soybean and other mixed grains. The Group initiated its grain and oil operation through processing facilities and storages in several locations in Inner Mongolia Autonomous Region and Heilongjian province.

Dairy Products

To take advantage of China's growing demand for high-quality milk formula and powder products, the Group established its dairy product operations in October 2014 through the acquisition of a majority interest in a New Zealand-based dairy product manufacturer, which specializes in infant milk formulas, adult milk powder products and organic milk powder products.

Other Development

In February 2015, the Group entered into a strategic cooperation agreement with the Postal Savings Bank of China. Pursuant to the agreement, the Postal Savings Bank of China will offer the Group an uncommitted credit line of RMB20 billion, subject to additional loan agreements for drawdowns. In addition, the Group expects to enter into a similar strategic cooperation agreement with the Agricultural Bank of China to receive an uncommitted credit line of RMB20 billion, which will also require additional loan agreements for drawdowns.

GENERAL

As the Proposed Notes Issue may or may not materialize, investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

A 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;
“China Merchants Securities (HK)”	China Merchants Securities (HK) Co., Limited, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue;

“Company”	Evergrande Real Estate Group Limited, a 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 Securities (Europe) Limited, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue;
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“J.P. Morgan”	J.P. Morgan Securities plc, the sole global coordinator, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Initial Purchasers”	J.P. Morgan, Credit Suisse, Deutsche Bank and China Merchants Securities (HK);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	US\$ senior notes to be issued by the Company;
“PRC”	the People’s Republic of China;
“Proposed Notes Issue”	the proposed issue of the Notes by the Company;
“Purchase Agreement”	the agreement proposed to be entered into between the Company, J.P. Morgan, Credit Suisse, Deutsche Bank and China Merchants Securities (HK) in relation to the Proposed Notes Issue;
“Securities Act”	the United States Securities Act of 1933, as amended;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“US\$”	United States dollars, the lawful currency of the United States of America.

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

Hong Kong, 10 February 2015

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