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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)**

### **DISCLOSEABLE TRANSACTION**

The Board announces that on 29 December 2015, Shengyu (BVI) Limited and Hengda (Jinan) Real Estate Group Company Limited, both being wholly-owned subsidiaries of the Company, as the purchasers, entered into five agreements respectively with the Vendor and its subsidiaries, pursuant to which the Purchaser and Hengda (Jinan) Real Estate Group Company Limited (as the case may be) agreed to acquire the interests in the relevant shares in and loans to the target companies held by the Vendor. The target companies hold equity interests in the Qingdao Project, two pieces of land located at Qingpu, Shanghai, and Beijing Niceline Garden Project.

As the Vendor and its subsidiaries are the sellers in these five agreements, such agreements would need to be aggregated in accordance with Rule 14.22 of the Listing Rules. As the applicable percentage ratios for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the requirements of reporting and announcement under Chapter 14 of the Listing Rules.

#### **1. INTRODUCTION**

The Board announces that on 29 December 2015, Shengyu (BVI) Limited and Hengda (Jinan) Real Estate Group Company Limited, both being wholly-owned subsidiaries of the Company, as the purchasers, entered into five agreements respectively with the Vendor and its subsidiaries, pursuant to which the Purchaser and Hengda (Jinan) Real Estate Group Company Limited (as the case may be) agreed to acquire the interests in the relevant shares in and loans to the target companies held by the Vendor.

## 2. THE ACQUISITION

The principal terms of the Acquisition Agreements are as follows:

### (1) First Acquisition Agreement

Date: 29 December 2015

#### **Parties**

Vendor: Chow Tai Fook Enterprises Limited

Purchaser: Shengyu (BVI) Limited

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the Vendor and its beneficial owner are independent of and not connected with the Company and its connected persons.

#### ***Assets to be acquired***

The entire equity interest in Baojun. Baojun, through Perfect Vantage, holds 50% equity interest in the Qingdao Project Company.

The Qingdao Project Company holds the development project located in Luofushan Road, Huangdao District, Qingdao City, the PRC (the "Qingdao Project").

#### ***Consideration***

The consideration for the acquisition of the equity interest in and loan to Baojun is RMB600,000,000. The consideration for the transaction will be financed by the proceeds from the issue of perpetual securities by the Company to Chow Tai Fook, and the internal resources of the Company. The consideration is determined after arm's length negotiations between the Vendor and the Purchaser with reference to the unaudited net asset value of the target company, the intrinsic value of the project and the amount of the loan to the target company. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the First Acquisition Agreement are fair and reasonable, and the entering into of the First Acquisition Agreement is in the interests of the Company and the shareholders as a whole.

#### ***Payment method***

The consideration will be payable by the Purchaser to the Vendor in the following manner:

RMB600,000,000 (or its HKD equivalent), being the consideration for the transaction, shall be paid on the Completion Date (or such other date as agreed in writing by both parties).

### ***Conditions Precedent***

Completion of the First Acquisition Agreement is subject to the fulfilment or waiver of the following Conditions Precedent:

- (a) the board of directors of the Vendor having approved the Agreement and the transactions thereunder; and
- (b) the boards of directors of the Purchaser and its holding company having approved the Agreement and the transactions contemplated thereunder. If it is so required under the Listing Rules or by Hong Kong Stock Exchange, the ultimate controller of the Purchaser, being Evergrande, will, in compliance with the Listing Rules, pass all necessary shareholders' resolutions (by way of Shareholders' written approval or by an ordinary resolution passed at the general meeting (in case the relevant written approval is not obtained)) to approve the agreement and the transactions contemplated thereunder, comply with other relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals and waivers (if applicable).

If the above Conditions Precedent are not fulfilled or waived by 29 January 2016 (or such other date as agreed by both parties), the First Acquisition Agreement will cease and terminate.

### ***Completion***

Completion of the relevant transaction will take place on 6 January 2016 (or such other date as agreed by the parties), subject to satisfaction (or waiver) of all the Conditions Precedent.

