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CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

(Debt Securities Stock Code: 5990)

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

Reference is made to the announcements of the Company dated 4 August 2016 and 15 August 2016.

The Board announces that from 16 August 2016 to 9 November 2016, the Company, through its subsidiaries, has further acquired on the market an aggregate of 161,932,084 Vanke A Shares, together with the Previous Acquisitions, the Company holds in total 914,595,375 Vanke A Shares as at the date of this announcement, representing approximately 8.285% of the total issued share capital of Vanke as at the date of this announcement. The aggregate consideration for the Acquisition and the Previous Acquisitions is approximately RMB18.77 billion.

As the applicable percentage ratios under Rule 14.07 in respect of the Acquisition, when aggregated with the Previous Acquisitions, is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. As no shareholder is interested in the transaction and is required to abstain from voting at the general meeting convened for the approval of the Acquisition, the Company has approved this Acquisition by the written approval of Xin Xin, a shareholder holding approximately 68.46% of the issued share capital of the Company as at the date of this announcement, pursuant to Rule 14.44 of the Listing Rules and is exempt from the requirement to convene a shareholders' meeting for the approval of the Acquisition.

As the Company expects that it will require more than 15 business days to collate the information to be included in the circular, including the indebtedness statement of the Company, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and delay the despatch of the circular to on or before 31 January 2017.

THE ACQUISITION

Reference is made to the announcements of the Company dated 4 August 2016 and 15 August 2016.

The Board announces that from 16 August 2016 to 9 November 2016, the Company, through its subsidiaries, has further acquired on the market an aggregate of 161,932,084 Vanke A Shares, together with the Previous Acquisitions, the Company holds in total 914,595,375 Vanke A Shares as at the date of this announcement, representing approximately 8.285% of the total issued share capital of Vanke as at the date of this announcement. The aggregate consideration for the Acquisition and the Previous Acquisitions is approximately RMB18.77 billion.

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 161,932,084 Vanke A Shares were acquired under the Acquisition, representing approximately 1.467% 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 RMB4.2 billion. 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 and 15 August 2016 that it had acquired an aggregate of 752,633,291 Vanke A Shares, which together with the additional 161,932,084 Vanke A Shares acquired under the Acquisition, the Company holds in total 914,595,375 Vanke A Shares, representing approximately 8.285% of the total issued share capital of Vanke as at the date of this announcement. The total consideration for the Acquisition and the Previous Acquisitions is approximately RMB18.77 billion.

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 the applicable percentage ratios under Rule 14.07 in respect of the Acquisition, when aggregated with the Vanke A Shares previously acquired by the Company, is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. As no shareholder is interested in the transaction and is required to abstain from voting at the general meeting convened for the approval of the Acquisition, the Company has approved this Acquisition by the written approval of Xin Xin, a shareholder holding approximately 68.46% of the issued share capital of the Company as at the date of this announcement, pursuant to Rule 14.44 of the Listing Rules and is exempt from the requirement to convene a shareholders' meeting for the approval of the Acquisition.

As the Company expects that it will require more than 15 business days to collate the information to be included in the circular, including the indebtedness statement of the Company, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and delay the despatch of the circular to on or before 31 January 2017.

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 161,932,084 Vanke A Shares by the Company;
“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, exclude Hong Kong, Taiwan and the Macao Special Administration Region;
“Previous Acquisitions”	the acquisition of 752,663,291 Vanke A Shares by the Company as disclosed in the Announcements;
“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;
“Vanke”	China Vanke Co., Ltd., a joint-stock company established in the PRC, it’s 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

“Xin Xin” Xin Xin (BVI) Limited, a company incorporated in the British Virgin Islands and a substantial shareholder holding approximately 68.46% of the issued share capital of the Company as at the date of this announcement.

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

Hong Kong, 9 November 2016

As at the date of this announcement, the executive Directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Ms. He Miaoling, Mr. Pan Darong, 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.