

You may find our forecasted net profit attributable to our shareholders for the year ending December 31, 2009 in the section entitled “Financial Information — Profit forecast for the year ending December 31, 2009” in this prospectus.

(A) BASES AND ASSUMPTIONS

We set forth below our profit forecast solely in respect of our net forecasted consolidated profit for the year ending December 31, 2009. However, our actual results of 2009, including the actual net profit, will still be subject to market conditions and our operations in the next three months. Based on the contracted sales and overall construction progress of properties under development as of September 30, 2009, we were on track to meet our 2009 profit forecast for the year ending December 31, 2009. In order to assist you in understanding the basis of our profit forecast, we set out additional information in respect of our top 10 projects that will contribute approximately 70% of our forecasted revenue for the year ending December 31, 2009.

Basis of Preparation

Our Directors prepared the forecast of our net consolidated profit attributable to our shareholders for the year ending December 31, 2009 based on our audited consolidated results for the year ended December 31, 2008 and the six months ended June 30, 2009, the unaudited management accounts for the three months ended September 30, 2009, and the forecast of our consolidated results for the remaining three months of the year ending December 31, 2009. The forecast for the year ending December 31, 2009 has been prepared on the basis of accounting policies consistent with those adopted for the purpose of the Accountants’ Report in Appendix I to this prospectus and the assumptions set forth below.

Principal Assumptions for the Profit Forecast

We set forth below the principal assumptions adopted by our Directors in preparing the profit forecast:

- there will be no material changes in the existing governmental policies as well as political, legal, financial or economic conditions in China, Hong Kong or any other jurisdiction in which we currently operate or which are otherwise material to our operations;
- with respect to the real estate industry in particular, the PRC government will not impose material changes or additional austerity measures to dampen sales or prices of the PRC real estate market;
- there will be no changes in laws, rules or regulations or in contractual arrangements between the governmental authorities with us in the jurisdictions in which we operate, which may materially adversely affect our business;
- there will be no material changes in the bases or rates of taxation in the jurisdictions in which we operate, except as otherwise disclosed in this prospectus;

- there will be no material changes in interest rates or foreign currency exchange rates from those currently prevailing; and
- in respect of the calculation of the capital value of our investment properties as of December 31, 2009:
 - the current financial, economic and political conditions in China that are material to the rental income generated by our investment properties will remain unchanged;
 - the principal terms and conditions pursuant to which our investment properties are being operated will remain unchanged; and
 - the leases relating to our investment properties will be renewed upon their expiration on normal commercial terms.

Such specific assumptions are consistent with those in the valuation undertaken by CB Richard Ellis Limited, an independent property valuer. The investment properties were valued by CB Richard Ellis Limited as of September 30, 2009 and their valuation is set out in “Appendix IV — Property Valuation Report” to this prospectus.

The independent valuer, CB Richard Ellis Limited, has adopted a direct comparison approach by assuming sales of each of these property interests in its current state with the benefit of vacant possession with references to comparable sale transactions available in the relevant markets. The independent valuer has also adopted a capitalization approach taking into account the rental income of the properties derived from the existing leases or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have then been capitalized to determine the market value at an appropriate capitalization rate.

We arrived at the estimated fair value gain or loss on investment properties based on (i) the market value of such investment properties as of September 30, 2009 valued by the independent valuer, and (ii) our estimated capital value as of December 31, 2009 based on the anticipated property-specific market trends of the properties projected by the independent valuer. Such estimates rely on certain property valuation techniques that involve estimates of comparable sales in the relevant market, current market rental and the forecasted rental movement for similar properties in a similar location and condition. Based on these estimates, we forecast that the retail property and carpark market in our current operational jurisdictions will remain stable in the fourth quarter of 2009, with the rental and capital value to appreciate in a range of 0–2%. The fair value of our investment properties as of December 31, 2009, and in turn any fair value change, will continue to be dependent on market conditions and other factors beyond our control, and be based on the market movement and other assumptions that are, by their nature, subjective and uncertain.

Under HKFRS, changes in the fair value of investment properties are reflected in our consolidated income statement and accounted for as “Fair value gains/losses on investment properties.”

Summary of Property Development of Top 10 Projects

We set forth below a summary of the property development projects or project phases as of September 30, 2009 that are projected to jointly contribute approximately 70% of our forecasted revenue for the year ending December 31, 2009. As of September 30, 2009, we had successfully pre-sold 100% of the projects or project phases which were expected to be completed and delivered in 2009.

