

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
ACQUISITION OF SHARES IN CALXON GROUP**

The Board announces that on 24 April 2016, 恒大地产集团有限公司 Hengda Real Estate Group Company Limited, a subsidiary of the Company and a company established in the PRC with limited liability, has received from Zhejiang Commercial Group Co., Ltd. the Confirmation Notice to the Intended Transferee under Calxon Group Share Transfer, which confirms that the subsidiary of the Company is the intended transferee under the transfer of the Calxon Group Shares and it will acquire from the Vendors an aggregate of 952,292,202 Calxon Group Shares, representing approximately 52.78% of the total issued share capital of Calxon Group as at the date of this announcement, at an aggregate consideration of RMB3,609,187,445.58.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board announces that on 24 April 2016, 恒大地产集团有限公司 Hengda Real Estate Group Company Limited, a subsidiary of the Company and a company established in the PRC with limited liability, has received from Zhejiang Commercial Group Co., Ltd. the Confirmation Notice to the Intended Transferee under Calxon Group Share Transfer, which confirms that the subsidiary of the Company is the intended transferee under the transfer of the Calxon Group Shares and it will acquire from the Vendors an aggregate of 952,292,202 Calxon Group Shares, representing approximately 52.78% of the total issued share capital of Calxon Group as at the date of this announcement, at an aggregate consideration of RMB3,609,187,445.58.

The Vendors, namely Zhejiang Commercial Group Co., Ltd., Zhejiang Guoda Group Co., Ltd. and Hangzhou Iron & Steel Group Company, all of which being state-owned shareholders of Calxon Group, are third parties independent of the Company and its connected persons.

Acquisition of the Calxon Group Shares

The 952,292,202 Calxon Group Shares acquired by the Group under the Acquisition represents approximately 52.78% of the total issued share capital of Calxon Group as at the date of this announcement.

The aggregate consideration for the acquisition of the Calxon Group Shares is RMB3,609,187,445.58, which was determined based on 90% of the arithmetic average of daily weighted average prices of the Calxon Group Shares for the 30 trading days before the purchaser solicitation announcement of Calxon Group dated 14 April 2016, being RMB3.79 per share. The consideration will be settled by the internal resources of the Company.

INFORMATION ABOUT CALXON GROUP

Calxon Group is a subsidiary of Zhejiang SASAC established in the PRC and listed on the Shenzhen Stock Exchange (Stock Code: 000918.SZ State-owned). It is principally engaged in real estate development and has total share capital of RMB1.804 billion. As at the end of 2015, its assets amounted to RMB34.684 billion (according to the unaudited preliminary results of Calxon Group for 2015 published on 15 April 2016).

According to the published financial statements for 2014 and the preliminary results for 2015 of Calxon Group, the financial results of Calxon Group for the two years ended 31 December 2014 and 31 December 2015 are as follows:

	For the year ended 31 December	
	2014	2015
	(audited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit/(loss) before tax	338,438.38	-2,663,943.42
Net profit/(loss) after tax attributable to shareholders of the parent company	38,090.87	-2,343,442.83

The owners' equity attributable to shareholders of the parent company of Calxon Group as at 31 December 2015 was RMB1,997,143,310.81 (according to the unaudited preliminary results of Calxon Group for 2015 published on 15 April 2016).

REASONS FOR THE ACQUISITION

Calxon Group carries on real estate development in the PRC and has over 20 years experience in the management of real estate development. It has successfully developed mid to high-end real estate projects. Projects of the group are mainly situated in the cities in the Yangtze River Delta such as Shanghai, Hangzhou and Suzhou, and core cities in Central China, North China and the southwest China such as Wuhan, Qingdao and Chongqing, totaling approximately 50 projects and remaining saleable area of near 6.00 million square metres. Through the acquisition of 52.78% interests in Calxon Group, the land reserve of the Group will be enhanced and the ratio of projects in tier-I and II cities will be further enlarged. In addition, the Group will have access to the capital market in the PRC through the A share listing platform, which, combined with the strategic integration with Calxon Group, will further enhance the continued profitability of the Company and elevate the investment return of the Shareholders.

The Directors (including the independent non-executive Directors) consider that the Acquisition is made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The Group is principally engaged in the development of large scale residential properties and integrated commercial properties in the PRC.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Acquisition involves over 30% of the issued share capital of Calxon Group, the Group is required to make a general offer to all other shareholders of Calxon Group pursuant to the Administrative Measures on Acquisition of Listed Companies (《上市公司收購管理辦法》) of the PRC. The Company will make further announcement in relation to the outcome of such offer upon completion thereof.

DEFINITIONS

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

- | | |
|---------------|---|
| “Acquisition” | the acquisition of 952,292,202 shares in Calxon Group by the Company; |
| “Board” | the board of directors of the Company; |

“Calxon Group”	嘉凱城集團股份有限公司 (Calxon Group Holdings Co. Ltd.), a real estate company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000918);
“Calxon Group Shares”	shares of RMB1.00 each in the issued share capital of Calxon Group;
“Company”	Evergrande Real Estate Group Limited, a company incorporated in the Cayman Islands, 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;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Taiwan and the Macao Special Administration Region;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendors”	the vendors involved in the Acquisition.

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

Hong Kong, 24 April 2016

As at the date of this announcement, the Board 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.