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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  
DISPOSAL OF SHENGJING H SHARES**

The Board announces that on 6 May 2016, the Transferor, the Transferee and the guarantors entered into an agreement, pursuant to which the Transferor will sell the 577,180,500 Shengjing H Shares it held to the Transferee at an aggregate consideration of HK\$6,926,166,000.

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

**INTRODUCTION**

The Board announces that on 6 May 2016, the Transferor, the Transferee and the guarantors entered into an agreement, pursuant to which the Transferor will sell the 577,180,500 Shengjing H Shares it held to the Transferee.

**THE DISPOSAL**

The major terms of the agreement are as follows:

Date: 6 May 2016

## **Parties**

Transferor: Bridgefield International Limited, a wholly-owned subsidiary of the Company;

Transferee: Great Captain Limited;

Guarantors: the Company, as guarantor of the Transferor; and

Chinese Estates Holdings Limited (“Chinese Estates”), as guarantor of the Transferee.

The Transferee is a securities investment company and a wholly owned subsidiary of Chinese Estates. Chinese Estates and its subsidiaries are engaged in property investment and development, brokerage services, securities investment, money lending and cosmetics distribution and trading businesses. The shares of Chinese Estates are listed on the main board of the Stock Exchange. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Transferee, Chinese Estates and their ultimate beneficial owners are independent of the Company and its connected persons.

The Company and Chinese Estates will guarantee the obligations of the Transferor and the Transferee under the agreement respectively.

## **Assets to be disposed of**

The assets to be disposed of are the 577,180,500 Shengjing H Shares held by the Transferor, representing approximately 9.96% of the total issued share capital of Shengjing Bank as at the date of this announcement.

## **Consideration**

The aggregate consideration for the disposal of the 577,180,500 Shengjing H Shares is HK\$6,926,166,000, which was determined with reference to the market price of the shares of Shengjing Bank following arm’s length negotiations between the Transferor and the Transferee.

As the disposal consideration approximates the price at which the Company acquired the shares, subject to final audit, it is expected that the Group will not have any material gains or losses from the Disposal. The Company currently plans to use the proceeds from the Disposal as general working capital of the Company.

Settlement will take place on the third working day after the entering into of the agreement. The Transferee will pay 5% of the consideration at the time of settlement, and the balance within three months from the date of the entering into of the agreement.

## 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, the H shares of which 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>
	<i>(audited)</i>	<i>(audited)</i>
	<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 net asset value of Shengjing Bank as at 31 December 2015 was RMB41,714,953,000.

## REASONS FOR THE DISPOSAL

The Company acquired a total of 1,001,680,000 domestic shares of Shengjing Bank on 28 April 2016, resulting in Shengjing Bank not being able to meet the public float requirements under Rule 8.08 of the Listing Rules. The Company, as a substantial shareholder of Shengjing Bank, will carry out this strategic reduction in shareholding in Shengjing Bank to enable it to restore its public float requirements.

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

## DEFINITIONS

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

“Board”	the board of directors of the Company;
“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;
“Disposal”	the disposal of an aggregate of 577,180,500 Shengjing H Shares by the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“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, exclude Hong Kong, Taiwan and the Macao Special Administration Region;
“Transferee”	Great Captain Limited, a company established in the British Virgin Islands;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“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, its H shares are listed on the main board of the Stock Exchange (stock code: 2066);
“Shengjing H Shares”	overseas listed shares of RMB1.00 each in the issued share capital of Shengjing Bank which are subscribed in foreign currency;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited; and

“Transferor”

Bridgefield International Limited, a company established in the British Virgin Islands and a wholly-owned subsidiary of the Company.

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

Hong Kong, 6 May 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.*