Top 10 projects/project phases to be delivered in 2009		As of September 30, 2009			Actual/ expected delivery date
		Contracted sales/sales (RMB in thousands)	Pre-sold/ delivered GFA (m ²)	Average selling price for properties pre-sold/ delivered (RMB/m ²)	
1	Evergrande Royal Scenic Peninsula (Phases 1 and 2)	672,674	54,500	12,343	Oct 09
2	Evergrande Splendor Tianjin (Phase 1)	525,338	89,776	5,852	Oct 09
3	Evergrande Scenic Garden (Phase 1) ⁽¹⁾	418,085	74,867	5,584	Sep 09
4	Evergrande Oasis Chengdu (Phase 1)	413,539	82,986	4,983	Dec 09
5	Evergrande City Chengdu (Phase 1)	402,573	86,205	4,670	Dec 09
6	Evergrande Oasis Shenyang (Phase 1)	354,885	83,225	4,264	Oct 09
7	Evergrande Oasis Taiyuan (Phase 1)	244,002	51,930	4,699	Oct 09
8	Evergrande Oasis Nanjing (Phase 1)	265,039	52,163	5,081	Dec 09
9	Evergrande Palace Chongqing (Phase 1) ⁽¹⁾	303,089	47,341	6,402	Sep 09
10	Evergrande Metropolis Xi'an (Phase 1)	83,042	19,093	4,349	Oct 09
	Total	<u>3,682,266</u>	<u>642,086</u>		

(1) This project phase had been completed and delivered as of September 30, 2009.

As of September 30, 2009, the construction progress with respect to the top 10 projects or project phases above was as follows (excluding phase 1 of Evergrande Scenic Garden and phase 1 of Evergrande Palace Chongqing that had been completed and delivered as of September 30, 2009):

Evergrande Royal Scenic Peninsula

Deliveries of Evergrande Royal Scenic Peninsula comprise of villas and seven high-rise residential buildings for phase 1, and four high-rise buildings for phase 2. The villas and seven high-rise residential buildings for phase 1 had been completed and are ready for delivery. We commenced development of the four high-rise buildings for phase 2 in December 2006 and commenced pre-sale in June 2008. As of September 30, 2009, the construction of these buildings had substantially been completed. We expect to complete the construction and commence deliveries of undecorated units in October 2009. You may refer to properties 13, 22 and 37 in "Appendix IV — Property Valuation Report" for additional information.

Evergrande Splendor Tianjin

Deliveries of Evergrande Splendor Tianjin comprise of 366 villas for phase 1. We commenced development of the project in September 2007, and commenced pre-sale in September 2008. As of September 30, 2009, we had completed the main building structure, including part of masonry and plastering work. We had completed the construction and commenced deliveries of some undecorated units in September 2009 and we expect to complete the construction of all remaining units in October 2009. You may refer to properties 34 and 42 in “Appendix IV — Property Valuation Report” for additional information.

Evergrande Oasis Chengdu

Deliveries of Evergrande Oasis Chengdu comprise of 40 condominiums and five high-rise residential buildings for phase 1. The 40 condominiums had been completed and are ready for delivery. We commenced development of the five high-rise buildings in October 2007, and commenced pre-sale in December 2008. As of September 30, 2009, we had completed the main building structure. Decoration and installation work of the public sections are in progress. We expect to complete the construction and commence deliveries in December 2009. You may refer to properties 24 and 51 in “Appendix IV — Property Valuation Report” for additional information.

Evergrande City Chengdu

Deliveries of Evergrande City Chengdu comprise of 42 condominiums and four high-rise residential buildings for phase 1. The 42 condominiums had been completed and are ready for delivery. We commenced development of the four high-rise residential buildings in November 2007 and commenced pre-sale in December 2008. As of September 30, 2009, we had completed the main building structure and substantially all of the decoration and installation work for the public sections. We expect to complete the construction and commence deliveries in December 2009. You may refer to properties 29 and 50 in “Appendix IV — Property Valuation Report” for additional information.

Evergrande Oasis Shenyang

Deliveries of Evergrande Oasis Shenyang comprise of 24 condominiums and high-rise residential buildings for phase 1, among which 20 condominiums and high-rise residential buildings had been completed and are ready for delivery. We commenced development of another four high-rise buildings in January 2008 and commenced pre-sale in April 2008. As of September 30, 2009, we had completed the main building structure, part of the basic installation work, as well as majority of the interior decoration. We expect to complete the construction and commence deliveries in October 2009. You may refer to properties 31, 62 and 87 in “Appendix IV — Property Valuation Report” for additional information.

