

**EVERGRANDE REAL ESTATE GROUP LTD:  
AT \$HK3.50 A POP, THE SHARES ARE SELLING  
AT A PRICE-EARNINGS MULTIPLE OF ABOUT 45 TIMES !**

One of the most-interesting aspects of the flotation of Evergrande Real Estate Group Ltd () (Code: 3333, Main Board, The Stock Exchange of Hongkong Ltd) is scanning the number of entities which determined to bail out of the shares of this Company – at the first opportunity so to do.

The tome of a Global Offering Prospectus, dated October 22, 2009, stated that the Company was Offering 1,005,000,000, one-cent (US) Shares at the price of between \$HK3 per Share and \$HK4 per share.

It was announced, last Wednesday, that the Offer Price had been set at \$HK3.50 per Share.

The Selling Shareholders took the opportunity to cash out of the shares that they held in the Company, offloading, in aggregate, 609,935,000 Shares at the Offer Price.

The Global Offering Prospectus, at Appendix VIII-58,59 and 60, lists the Selling Shareholders as being the Chairman's private company, namely, Xin Xin (BVI) Ltd ([BVI]), a wholly owned subsidiary of Evergrande Real Estate Group Ltd, Ever Grace Group Ltd (), a wholly owned subsidiary of Evergrande Real Estate Group Ltd, and what the Global Offering Prospectus has labelled, '*the Structured Secured Loan lenders*'.

This raises the question that, if this Company is as solid as it makes out to be, for what reason were '*the Structured Secured Loan lenders*' so anxious to offload their shares at the time of the Company's IPO?

And, at the same time, for what reason would the Chairman sell part of his shareholdings in the Company?

Without speculating as to the reasons for the not immaterial share sales, the following is copied from the Global Offering Prospectus of Evergrande Real Estate Group Ltd to which **TARGET** () has taken the liberty of including, approximately, how much money had be grossed by the Chairman's private company and '*the Structured Secured Loan lenders*', without, of course, being able to ascertain the net profit, realised by the share sales:

<u>Name of Selling Shareholder</u>	<u>Amount Realised</u>	
	<u>Number of Sale Shares</u>	(\$HK)
Xin Xin (BVI) Ltd	426,036,034	1,491,126,119.00
Ever Grace Group Ltd	16,845,129	58,957,951.50
Credit Suisse, Singapore Branch	77,965,712	272,879,992.00

Apollo Asia Opportunity Master Fund, L.P.	5,209,834	18,234,419.00
Asian CRC Hedge Fund	811,064	2,838,724.00
ACHF (Cayman) Ltd	1,620,191	5,670,668.50
CVI GVF (Lux) Master Sarl	34,732,217	121,562,759.50
GLG Credit Fund	1,736,611	6,078,138.50
GLG Market Neutral Fund	10,419,663	36,468,820.50
Asian Special Finance Hedge Fund	1,041,968	3,646,888.00
Liberty Habor Master Fund I, L.P	4,167,866	14,587,531.00
Norwich Assets Ltd	520,979	1,823,426.50
Shikumen Special Situations Fund	3,125,898	10,940,643.00
TCM Asia Opportunities Master Fund Ltd	1,736,611	6,078,138.50
UBS AG, Singapore Branch	13,892,885	48,625,097.50
Bright Joy Group Ltd	8,335,727	29,175,044.50
VMS Investment Group Ltd	<u>1,736,611</u>	<u>6,078,138.50</u>
<b>Totals :</b>	<b><u>609,935,000</u></b>	<b><u>2,134,775,500.00</u></b>

**TARGET** notes that the Chairman ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*