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## **Evergrande Real Estate Group Limited**

**恒大地產集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3333)**

### **DISCLOSEABLE TRANSACTION FURTHER ACQUISITION OF SHARES IN SHENGJING BANK**

The Board announces that on 28 April 2016, the Company, through a wholly-owned subsidiary, has entered into agreements with five domestic shareholders of Shengjing Bank in relation to the acquisition of 1,001,680,000 Shengjing Domestic Shares at an aggregate consideration of RMB10,016,800,000.

As the applicable percentage ratios under Rule 14.07 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.

#### **1. INTRODUCTION**

The Board announces that on 28 April 2016, the Company, through a wholly-owned subsidiary, has entered into agreements with five domestic shareholders of Shengjing Bank in relation to the acquisition of 1,001,680,000 Shengjing Domestic Shares at an aggregate consideration of RMB10,016,800,000.

#### **2. THE ACQUISITION**

The principal terms of the acquisition agreements are as follows:

##### **(1) First Acquisition Agreement**

Date: 28 April 2016

Vendor: 西藏金鐸投資管理有限公司(Tibet Jinduo Investment Management Co., Ltd.\*)

Target Company: Shanghai Jiawan

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the vendor and its beneficial owners are third parties independent of the Company and its connected persons.

*Assets to be acquired*

The entire equity interest in Shanghai Jiawan and the debts repayable by the vendor to Shanghai Jiawan amounting to RMB1,944,000,000. Shanghai Jiawan is an investment holding company.

*Consideration*

The consideration for the acquisition of the equity interest in Shanghai Jiawan is RMB2,060,000,000. 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 and the value of the shares of Shengjing Bank held by it. 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 of consideration and conditions precedent*

The consideration will be payable by the purchaser by depositing into an escrow account designated by the parties within three business days upon the following conditions precedent having been satisfied after the date of the first acquisition agreement.

- (a) the warranties made by Shanghai Jiawan under the first acquisition agreement are true and accurate in all aspects, and Shanghai Jiawan has performed its obligations under such agreement in all material aspects;
- (b) there is no material adverse change with respect to Shanghai Jiawan;
- (c) the vendor has provided the resolutions of its board and shareholders to approve the transaction contemplated under the first acquisition agreement; and
- (d) the purchaser has been provided with the financial statements of Shanghai Jiawan as at 30 April 2016 showing net assets, paid-up capital and capital reserve of Shanghai Jiawan being not less than the amounts as agreed between the vendor and the purchaser.

The consideration for the transaction shall be payable to the vendor upon the satisfaction or waiver of the following conditions precedent:

- (a) the warranties made by Shanghai Jiawan under the first acquisition agreement are true and accurate in all aspects, and Shanghai Jiawan has performed its obligations under such agreement in all material aspects;
- (b) there is no material adverse change with respect to Shanghai Jiawan;
- (c) the equity interest of Shanghai Jiawan has been transferred to the purchaser and the business registration procedures have been completed, and the purchaser has been registered as a shareholder of Shanghai Jiawan; and
- (d) evidence of shareholding issued by Shengjing Bank shows that the 206,000,000 Shengjing Domestic Shares held by Shanghai Jiawan are free from encumbrances.

*Information on Shanghai Jiawan*

Shanghai Jiawan is a company established in the PRC with limited liability and is principally engaged in investment. Its unaudited financial information for the two financial years ended 31 December 2014 and 2015 is as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2014</b>	<b>2015</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net profit before tax	24,473.94	32,649.41
Net profit after tax	24,473.94	32,649.41

The unaudited net asset value of Shanghai Jiawan as at 30 April 2016 was RMB3,649,978,543.23.

**(2) Second acquisition Agreement**

Date: 28 April 2016

Vendor: 西藏梵勝投資管理有限公司 (Tibet Fansheng Investment Management Co., Ltd.\*)

Target Company: Shanghai Xingjia

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the vendor and its beneficial owners are third parties independent of the Company and its connected persons.

#### *Assets to be acquired*

The entire equity interest in Shanghai Xingjia and the debts repayable by the vendor to Shanghai Xingjia amounting to RMB1,030,000,000. Shanghai Xingjia is an investment holding company.

#### *Consideration*

The consideration for the acquisition of the equity interest in Shanghai Xingjia is RMB2,300,000,000. 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 and the value of the shares of Shengjing Bank held by it. 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 of consideration and conditions precedent*

The consideration will be payable by the purchaser by depositing into an escrow account designated by the parties within three business days upon the following conditions precedent having been satisfied after the date of the second acquisition agreement.