### ***Information on Baojun***

Baojun is a company incorporated in the British Virgin Islands with limited liability. Its authorised capital is USD50,000, divided into 50,000 shares of USD1 each. Baojun through Perfect Vantage holds 50% equity interest in the Qingdao Project Company. Established in Hong Kong, Perfect Vantage is a wholly-owned subsidiary of Baojun. Both Baojun and Perfect Vantage are holding companies and have no other assets and businesses other than to hold the 50% equity interest in Qingdao Project Company.

Upon completion, the Group will hold 100% of the equity interest in Baojun.

## **(2) Second Acquisition Agreement**

Date: 29 December 2015

### **Parties**

Vendor: Tibet Lin Zhi Hui Fu Investment Co., Ltd., an indirect wholly-owned subsidiary of the Vendor

Purchaser: Hengda (Jinan) Real Estate Group Company Limited

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the Vendor and its beneficial owner are independent of and not connected with the Company and its connected persons.

### ***Assets to be acquire***

A 50% equity interest in the Qingdao Project Company.

The Qingdao Project Company holds the Qingdao Project located in Huang Dao District, Qingdao City, the PRC.

### ***Consideration***

The consideration for the acquisition of the 50% equity interest in and loan to Qingdao Project Company is RMB1,400,000,000. The consideration for the transaction will be financed by the internal resources of the Company. The consideration is determined after arm's length negotiations between the Vendor and the purchaser with reference to the unaudited net asset value of the target company, the intrinsic value of the project and the amount of the loan to the target company. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Second Acquisition Agreement are fair and reasonable, and the entering into of the Second Acquisition Agreement is in the interests of the Company and the shareholders as a whole.

### ***Payment method***

The consideration will be payable by the purchaser to the Vendor in the following manner:

RMB1,400,000,000 (or its HKD equivalent), being the consideration for the transaction, shall be paid on the Completion Date (or such other date as agreed in writing by both parties).

### ***Conditions Precedent***

Completion of the Second Acquisition Agreement is subject to the fulfilment or waiver of the following Conditions Precedent:

- (a) the shareholders of the vendor having approved the Second Acquisition Agreement and the transactions thereunder; and
- (b) the Purchaser, by resolutions at the general meeting, having approved the Second Acquisition Agreement and the transactions contemplated thereunder. If it is so required under the Listing Rules or by Hong Kong Stock Exchange, the ultimate controller of the purchaser, being Evergrande, will, in compliance with the Listing Rules, pass all necessary shareholders' resolutions (by way of Shareholders' written approval or by an ordinary resolution passed at the general meeting (in case the relevant written approval is not obtained)) to approve the agreement and the transactions contemplated thereunder, comply with other relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals and waivers (if applicable).

If the above Conditions Precedent are not fulfilled or waived by 29 January 2016 (or such other date as agreed by both parties), the Second Acquisition Agreement will cease and terminate.

### ***Completion***

Completion of the relevant transaction will take place on 6 January 2016 (or such other date as agreed by the parties), subject to satisfaction (or waiver) of all the Conditions Precedent.

### ***Information on Qingdao Project Company***

The Qingdao Project Company was established on 25 April 2007 with a registered capital of RMB1,000,000,000. It holds the Qingdao Project which is located in Huangdao District, Qingdao City, the PRC.

Set out below is the audited financial results of the Qingdao Project Company for the two years ended 31 December 2013 and 2014:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2013</b>	<b>2014</b>
	(Audited)	(Audited)
	<i>RMB</i>	<i>RMB</i>
Net profit/(loss) before tax	(10,577,936)	(11,433,046)
Net profit/(loss) after tax <sup>#</sup>	(10,577,936)	(11,433,046)

As at 31 December 2014, the audited net asset value of the Qingdao Project Company was RMB1,631,728,212.

Upon completion, the Group will hold a 100% equity interest in the Qingdao Project Company.

