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CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

**DISCLOSEABLE TRANSACTION
FURTHER ACQUISITION OF SHARES IN CHINA VANKE CO., LTD.**

The Board announces that from 8 August 2016 to 15 August 2016, the Company, through its subsidiaries, has further acquired on the market an aggregate of 235,792,663 Vanke A, Shares together with the Previous Acquisition, the Company holds in total 752,663,291 Vanke A Shares as at the date of this announcement, representing approximately 6.82% of the total issued share capital of Vanke as at the date of this announcement. The aggregate consideration for the Acquisition and the Previous Acquisition is approximately RMB14,570,000,000.00.

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition and the Previous Acquisition (which are aggregated pursuant to Rule 14.22 of the Listing Rules) is more than 5% but less than 25%, the Acquisition and the Previous 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 from 8 August 2016 to 15 August 2016, the Company, through its subsidiaries, has further acquired on the market an aggregate of 235,792,663 Vanke A Shares, together with the Previous Acquisition, the Company holds in total 752,663,291 Vanke A Shares as at the date of this announcement, representing approximately 6.82% of the total issued share capital of Vanke as at the date of this announcement. The aggregate consideration for the Acquisition and the Previous Acquisition is approximately RMB14,570,000,000.00.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the vendors of the Vanke A Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Acquisition of the Vanke A Shares

An aggregate of 235,792,663 Vanke A Shares were acquired under the Acquisition, representing approximately 2.14% of the total issued share capital of Vanke as at the date of this announcement.

The aggregate consideration for the Acquisition of the Vanke A Shares is approximately RMB5,460,000,000.00. The consideration was determined based on the market price of the Vanke A Shares at the time of purchase. The consideration was settled through the internal resources of the Company.

The Company announced on 4 August 2016 that it had acquired 516,870,628 Vanke A Shares, which, together with the additional 235,792,663 Vanke A Shares acquired under the Acquisition, the Company currently holds in total 752,663,291 Vanke A Shares, representing approximately 6.82% of the total issued share capital of Vanke as at the date of this announcement. The total consideration for the Acquisition and the Previous Acquisition is approximately RMB14,570,000,000.00.

INFORMATION ABOUT VANKE

Vanke is a joint stock company established in the PRC, the A shares and H shares of which are listed on the Shenzhen Stock Exchange and the main board of the Stock Exchange, respectively. Vanke is principally engaged in the business of property development in the PRC.

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

	For the year ended 31	
	December	
	2014	2015
	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before tax	29,986,822	40,516,708
Net profit after tax	19,287,524	25,949,438

The net asset value of Vanke as at 31 December 2015 was RMB136,309,617,000.

REASON FOR THE ACQUISITION

Vanke is one of the largest property developers in the PRC with strong results. The Acquisition is an investment of the Group.

Given that the Acquisition was made on prevailing market prices, the Directors (including the independent non-executive Directors) consider that the Acquisition was 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 each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition and the Previous Acquisition (which are aggregated pursuant to Rule 14.22 of the Listing Rules) is more than 5% but less than 25%, the Acquisition and the Previous Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

CLARIFICATION

The Company would like to clarify that there was a typographical error in the English version of the Announcement. The number of Vanke A Shares acquired is 516,870,628, instead of 518,870,628 as disclosed in the first paragraph of the sub-section headed “Acquisition of the Vanke A Shares” of the Announcement. The Company would also like to supplement that such number of Vanke A Shares were acquired during the period from 25 July 2016 to 4 August 2016.

DEFINITIONS

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

“Acquisition”	the acquisition of an aggregate of 235,792,663 Vanke A Shares by the Company;
“Announcement”	the announcement of the Company dated 4 August 2016 relating to Previous Acquisition;
“Board”	the board of directors of the Company;

“Company”	China Evergrande Group, 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;
“H shares”	overseas listed shares of RMB1.00 each in the issued share capital of Vanke which is subscribed in foreign currency;
“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 and, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administration Region;
“Previous Acquisition”	the acquisition of 516,870,628 Vanke A Shares by the Company as disclosed in the Announcement;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Shareholder(s)”	shareholder(s) of the Company;
“Vanke”	China Vanke Co., Ltd., a joint-stock company established in the PRC, its A shares and H shares are listed on the Shenzhen Stock Exchange and main board of the Stock Exchange (A share stock code: 00002; H share stock code: 2202);

“Vanke A Shares” domestic listed shares of RMB1.00 each in the issued share capital of Vanke A Shares which are subscribed in foreign currency; and

“Stock Exchange” The Stock Exchange of Hong Kong Limited.

By order of the board
China Evergrande Group
Hui Ka Yan
Chairman

Hong Kong, 15 August 2016

As at the date of this announcement, the executive Directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Ms. He Miaoling, Mr. Tse Wai Wah, Mr. Xu Wen and Mr. Huang Xiangui, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.