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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

The Board announced that, on 20 November 2015, CIRC has approved the acquisition of 50% equity interest in GELC by Evergrande Nanchang (an indirect-wholly owned subsidiary of the Company) at a consideration of RMB3,939,110,600 and the change of company name from GELC to Evergrande Life Insurance Company Limited.

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

THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are as follows:

Effective Date 20 November 2015

Parties

Transferors: (a) 重慶市城市建設投資(集團)有限公司 (Chongqing City Construction Investment (Group) Co., Ltd.*)

(b) 重慶市地產集團 (Chongqing Land Group*)

Transferee: Evergrande Nanchang

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

ASSETS TO BE ACQUIRED

50% equity interest in GELC. Among which, 25% of the equity interest in GELC will be transferred by Chongqing City Construction Investment (Group) Co., Ltd. and 25% of the equity interest in GELC will be transferred by Chongqing Land Group.

CONSIDERATION

The consideration for acquiring the 50% equity interest in GELC is RMB3,939,110,600. The consideration was determined through competitive bidding by the Transferee at the Chongqing Exchange. The consideration will be settled by the internal resources of the Company.

CONDITIONS PRECEDENT

The transaction contemplated under the Acquisition Agreement is subject to the approval from CIRC, and such approval has been obtained on 20 November 2015.

INFORMATION ABOUT THE TRANSFERORS

Chongqing City Construction Investment (Group) Co., Ltd., one of the Transferors, is a wholly state-owned company jointly established by the Chongqing Municipal Construction Committee and the Chongqing Finance Bureau. Chongqing Land Group, another Transferor, is a municipal state-owned key enterprise established by the Chongqing Municipal Government.

INFORMATION ABOUT GELC

GELC was established on 11 May 2006 with the approval from CIRC and is currently the only national sino-foreign joint venture life insurance company in the PRC to set up its headquarter in the western part of China. As a joint project between the Chongqing government and the Singapore government, GELC has a registered capital of RMB1 billion, which was jointly contributed by The Great Eastern Life Assurance Company Limited and Chongqing Land Group. As at the date of this announcement, Chongqing City Construction Investment (Group) Co., Ltd., Chongqing Land Group, 重慶財信企業集團有限公司 (Chongqing Casin Group Co., Ltd.*) and The Great Eastern Life Assurance Company (大東方人壽保險公司) are directly holding 25%, 25%, 25% and 25% interests in GELC respectively.

The financial results of GELC for the two years ended 31 December 2013 and 2014 have been prepared in accordance with China Accounting Standards for Business Enterprises, and set forth below:

	For the year ended	
	31 December	
	2013	2014
	(Audited)	(Audited)
	<i>RMB</i>	<i>RMB</i>
Net loss before tax	(60,170,158.05)	(51,036,928.36)
Net loss after tax [#]	(60,542,485.61)	(48,208,965.25)

[#] Excluding other consolidated gain or loss.

As at 31 October 2015, the unaudited net asset value of GELC was RMB488,053,900.04.

REASONS FOR THE ACQUISITION

The Acquisition is a strategic deployment for the Group to enter the insurance sector. It will contribute to the development of China's insurance industry, improving the social security system and working for the welfare of the general public. Currently, China's insurance sector has entered a fast track of development, where insurance licenses have their own unique capital investment value. Leveraging on the Group's strength in brand, resources and manpower, Evergrande Life will grow and strengthen in a rapid pace. Furthermore, the Acquisition will enhance the competitiveness of the Group in the real estate industry. The Group is now developing more than 300 projects, which involve small community resources with several million residents. These projects will effectively promote the development of Evergrande Life, while at the same time developing comprehensive insurance services which cover the entire lifetime of residents living in the Group's communities and realizing the strategic complement with the real estate business of the Group.

Taking into consideration the aforementioned, the Board considers that the terms of the Acquisition Agreement are fair and reasonable and are on normal commercial terms, in the ordinary course of business of the Company and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Acquisition Agreement”	the equity interest transfer agreement signed by the Transferors and Transferee;
“Acquisition”	the transactions and matters contemplated under the Acquisition Agreement;
“Board”	the board of Directors of the Company;
“Business Day(s)”	calendar days on which major commercial banks in Hong Kong and the PRC are open for business (excluding Saturday, Sunday and public holidays);
“CIRC”	China Insurance Regulatory Commission;
“Chongqing Exchange”	重慶聯合產權交易所集團股份有限公司 (Chongqing United Assets and Equity Exchange Co., Limited*);
“Company”	Evergrande Real Estate Group Limited (Stock Code: 3333), a company incorporated in the Cayman Islands with limited liability;
“conditions precedent”	the conditions precedent specified in the Acquisition Agreement;
“Director(s)”	the Director(s) of the Company;
“Evergrande Life”	Evergrande Life Insurance Company Limited, the name that GELC will adopt upon completion of the Acquisition;
“Evergrande Nanchang” or “Transferee”	Evergrande Real Estate Group (Nanchang) Co., Limited, a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company;
“GELC”	中新大東方人壽保險有限公司 (Great Eastern Life Assurance (China) Co., Ltd.*), a life insurance company incorporated in the PRC;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and its amendments from time to time;

“PRC”	the People’s Republic of China, which for the purpose of the Acquisition Agreement only, excludes Hong Kong, Macao Special Administrative Region and Taiwan region;
“RMB”	Renminbi, the lawful currency of the PRC; and
“Transferor(s)”	Chongqing City Construction Investment (Group) Co., Ltd. and Chongqing Land Group.

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

Hong Kong, 22 November 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.

* *For identification purpose only.*