### ***Information on the Qingdao Project***

The Qingdao Project is located at No.228, Luofushan Road, Huangdao District, Qingdao City, Shandong Province with first class sea view which is to the west of Golden Beach Scenic Zone (金沙灘景區), to the east of Seaside Park of Tangdao Bay (唐島灣濱海公園), and to the south of Seaside Avenue (濱海大道). Currently, the total planned gross floor area is approximately 620,000 square meters (gross floor area of 430,000 square meters above ground), of which approximately 100,000 square meters have been completed, approximately 90,000 square meters are under construction, approximately 430,000 square meters (gross floor area of 290,000 square meters above ground and of 140,000 square meters under ground) are to be developed, and approximately 380,000 square meters are to be sold. The planned property patterns of the project include: townhouses, semi-detached house, high-rise building, commercial facilities, hotel and other ancillary facilities. The aggregate price includes all assets of the Qingdao Project Company, which comprises the completed properties, cost incurred for construction safety, undeveloped properties and cash, among which, the discounted trading price of the properties for future development is RMB2,505 per square meter. In May 2015, the trading price of the land of the similar project was RMB3,338 per square meter, which shall be settled within 30 days. Compared with similar pieces of land and properties in the vicinity, the Qingdao Project is highly attractive in terms of trading price and payment terms.

### ***Reasons and Benefits for the Acquisition***

The existing properties and land under of the Qingdao Project are Golden Beach of Tangdao Bay located in the typical uptown in Huangdao District, Qingdao City, which is quite rare as first class sea view commercial-residential land. With a well-developed road network around, the project is next to Seaside Avenue and Qingdao Technological University at the north. The project is conveniently accessible with five minutes' drive to the district government of Huangdao District and the bustling business zone of Changjiang Road. There are urban business, leisure parks, nursing homes, luxury hotels, elite schools of the province, as well as art & culture in the vicinity of the project providing living function and complete infrastructure. The project is a rare uptown residential community in Shandong Province.

### **(3) Third Acquisition Agreement**

Date: 29 December 2015

#### **Parties**

Vendor: Chow Tai Fook Enterprises Limited  
Purchaser: Shengyu (BVI) Limited

#### ***Assets to be acquire***

The entire equity interest in Charisma City, which holds a 90% equity interest in S.I. Feng Shun BVI, S.I. Feng Shun BVI holds all of the equity interests in S.I. Feng Shun and Shanghai Feng Shun. Shanghai Feng Shun holds a piece of residential land with a floor area of 401,273 square meters located in Qingpu District, Shanghai (“Qingpu Lot G”)

#### ***Consideration***

The consideration for the acquisition of the entire equity interest in and loan to Charisma City is RMB1,800,000,000. The consideration for the transaction will be financed by the proceeds from the issue of perpetual securities by the Company to Chow Tai Fook, and the internal resources of the Company. The consideration is determined after arm’s length negotiations between the Vendor and the Purchaser with reference to the unaudited net asset value of the target company, the intrinsic value of the project and the amount of the loan to the target company. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Third Acquisition Agreement are fair and reasonable, and the entering into of the Third Acquisition Agreement is in the interests of the Company and the shareholders as a whole.

#### ***Payment method***

The consideration will be payable by the Purchaser to the Vendor in the following manner:

- (a) RMB600,000,000 (or its HKD equivalent), being the first instalment of the consideration for the transaction, shall be paid on the completion date (or such other date as agreed in writing by both parties).

The remaining part of the consideration for the transaction will be settled within two years after the completion date:

- (b) RMB300,000,000 (or its HKD equivalent) will be paid within six (6) months (or such other date as agreed in writing by both parties) after the completion date;
- (c) RMB300,000,000 (or its HKD equivalent) will be paid within twelve (12) months (or such other date as agreed in writing by both parties) after the completion date;

- (d) RMB300,000,000 (or its HKD equivalent) will be paid within eighteen (18) months (or such other date as agreed in writing by both parties) after the completion date; and
- (e) RMB300,000,000 (or its HKD equivalent) will be paid within twenty-four (24) months (or such other date as agreed in writing by both parties) after the completion date.