Evergrande Oasis Taiyuan

Deliveries of Evergrande Oasis Taiyuan comprise of 38 condominiums for phase 1. We commenced development of the project in December 2007 and commenced pre-sale in September 2008. As of September 30, 2009, we had completed the main building structure, and a majority of the decoration for the public sections and interior installations of these 38 buildings. We expect to commence deliveries in October 2009. The decorations for the public sections and interior installations of the remaining buildings had also been substantially completed. We expect to complete the construction and commence deliveries in December 2009. You may refer to properties 43 and 82 in “Appendix IV — Property Valuation Report” for additional information.

Evergrande Oasis Nanjing

Deliveries of Evergrande Oasis Nanjing comprise of 12 condominiums for phase 1. We commenced development of the project in December 2007 and commenced pre-sale in September 2008. As of September 30, 2009, we had completed the main building structure while decoration for the public sections and interior installations are in progress. We expect to complete the construction and commence deliveries in December 2009. You may refer to property 70 in “Appendix IV — Property Valuation Report” for additional information.

Evergrande Metropolis Xi’an

Deliveries of Evergrande Metropolis Xi’an comprise of 18 high-rise residential buildings for phase 1. We commenced development of the project in November 2007 and commenced pre-sale in September 2008. As of September 30, 2009, we had completed the main building structure, as well as the decoration for the public sections and interior installations of six buildings. These six buildings are expected to be completed and ready for delivery in October 2009. Interior design works for the remaining 12 buildings are in progress. We expect to complete the construction and commence deliveries in November 2009. You may refer to property 53 in “Appendix IV — Property Valuation Report” for additional information.

Sensitivity Analysis

As of September 30, 2009, we had successfully pre-sold 100% of the forecasted revenue and most of these projects or project phases had been substantially completed. Therefore, we did not perform sensitivity analysis on targeted average selling price and targeted GFA sold and delivered.

Sensitivity analysis on fair value changes of investment properties

The total forecasted amount of our fair value gain on investment properties for the year ending December 31, 2009 is RMB 831 million and its related deferred taxation expense are RMB 208 million (including the portion attributable to minority interests). The total forecasted fair value gain is primarily due to the addition of a significant amount of investment properties to our investment portfolio. We set forth below, for the periods indicated, information of our investment properties and the forecasted fair value gains in 2009.

Investment properties as of December 31, 2008	Property type	GFA (m²)	Number of units	Forecasted fair value gains in 2009 (RMB)
Jinbi Garden No. 1	Commercial spaces	667		1,100,000
	Car parking spaces		375	1,300,000
Jinbi Garden No. 2	Commercial spaces	901		630,000
	Car parking spaces		88	88,000
Jinbi Garden No. 3	Commercial spaces	1,720		—
	Car parking spaces		189	—
Jinbi Big World	Commercial spaces	15,172		63,800,000
Jinbi City Plaza	Commercial spaces	12,004		47,000,000
	Car parking spaces		190	1,000,000
Jinbi Bay Garden	Car parking spaces		196	—
Jinbi Palace	Commercial spaces	581		1,800,000
	Car parking spaces		309	—
Jinbi New City	Commercial spaces	563		—
	Car parking spaces		352	—
Jinbi Emerald Court	Commercial spaces	8,371		11,200,000
	Car parking spaces		141	300,000
Jinbi Century Garden	Commercial spaces	793		1,000,000
	Car parking spaces		1,251	—
Jinbi Atrium	Car parking spaces		779	—
Jinbi Junhong Garden	Car parking spaces		465	50,000
Subtotal		40,772	4,335	129,268,000
New investment properties in 2009	Property type	GFA (m²)	Number of units	Forecasted fair value gains in 2009 (RMB)
Evergrande Scenic Garden	Car parking spaces		1,643	149,951,932
Evergrande City Chongqing	Car parking spaces		915	57,429,060
Evergrande Metropolis Xi'an	Car parking spaces		601	32,722,481
Evergrande Oasis Xi'an	Car parking spaces		225	11,392,317
Evergrande Oasis Shenyang	Commercial spaces	34,704		225,882,752
Evergrande Oasis Taiyuan	Commercial spaces	2,375		13,487,500
	Car parking spaces		862	40,468,667
Evergrande Royal Scenic Peninsula	Commercial spaces	2,500		12,945,956
	Car parking spaces		276	11,322,000
Jinbi New City Phase 5	Commercial spaces	2,935		40,980,167
	Car parking spaces		935	105,191,168
Subtotal		42,514	5,457	701,774,000
Total fair value gains on investment properties in 2009				831,042,000