- (a) the warranties made by Shanghai Xingjia under the second acquisition agreement are true and accurate in all aspects; and Shanghai Xingjia has performed its obligations under such agreement in all material aspects;
- (b) there is no material adverse change with respect to Shanghai Xingjia;
- (c) the capital escrow agreement referred to in the second acquisition agreement has been entered into;
- (d) the vendors has provided the resolutions of its board and shareholders to approve the transaction contemplated under the second acquisition agreement; and
- (e) the purchaser has been provided with the financial statements of Shanghai Xingjia as at 30 April 2016 showing the net assets, paid-up capital and capital reserve of Shanghai Xingjia being not less than the amounts as agreed between the vendor and the purchaser.

The consideration for the transaction shall be payable to the vendor upon the satisfaction or waiver of the following conditions precedent:

- (a) the warranties made by Shanghai Xingjia under the first acquisition agreement are true and accurate in all aspects, and Shanghai Jiawan has performed its obligations under such agreement in all material aspects;
- (b) there is no material adverse change with respect to Shanghai Xingjia;
- (c) the equity interest of Shanghai Xingjia has been transferred to the purchaser and the business registration procedures have been completed, and the purchaser has been registered as a shareholder of Shanghai Xingjia; and
- (d) evidence of shareholding issued by Shengjing Bank shows that the 230,000,000 Shengjing Domestic Shares held by Shanghai Xingjia are free from encumbrances.

#### *Information on Shanghai Xingjia*

Shanghai Xingjia is a company established in the PRC with limited liability and is principally engaged in investment. Its unaudited financial information for the two financial years ended 31 December 2014 and 2015 is as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2014</b>	<b>2015</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net profit before tax	25,494.52	29,517.56
Net profit after tax	25,494.52	29,517.56

The unaudited net asset value of Shanghai Xingjia as at 30 April 2016 was RMB2,850,004,779.00.

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

Date: 28 April 2016

Vendor: 北京兆泰集团股份有限公司 (Beijing Zhaotai Group Co., Ltd.\*)

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the vendor and its beneficial owners are third parties independent of the Company and its connected persons.

*Assets to be acquired*

300,000,000 Shengjing Domestic Shares

*Consideration*

The consideration for the acquisition of the Shengjing Domestic Shares is RMB10 per share, totaling RMB3,000,000,000, which is determined with reference to the market price of the shares of Shengjing Bank.

*Payment of consideration*

- (a) 10% of the consideration (i.e. RMB300,000,000) will be payable by the purchaser to the vendor after the date of the third acquisition agreement and within three business days from the date on which Shengjing Bank issued documents confirming no restrictions on the transfer of the relevant shares for registration with the CSDCC;
- (b) 90% of the consideration (i.e. RMB2,700,000,000) will be payable by the purchaser by depositing into an escrow account designated by the parties within three business days from the date on which the purchaser has obtained the approval in respect of its shareholding in Shengjing Bank or the approval of shareholders qualification from the banking regulatory authorities;
- (c) 90% of the consideration for the transaction (i.e. RMB2,700,000,000) will be transferred to the vendor within three business days from the date on which the related shares have been transferred to the purchaser and registered with the CSDCC and the purchaser has been registered as a shareholder of Shengjing Bank.

**(4) Fourth Acquisition Agreement**

Date: 28 April 2016

Vendor: 上海國正投資管理有限公司 (Shanghai Guozheng Investment Management Co., Ltd.\*)

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the vendor and its beneficial owners are third parties independent of the Company and its connected persons.

*Assets to be acquired*

115,680,000 Shengjing Domestic Shares.

### *Consideration*

The consideration for the acquisition of the Shengjing Domestic Shares is RMB10 per share, totaling RMB1,156,800,000, which is determined with reference to the market price of the shares of Shengjing Bank.

### *Payment of consideration*

- (a) 10% of the consideration (i.e. RMB115,680,000) will be payable by the purchaser to the vendor after the date of the fourth acquisition agreement and within three business days from the date on which the CSDCC confirms, upon enquiry of the parties, that the shares to be transferred under such agreement are free of pledge, encumbrances or any restriction on transfer or other rights and such transfer may be registered with the CSDCC;
- (b) 90% of the consideration (i.e. RMB1,041,120,000) will be payable by the purchaser by depositing into an escrow account designated by the parties within three business days from the date on which the purchaser has obtained the approval in respect of its shareholding in Shengjing Bank or the approval of shareholders qualification from the banking regulatory authorities;
- (c) 90% of the consideration (i.e. RMB1,041,120,000) will be transferred to the vendor within three business days from the date on which the related shares have been transferred to the purchaser and registered with the CSDCC and the purchaser has been registered as a shareholder of Shengjing Bank.