### ***Conditions Precedent***

Completion of the Third Acquisition Agreement is subject to the fulfilment or waiver of the following Conditions Precedent:

- (a) the boards of directors of the Vendor having approved the Third Acquisition Agreement and the transactions thereunder;
- (b) the boards of directors of the Purchaser and the Company having approved the Third Acquisition Agreement and the transactions contemplated thereunder. If it is so required under the Listing Rules or by Hong Kong Stock Exchange, the Company will, in compliance with the Listing Rules, pass all necessary shareholders' resolutions (by way of Shareholders' written approval or by an ordinary resolution passed at the general meeting (in case the relevant written approval is not obtained)) to approve the agreement and the transactions contemplated thereunder, comply with other relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals and waivers (if applicable); and
- (c) the Purchaser having obtained all relevant approvals required for the transactions contemplated under the Third Acquisition Agreement (if necessary) from third parties.

If the above Conditions Precedent are not fulfilled or waived by 29 January 2016 (or such other date as agreed by both parties), the Third Acquisition Agreement will cease and terminate.

### ***Completion***

Completion of the relevant transaction will take place on 6 January 2016 (or such other date as agreed by the parties), subject to satisfaction (or waiver) of all the Conditions Precedent.

### ***Information on Charisma City***

Charisma City is a company incorporated in the British Virgin Islands with limited liability. Its authorised capital is USD50,000, divided into 50,000 shares of USD1 each.

Charisma City holds a 90% equity interest in S.I. Feng Shun BVI. S.I. Feng Shun BVI holds all of the equity interests in S.I. Feng Shun and Shanghai Feng Shun. Shanghai Feng Shun holds the equity interest in Qingpu Lot G.

Charisma City has not prepared consolidated financial statements. Shanghai Feng Shun is the key company among Charisma City and its subsidiaries. Accordingly, the data of Shanghai Feng Shun is selected for disclosure.

Set out below is the audited financial results of Shanghai Feng Shun for the two years ended 31 December 2013 and 2014:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2013</b>	<b>2014</b>
	(Audited)	(Audited)
	<i>RMB</i>	<i>RMB</i>
Net profit/(loss) before tax	4,420,263	4,412,778
Net profit/(loss) after tax <sup>#</sup>	3,144,573	3,308,899

As at 31 December 2014, the audited net asset value of Shanghai Feng Shun was RMB141,541,018.

Upon completion, the Group will hold the entire equity interest in Charisma City.

#### **(4) Fourth Acquisition Agreement**

Date: 29 December 2015

##### **Parties**

Vendor: Chow Tai Fook Enterprises Limited

Purchaser: Shengyu (BVI) Limited

##### ***Assets to be acquire***

The entire equity interest in Ace Score, which holds a 90% equity interest in S.I. Feng Tao BVI. S.I. Feng Tao BVI holds all the equity interests in S.I. Feng Tao and Shanghai Feng Tao. Shanghai Feng Tao holds a piece of land of 350,533 square metres in Qingpu District, Shanghai for residential use (the “Qingpu Lot F”).

##### ***Consideration***

The consideration for the acquisition of the equity interest in and loan to Ace Score is RMB1,700,000,000. The consideration for the transaction will be financed by the proceeds from the issue of perpetual securities by the Company to Chow Tai Fook, and the internal resources of the Company. The consideration is determined after arm’s length negotiations between the Vendor and the Purchaser with reference to the unaudited net asset value of the target company, the intrinsic value of the project and the amount of the loan to the target

company. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Fourth Acquisition Agreement are fair and reasonable, and the entering into of the Fourth Acquisition Agreement is in the interests of the Company and the shareholders as a whole.

### ***Payment method***

The consideration will be payable by the Purchaser to the Vendor in the following manner:

- (a) RMB500,000,000 (or its HKD equivalent), being the first instalment of the consideration for the transaction, shall be paid before the completion date (or such other date as agreed in writing by both parties).

The remaining part of the consideration for the transaction will be settled within two years after the completion date:

- (b) RMB300,000,000 (or its HKD equivalent) will be paid within six (6) months (or such other date as agreed in writing by both parties) after the completion date;
- (c) RMB300,000,000 (or its HKD equivalent) will be paid within twelve (12) months (or such other date as agreed in writing by both parties) after the completion date;
- (d) RMB300,000,000 (or its HKD equivalent) will be paid within eighteen (18) months (or such other date as agreed in writing by both parties) after the completion date; and
- (e) RMB300,000,000 (or its HKD equivalent) will be paid within twenty-four (24) months (or such other date as agreed in writing by both parties) after the completion date.