The following table illustrates the sensitivity of the net profit attributable to our shareholders (net of deferred tax effect) to different levels of revaluation gains on investment properties for the year ending December 31, 2009:

Percentage changes in revaluation gains or losses on investment properties compared to our estimate	(15%)	(10%)	(5%)	5%	10%	15%
Impact on net profit attributable to our shareholders targeted for the year 2009 (RMB in thousands)	(92,400)	(61,600)	(30,800)	30,800	61,600	92,400

If the estimated revaluation gain of our investment properties increases or decreases by 5%, our net profit attributable to our shareholders for the year ending December 31, 2009 is expected to be approximately RMB 1,063.3 million or RMB 1,001.7 million, respectively, representing an increase or a decrease of 3.0%, respectively, over or from the targeted 2009 net profit attributable to our shareholders.

If the estimated revaluation gain of our investment properties increases or decreases by 10%, our net profit attributable to our shareholders for the year ending December 31, 2009 is expected to be approximately RMB 1,094.1 million or RMB 970.9 million, respectively, representing an increase or a decrease of 6.0%, respectively, over or from the targeted 2009 net profit attributable to our shareholders.

If the estimated revaluation gain of our investment properties increases or decreases by 15%, our net profit attributable to our equity holder for the year ending December 31, 2009 is expected to be approximately RMB 1,124.9 million or RMB 940.1 million, respectively, representing an increase or a decrease of 8.9%, respectively, over or from the targeted 2009 net profit attributable to our shareholders.

You should refer to the risk factor under the section entitled “Risk Factors — Risks Relating to Our Business — The fair value of our investment properties is likely to fluctuate from time to time and may decrease significantly in the future, which may materially adversely impact our profitability” for additional information.

The above illustrations are intended for reference only and any variation could exceed the ranges given. The above sensitivity analyses are not purported to be exhaustive. While we have considered for the purposes of this profit forecast what we believe is the best estimate of the fair value changes of our investment properties for the year ending December 31, 2009, the actual fair value changes of investment properties as of the relevant time may differ materially from our estimates and are dependent on market conditions and other factors which are beyond our control.

Profit Forecast for the Year Ending December 31, 2009

	<u>RMB in millions</u>	
Net forecasted consolidated profit attributable to our shareholders before revaluation of investment properties		417
Revaluation increase on investment properties (net of deferred tax effect)		<u>616</u>
Net forecasted consolidated profit attributable to our shareholders after revaluation of investment properties		<u><u>1,033</u></u>
	Before	After revaluation
	revaluation of	of investment
	investment	properties
	properties	properties
	<u>RMB</u>	<u>RMB</u>
Forecasted earnings per Share on a pro forma fully diluted basis	0.027	0.068

The calculation of the forecasted earnings per Share on a pro forma fully diluted basis is based on the forecasted consolidated profit for the year attributable to our shareholders, assuming that we had been listed since January 1, 2009 and a total of 15,208,000,000 Shares (comprising 15,000,000,000 Shares to be in issue immediately after the Global Offering and 208,000,000 Shares to be issued upon the exercise of all of the options granted under the Pre-IPO Share Option Scheme) had been issued and outstanding during the entire year ending December 31, 2009. This calculation has been prepared on the basis that we will not receive any proceeds from the exercise of any options under the Pre-IPO Share Option Scheme, without taking into account the impact of the fair value of the Shares on computation of the number of potentially dilutive Shares and without taking into account the impact of the fair value of the options under the Pre-IPO Share Option Scheme on the profit forecast for the year ending December 31, 2009.

(B) LETTER FROM OUR REPORTING ACCOUNTANTS

The following is the text of a letter received from PricewaterhouseCoopers, Certified Public Accountants, for the purpose of incorporation in this Prospectus.



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

The Directors
Evergrande Real Estate Group Limited
Merrill Lynch Far East Limited
Goldman Sachs (Asia) L.L.C.

October 22, 2009

Dear Sirs

We have reviewed the calculations of and accounting policies adopted in arriving at the forecast consolidated profit attributable to shareholders of Evergrande Real Estate Group Limited (the "Company") for the year ending December 31, 2009 (the "Profit Forecast") as set out in the subsection headed "Profit Forecast for the year ending December 31, 2009" in the section headed "Financial Information" in the prospectus of the Company dated October 22, 2009 (the "Prospectus").