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

Date: 28 April 2016

Vendor: Shenyang Tonglian Group Co., Ltd.

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the vendor and its beneficial owners are third parties independent of the Company and its connected persons.

### *Assets to be acquired*

150,000,000 Shengjing Domestic Shares.

### *Consideration*

The consideration for the acquisition of the Shengjing Domestic Shares is RMB10 per share, totaling RMB1,500,000,000, which is determined with reference to the market price of the shares of Shengjing Bank.

### *Payment of consideration*

- (a) 10% of the consideration (i.e. RMB150,000,000) will be payable by the purchaser to the vendor after the date of the fifth acquisition agreement and within three business days from the date on which the CSDCC confirms, upon enquiry of the parties, that the shares to be transferred under such agreement are free of pledge, encumbrances or any restriction on transfer or other rights and such transfer may be registered with the CSDCC;
- (b) 90% of the consideration (i.e. RMB1,350,000,000) shall be payable by the purchaser by depositing into an escrow account designated by the parties within three business days from the date on which the purchaser has obtained the approval in respect of its shareholding in Shengjing Bank or the approval of shareholders qualification from the banking regulatory authorities;
- (c) 90% of the consideration (i.e. RMB1,350,000,000) shall be transferred to the vendor within three business days from the date on which the related shares have been transferred to the purchaser and registered with the CSDCC and the purchaser has been registered as a shareholder of Shengjing Bank.

## **3. ACQUISITION OF SHARES OF SHENGJING BANK**

The Company acquired a total of 1,001,680,000 Shengjing Domestic Shares through the first acquisition agreement, the second acquisition agreement, the third acquisition agreement, the fourth acquisition agreement and the fifth acquisition agreement, representing approximately 17.28% of the total share capital of Shengjing Bank in issue as at 31 March 2016.

As at the date of this announcement, the Company holds 577,180,500 Shengjing H Shares. With the domestic shares to be acquired, the Company will hold in total 1,578,860,500 shares of Shengjing Bank, representing 27.24% of the total share capital of Shengjing Bank in issue as at 31 March 2016.

## **4. INFORMATION ABOUT SHENGJING BANK**

Shengjing Bank is a company established in the PRC. Shengjing Bank is a commercial bank in the PRC and is principally engaged in the banking business, retail banking and funding business. Its H shares are listed on the main board of the Stock Exchange.



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

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2014</b>	<b>2015</b>
	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before tax	7,061,063	8,126,617
Net profit after tax	5,423,838	6,223,827

The audited net asset value of Shengjing Bank as at 31 December 2015 was RMB41,714,953,000.

## **5. REASON FOR THE ACQUISITION**

The Company and Shengjing Bank are renowned enterprises in their respective sectors of property development and banking in the PRC. In early January, Shengjing Bank was granted the approval by the CBRC on establishing 盛銀消費金融公司 (Shengyin Consumer Finance Company\*) and has become one of the handful of banks holding a licence for consumer finance. In April, it was recognized as one of China's Top 500 Trustworthy Company for 2015 (2015中國企業信用500強).

The Acquisition is expected to generate high investment return and will prove to be a reasonable investment of the Company in light of the on-going outstanding performance of Shengjing Bank in terms of its key operational and financial indicators and its good investment value and anticipated growth resulting from its strong financial position and profitability and reasonable market valuation.

## **6. 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 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.

## 7. DEFINITIONS

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

“Acquisition”	the acquisition of in aggregate of 1,001,680,000 Shengjing Domestic Shares by the Company;
“Board”	the board of directors of the Company;
“CSDCC”	China Securities Depository and Clearing Company Limited;
“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;
“Shanghai Jiawan”	上海嘉灣實業投資有限公司(Shanghai Jiawan Industrial Investment Co., Ltd.*), a company established in the PRC with limited liability;
“Shanghai Xingjia”	上海星嘉投資管理有限公司(Shanghai Xingjia Investment Management Co., Ltd.*), a company established in the PRC with limited liability;
“Shareholder(s)”	shareholder(s) of the Company;
“Shengjing Bank”	盛京銀行股份有限公司(Shengjing Bank Co., Ltd.), a commercial bank established in the PRC, the H shares of which are listed on the main board of the Stock Exchange (stock code: 2066);

“Shengjing H Shares”	overseas listed foreign shares of RMB1.00 each in the issued share capital of Shengjing Bank which are subscribed in foreign currency;
“Shengjing Domestic Shares”	ordinary shares of RMB1.00 each in the issued share capital of Shengjing Bank which are subscribed in RMB; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 28 April 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.*

\* *For identification only*