### ***Conditions Precedent***

Completion of the Fourth Acquisition Agreement is subject to the fulfilment or waiver of the following conditions precedent:

- (a) the boards of directors of the Vendor having approved the Fourth Acquisition Agreement and the transactions thereunder;
- (b) the boards of directors of the Purchaser and the Company having approved the Fourth Acquisition Agreement and the transactions contemplated thereunder. If it is so required under the Listing Rules or by Hong Kong Stock Exchange, the Company will, in compliance with the Listing Rules, pass all necessary shareholder resolutions (by way of Shareholders' written approval or by an ordinary resolution passed at the general meeting (in case the relevant written approval is not obtained)) to approve the agreement and the transactions contemplated thereunder, comply with other relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals and waivers (if applicable); and

(c) the Purchaser having obtained all relevant approvals required for the transactions contemplated under the Fourth Acquisition Agreement (if necessary) from third parties.

If the above Conditions Precedent are not fulfilled or waived by 29 January 2016 (or such other date as agreed by both parties), the Fourth Acquisition Agreement will cease and terminate.

### ***Completion***

Completion of the relevant transaction will take place on 6 January 2016 (or such other date as agreed by the parties), subject to satisfaction (or waiver) of all the Conditions Precedent.

### ***Information on Qingpu Lot F & G***

The Qingpu Project is situated at Zhujiajiao, Qingpu District, Shanghai, spanning from Fuxin Road in the east, Zhujiajiao Science Park in the west, and Wupu Road in the north. The project is split in two adjacent lots, namely Lot F and Lot G, by Lvhu Road. Currently, the plot ratio is only 0.5 while the total planned gross floor area is approximately 380,000 square metres. The planned property patterns of the project include detached houses, semi-detached villas, townhouses, superimposed villas, multi-storey and small high-rise houses, commercial and other facilities, among which, the discounted trading price of the properties to be developed is RMB7,790 per square meter and the deposit for the project is RMB100 million, where the first payment of RMB1.0 billion is to be settled through the issue of perpetual bonds and the remaining balance is to be settled within two years. In January 2015, the price of general land in the vicinity of the project was RMB8,233 per square meter to be settled within 30 days. Compared with similar land and properties in the vicinity, the Qingpu Project is quite attractive in terms of trading price, payment terms and profitability.

### ***Reasons for and Benefits of the Acquisition***

The land under the Qingpu Project is scarce low-density land for residential use in Shanghai, with a site area of over 1,100 mu. Adjacent to Shanghai Dianshan Lake Scenic Area and Shanghai International Golf Club, it has unique resources and beautiful natural environment. It is 45 minutes' drive to the downtown area in Shanghai from the project. The project can be directly accessed by Line 17 to be launched in 2017. It enjoys convenient transport and established ancillary facilities. Given that the project is currently a piece of raw land, the Company intends to construct the project into a second-to-none high-end living area upon the acquisition. In view of the robust real estate markets in Shanghai and the Yangtze River Delta region, coupled with the brand advantage, operation and management experience of Evergrande, together with the promising market, the project boosts a huge potential for growth.

### ***Information on Ace Score***

Ace Score is a company incorporated in the British Virgin Islands with limited liability. Its authorised capital is USD50,000, divided into 50,000 shares of USD1.

Ace Score holds a 90% equity interest in S.I. Feng Tao BVI. S.I. Feng Tao BVI holds all the equity interests in S.I. Feng Tao and Shanghai Feng Tao, and Shanghai Feng Tao is interested in Qingpu Lot F.

Ace Score has not prepared consolidated financial statements. Shanghai Feng Tao is the key company among Ace Score and its subsidiaries. Accordingly, the data of Shanghai Feng Shun is selected for disclosure.

Set out below is the audited financial results of Shanghai Feng Tao for the two years ended 31 December 2013 and 2014:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2013</b>	<b>2014</b>
	(Audited)	(Audited)
	<i>RMB</i>	<i>RMB</i>
Net profit/(loss) before tax	2,236,315	(335,458)
Net profit/(loss) after tax <sup>#</sup>	866,434	(335,458)

As at 31 December 2014, the audited net asset value of Shanghai Feng Tao was RMB105,003,155.