We conducted our work in accordance with the Auditing Guideline 3.341 "Accountants' report on profit forecasts" issued by the Hong Kong Institute of Certified Public Accountants.

The Profit Forecast, for which the directors of the Company are solely responsible, has been prepared by them based on the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the six months ended June 30, 2009, the unaudited consolidated results of the Group based on management accounts for the three months ended September 30, 2009 and a forecast of the consolidated results of the Group for the remaining three months ending December 31, 2009.

In our opinion, the Profit Forecast, so far as the calculations and accounting policies are concerned, has been properly compiled in accordance with the bases and assumptions made by the directors of the Company as set out on pages III-1 to III-8 of the Prospectus, and is presented on a basis consistent in all material respects with the accounting policies presently adopted by the Group as set out in Note 2 of section II of our accountants' report dated October 22, 2009, the text of which is set out in Appendix I of the Prospectus.

Without qualifying our opinion above, we draw attention to section entitled "Bases and Assumptions" on pages III-1 to III-8 of the Prospectus which sets out the assumptions adopted by the directors of the Company regarding the fair values of the Group's investment properties

as at December 31, 2009. In preparing the Profit Forecast, the directors of the Company have assumed that there will be a credit to the statement of comprehensive income in respect of the revaluation increase, net of the related deferred tax effect, on the investment properties of RMB 616 million, which is estimated based on the respective projected valuations at December 31, 2009. The independent valuer is of the view that the assumptions on the fair values of these investment properties upon which the Profit Forecast is based are reasonable. The directors of the Company have confirmed that the projected valuation of the investment properties at December 31, 2009 has been compiled according to valuation bases which are consistent with those adopted by the Company's independent valuer in valuing these properties as at June 30, 2009. The directors of the Company believe that the fair values of the investment properties are the best estimates as at December 31, 2009. However, the fair values of the investment properties and consequently any revaluation increase or decrease on investment properties as at December 31, 2009 may differ materially from the present estimates as they depend on market conditions as at December 31, 2009 and other future events that are beyond the Group's control. Should the actual increase or decrease in fair value of the investment properties differ from the amount presently estimated by the directors of the Company, such difference would have the effect of increasing or decreasing the consolidated profit attributable to shareholders of the Company for the year ending December 31, 2009.

Yours faithfully
PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

C LETTER FROM THE JOINT SPONSORS

The following is the text of a letter, prepared for inclusion in this prospectus by the Joint Sponsors in connection with the profit forecast of the Group for the year ending December 31, 2009.

BofA Merrill Lynch**Merrill Lynch Far East Limited**

15/F, Citibank Tower
3 Garden Road
Central, Hong Kong

**Goldman
Sachs****Goldman Sachs (Asia) L.L.C.**

68th Floor, Cheung Kong Centre
2 Queen's Road Central
Hong Kong

October 22, 2009

The Directors
Evergrande Real Estate Group Limited

Dear Sirs,

We refer to the forecast (the "**Forecast**") of the consolidated profit attributable to shareholders of Evergrande Real Estate Group Limited (the "**Company**") and its subsidiaries (the "**Group**") for the year ending December 31, 2009 as set out in the subsection headed "Profit Forecast for the Year Ending December 31, 2009" in the section entitled "Financial Information" in the prospectus issued by the Company dated October 22, 2009.

The Forecast, for which the Directors are solely responsible, has been prepared by them based on the audited consolidated results of the Group for the six months ended June 30, 2009 and the unaudited consolidated results based on management accounts of the Group for the three months ended September 30, 2009 and forecast of the consolidated results of the Group for the remaining three months ending December 31, 2009.

We have discussed with you the bases upon which the Forecast has been made. We have also considered the letter dated October 22, 2009 addressed to you and us from PricewaterhouseCoopers regarding the accounting policies and calculations upon which the Forecast has been based.

On the basis of the information comprising the Forecast and on the basis of the account policies and calculations adopted by you and reviewed by PricewaterhouseCoopers, we are of the opinion that the Forecast, for which you as the Directors of the company are solely responsible, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of
Merrill Lynch Far East Limited

For and on behalf of
Goldman Sachs (Asia) L.L.C.

Lee Chen Kwok, John
Managing Director

Alex Schrantz
Managing Director