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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 8% US\$ SENIOR NOTES DUE 2019

The Company proposes to conduct an international offering of 8% US\$ senior notes due 2019.

The pricing of the proposed Notes, including the aggregate principal amount and the offer price for the Notes will be determined through a book building exercise conducted by Credit Suisse, China Merchants Securities (HK) and Haitong International as the joint lead managers and the joint bookrunners. Upon finalising the terms of the Notes, Credit Suisse, China Merchants Securities (HK), Haitong International and the Company, among others, will enter into the Purchase Agreement.

The Company intends to use the proceeds of the Notes to refinance the existing indebtedness of the Group and for general working capital purposes.

The Company intends to seek a listing of the Notes on the SGX-ST. An approval in principle has been received for the listing of the Notes on the SGX-ST.

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.

THE PROPOSED NOTES ISSUE

Introduction

The Company proposes to conduct an international offering of 8% US\$ senior fixed rate notes due 2019.

The pricing of the proposed Notes, including the aggregate principal amount and the offer price for the Notes will be determined through a book building exercise conducted by Credit Suisse, China Merchants Securities (HK) and Haitong International as the joint lead managers and the joint bookrunners. Completion of the Proposed Notes Issue is subject to market conditions and investor interests. Upon finalising the terms of the Notes, Credit Suisse, China Merchants Securities (HK), Haitong International and the Company, among others, will enter into the Purchase Agreement, pursuant to which Credit Suisse, China Merchants Securities (HK) and Haitong International 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, or the securities laws of any state of the United States or other jurisdictions, and will not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities law in the United States. None of the Notes will be offered to the public in Hong Kong.

Reason for the Proposed Notes Issue

The Group is one of the largest developers of quality residential property projects and one of the leaders in adopting a standardized operational model to manage its various projects in different cities across China. Founded in Guangzhou, Guangdong Province, in 1996, the Group has become a leading national property developer through economies of scale and widely recognized brand name under the leadership of its management team. Over the years, the Group's focus on a centralized management system, a standardized operational model and quality products has allowed the Group to quickly replicate its success across China. The Group focuses primarily on provincial capitals and other selected cities that the Group believes to have high-growth potential. The Group continues to improve its geographical mix by focusing on replenishment of quality land reserves and taking a balanced approach to the distribution of land reserves among first-, second- and third-tier cities. The Group's land reserves cover most of the provincial capitals and municipalities in the PRC. Through its standardized operational model, the Group has been able to simultaneously manage projects in various development and sale stages in 154 cities across the PRC as of 30 June 2015.

The Proposed Notes Issue is being undertaken to refinance the existing indebtedness of the Group and for general working capital purposes.

Listing

The Company will seek a listing of the Notes on the SGX-ST. An approval in principle has been received for the listing of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. No listing of the Notes has been sought in Hong Kong.

RECENT DEVELOPMENTS

In addition to the announcements made by the Company, the Company would like to provide the shareholders of the Company and investors with the following updates on the development of the Company:

Newly acquired land since 30 June 2015

Set forth below are our major land acquisitions through government-organized auction and the listing-for-sale process and by acquiring equity interests in project companies that hold land use rights since 30 June 2015.

(1) Beijing Fangshan Project

We acquired this project in Beijing in July 2015 for a total land premium of RMB1,570.0 million. The project occupies a total site area of 66,677 square meters with an aggregate total gross floor area (“GFA”) of 143,831 square meters.

(2) Chongqing Zhongyu Project

We acquired this project in Chongqing in July 2015 for a total land premium of RMB5,500.0 million. The project occupies a total site area of 242,978 square meters with an aggregate total GFA of 1,119,828 square meters.

(3) Sanjiang Project

We acquired this project in Hubei in September 2015 for a total land premium of RMB4,788.7 million. The project occupies a total site area of 2,012,300 square meters with an aggregate total GFA of 2,259,600 square meters.

(4) Chengdu Huazhi Project

We acquired this project in Chengdu in July 2015 for a total land premium of RMB5,200.0 million. The project occupies a total site area of 129,532 square meters with an aggregate total GFA of 374,039 square meters.

(5) *Evergrande Palace Liuzhou*

We acquired this project in Liuzhou in September 2015 for a total land premium of RMB2,037.9 million. The project occupies a total site area of 213,110 square meters with an aggregate total GFA of 501,269 square meters.

(6) *Chongqing Yulong Tianfeng Project*

We acquired this project in Chongqing in October 2015 for a total land premium of RMB5,740.0 million. The project occupies a total site area of 205,134 square meters with an aggregate total GFA of 1,029,874 square meters.

Update on indebtedness and other obligations

Since 30 June 2015, the Group has incurred additional debt in its ordinary course of business to finance the operations of the Group and to refinance its short-term debt. Subsequent to 30 June 2015 and as of 25 December 2015, the Group has incurred additional material borrowings (net of repayments) in the aggregate amount of not less than RMB80.0 billion (US\$12.9 billion).

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;
“China Merchants Securities (HK)”	China Merchants Securities (HK) Co., Limited, one of the joint lead managers and joint bookrunners in respect of the Proposal Notes Issue;
“Company”	Evergrande Real Estate Group, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Credit Suisse”	Credit Suisse Securities (Europe) Limited, 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;
“Haitong International”	Haitong International Securities Company Limited, 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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	8% US\$ senior Notes due 2019 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, among others, the Company, Credit Suisse, China Merchants Securities (HK) and Haitong International 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, 11 January 2016

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