Upon completion, the Group will hold a 100% equity interest in Ace Score.

### **(5) Fifth Acquisition Agreement**

Date: 29 December 2015

#### **Parties**

Vendor: Sino Asset Property Limited, a wholly-owned subsidiary of the Vendor

Purchaser: Shengyu (BVI) Limited

#### ***Assets to be acquired***

The entire equity interest in Marche Limited, which holds the entire equity interests in the two project companies of Beijing Niceline and Beijing Fu Wah, which in turn hold the equity interest in the Beijing Niceline Garden Project.

### ***Consideration***

The consideration for the acquisition of the equity interest in and loan to Marche Limited is RMB7,600,000,000. The consideration for the transaction will be financed by the proceeds from the issue of perpetual securities by the Company to Chow Tai Fook, and the internal resources of the Company. The consideration is determined after arm's length negotiations between the Vendor and the Purchaser with reference to the unaudited net asset value of the target company, the intrinsic value of the project and the amount of the loan to the target company. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Fifth Acquisition Agreement are fair and reasonable, and the entering into of the Fifth Acquisition Agreement is in the interests of the Company and the shareholders as a whole.

### ***Payment method***

The consideration will be payable by the Purchaser to the Vendor in the following manner:

- (a) RMB200,000,000 (or its HKD equivalent), being the deposit of the consideration for the transaction, shall be paid on the completion date (or such other date as agreed in writing by both parties);
- (b) RMB2,000,000,000 (or its HKD equivalent), being the first instalment of the consideration for the transaction, shall be paid on the completion date (or such other date as agreed in writing by both parties).

The following instalments of the consideration shall be paid in full within two years from the completion date.

- (c) RMB1,300,000,000 (or its HKD equivalent) of the consideration will be paid within six (6) months from the completion date (or such other date as agreed in writing by both parties);
- (d) RMB1,400,000,000 (or its HKD equivalent) of the consideration will be paid within twelve (12) months from the completion date (or such other date as agreed in writing by both parties);
- (e) RMB1,400,000,000 (or its HKD equivalent) of the consideration will be paid within eighteen (18) months from the completion date (or such other date as agreed in writing by both parties); and
- (f) RMB1,300,000,000 (or its HKD equivalent) of the consideration will be paid within twenty-four (24) months from the completion date (or such other date as agreed in writing by both parties).

### ***Conditions Precedent***

Completion of the Fifth Acquisition Agreement is subject to the fulfillment or waiver of the following Conditions Precedent:

- (a) the boards of directors of the Purchaser and the Company having approved the Fifth Acquisition Agreement and the transactions contemplated thereunder. If it is so required under the Listing Rules or by Hong Kong Stock Exchange, the Company will, in compliance with the Listing Rules, pass all necessary shareholder resolutions (by way of Shareholders' written approval or by an ordinary resolution passed at the general meeting (in case the relevant written approval is not obtained)) to approve the agreement and the transactions contemplated thereunder, comply with other relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals and waivers (if applicable); and
- (b) the Purchaser having obtained all relevant approvals required for the transactions contemplated under the Fifth Acquisition Agreement (if necessary) from third parties.

If the above Conditions Precedent are not fulfilled or waived by 29 January 2016 (or such other date as agreed by both parties), the Fifth Acquisition Agreement will cease and terminate.

### ***Completion***

Completion of the relevant transaction will take place on 6 January 2016 (or such other date as agreed by the parties), subject to satisfaction (or waiver) of all the Conditions Precedent.

### ***Information on the Beijing Niceline Garden***

Beijing Niceline Garden Project is located at the central villa district in Shunyi, Beijing to the north of Wenyu River (北京市順義中央別墅區，南臨溫榆河). Currently, the total planned gross floor area for residential and commercial use is approximately 400,000 square meters, of which approximately 200,000 square meters have been completed, approximately 80,000 square meters are under construction, approximately 120,000 square meters are to be developed, and approximately 240,000 square meters are to be sold. The planned property patterns of the project include detached houses, high-end clubs and centralised business structures. The project also has a completed standard golf course of approximately 700,000 square meters in good operation. The aggregate price of the project includes all assets of the Beijing project companies, which comprises such golf course and its ancillary facilities, completed but unsold properties, cost incurred for construction safety, undeveloped properties and cash, among which, the discounted trading price of the unsold properties is RMB22,404 per square meter and the deposit for the project is RMB200 million, where the first payment of RMB2.0 billion is to be settled through the issue of perpetual bonds and the remaining balance is to be settled within two years. In September 2015, the trading price for general

residential land in the vicinity was RMB43,400 per square meter to be settled within a month. Compared with similar land and properties in the vicinity, the Beijing Niceline Garden Project is quite attractive in terms of trading price, payment terms and profitability.

### ***Reasons for and Benefits of the Acquisition***

The Beijing Niceline Garden Project is located at the core of the central villa district in Beijing, which is the most developed and recognised cosmopolitan high-end villa district in Beijing with the best ancillary facilities and highest brand effect. Situated along Wenyu River, the project commands unique natural environment and culture with a riverside sports park of 700,000 square meters and intensive top-class international schools and quality lifestyle facilities nearby. Not only is the project in close proximity to the Beijing Capital Airport, the Jingcheng Expressway, Jingping Expressway and Airport Expressway in the district together have formed a conveniently accessible express transport network which allows a drive of only ten to twenty minutes to the central business district and thereby the enjoyment of the bustling city life there. In view of the incomparable prime location, natural environment and ancillary resources, the project will definitely become a landmark among leading luxury residences in Beijing.

### ***Information on Marche Limited***

Marche Limited is a company incorporated in the British Virgin Islands with limited liability. Its authorized capital is USD50,000, divided into 50,000 shares of USD1 each, of which 1 share is issued.

Marche Limited holds the entire equity interests in the two project companies of Beijing Niceline and Beijing Fu Wah.

Marche Limited has not prepared consolidated financial statements. Beijing Niceline and Beijing Fu Wah are the key companies held by Marche Limited. Accordingly, the data of Beijing Niceline and Beijing Fu Wah is selected for disclosure.

Set out below is the audited financial results of Marche Limited for the two years ended 31 December 2013 and 2014:

	<b>Beijing Niceline</b>		<b>Beijing Fu Wah</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>
	(Audited)	(Audited)	(Audited)	(Audited)
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Net profit/(loss) before tax	(32,982,529)	1,019,603,930	(274,637)	(1,709,071)
Net profit/(loss) after tax <sup>#</sup>	(32,982,529)	802,730,321	(274,637)	(1,709,071)

As at 31 December 2014, the audited net asset values of Beijing Niceline and Beijing Fu Wah were RMB1,245,448,928 and RMB241,655,676.

Upon completion, the Group will hold a 100% equity interest in Marche Limited.

### **3. CONCLUSION AND LISTING RULES IMPLICATIONS**

Evergrande will secure three projects in Qingdao, Shanghai and Beijing from Chow Tai Fook at substantially favourable prices with a favourable term of payment. Through issuing perpetual securities, Evergrande only needs to use internal resources of only RMB1.4 billion to secure all the equity interests held by Chow Tai Fook in such three projects. All the remaining consideration for the Shanghai and Beijing projects shall be paid in four instalments over two years. The transaction have demonstrated the long-established and close partnership between the parties, indicating Chow Tai Fook's high recognition of strength and brand of Evergrande. Leveraging on its standardised operational model with high efficiency in execution, strengths in cost control, large-scale and fast development and quick sales, Evergrande will be able to achieve higher returns on such projects than those of other real estate enterprises in China, while Chow Tai Fook is also able to share returns from Evergrande's development model and Chinese real property development through this transaction and subscription of Evergrande's perpetual securities. The parties will achieve mutual benefit and win-win results.

As the Vendor and its subsidiaries are the sellers in these five agreements, such agreements shall be aggregated in accordance with Rule 14.22 of the Listing Rules. As the applicable percentage ratios for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the requirements of reporting and announcement under Chapter 14 of the Listing Rules.

### **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Ace Score”	Ace Score Holdings Limited, a holding company established in the British Virgin Islands;
“Acquisition”	the transactions and matters contemplated under the Acquisition Agreements;
“Acquisition Agreements”	the First Acquisition Agreement, the Second Acquisition Agreement, the Third Acquisition Agreement, the Fourth Acquisition Agreement and the Fifth Acquisition Agreement jointly entered into between the Vendor and the Purchaser;
“Baojun”	Baojun Limited, a holding company established in the British Virgin Islands;

“Beijing Fu Wah”	Beijing Fu Wah Real Estates Development Co., Ltd., a company established in the PRC with limited liability;
“Beijing Niceline”	Beijing Niceline Real Estates Development Co., Ltd., a company established in the PRC with limited liability;
“Beijing Niceline Garden Project”	A development project in Beijing Niceline Garden (北京麗來花園) located in Shunyi, Beijing, the PRC;
“Board”	the board of Directors of the Company;
“Business Day(s)”	means the calendar day(s) on which major commercial banks in Hong Kong and the PRC are open for business (excluding Saturdays, Sundays and public holidays);
“Charisma City”	Charisma City Limited, a holding company established in the British Virgin Islands;
“Chow Tai Fook (Holding)” or “Chow Tai Fook”	Chow Tai Fook (Holding) Limited, a company incorporated and listed in Hong Kong and the holding company of Chow Tai Fook Enterprises Limited;
“Company” or “Evergrande”	Evergrande Real Estate Group Limited (Hong Kong Stock Exchange stock code: 3333), a company incorporated in the Cayman Islands with limited liability;
“Conditions Precedent”	the conditions precedent stated in the Acquisition Agreements;
“Directors”	the director(s) of the Company;
“First Acquisition Agreement”	the equity interest and loan transfer agreement dated 29 December 2015 entered into between the Vendor and the Purchaser;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and its amendments from time to time;
“Marche Limited”	Marche Limited, a company incorporated in the British Virgin Islands with limited liability;

“Perfect Vantage”	Perfect Vantage Investments Limited, a company established in Hong Kong with limited liability;
“Qingdao Project Company”	Qingdao Golden Bay Properties Limited (青島金灣置業有限公司), a company established in the PRC with limited liability;
“Qingdao Project”	A development project located at Luofushan Road, Huangdao District, Qingdao City, the PRC;
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region and Taiwan for the purpose of the Acquisition Agreements;
“Purchaser”	Shengyu (BVI) Limited (盛譽(BVI)有限公司), a company established in the British Virgin Islands and a wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Feng Shun”	Shanghai Feng Shun Property Company Limited, a company established in the PRC with limited liability;
“Shanghai Feng Tao”	Shanghai Feng Tao Property Company Limited, a company established in the PRC with limited liability;
“S.I. Feng Shun BVI”	S.I. Feng Shun Properties (BVI) Limited, a holding company established in the British Virgin Islands;
“S.I. Feng Shun”	S.I. Feng Shun Properties Limited, a holding company established in Hong Kong;
“S.I. Feng Tao BVI”	S.I. Feng Tao Properties (BVI) Limited, a holding company established in the British Virgin Islands;
“S.I. Feng Tao”	S.I. Feng Tao Properties Limited, a holding company established in Hong Kong;
“Second Acquisition Agreement”	the equity interest and loan transfer agreement dated 29 December 2015 entered into between Tibet Linzhi Huifu Investment Company Limited (西藏林芝滙福投資有限公司), a subsidiary of the Vendor, and Hengda (Jinan) Real Estate Group Company Limited;
“Third Acquisition Agreement”	the equity interest and loan transfer agreement dated 29 December 2015 entered into between the Vendor and the Purchaser;

“Fourth Acquisition Agreement”	the equity interest and loan transfer agreement dated 29 December 2015 entered into between the Vendor and the Purchaser;
“Fifth Acquisition Agreement”	the equity interest and loan transfer agreement dated 29 December 2015 entered into between Sino Asset Property Limited, a subsidiary of the Vendor, and the Purchaser;
“Vendor”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong.

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

Hong Kong, 29 December 2015

*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.*