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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 ACQUISITION OF SHARES IN HUAXIA BANK

The Board announces that between 13 November 2013 and 24 January 2014, the Company, through its subsidiaries, has acquired on the market an aggregate of 402,695,498 Huaxia Shares for an aggregate consideration of RMB3,302.5 million (equivalent to approximately HK\$4,198.4 million).

As the applicable percentage ratios under Rule 14.07 in respect of the Acquisition is 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 but exempt from the Shareholders' approval requirement set out in Chapter 14 of the Listing Rules.

THE ACQUISITION

Between 13 November 2013 and 24 January 2014, the Company, through its subsidiaries, has acquired on the market an aggregate of 402,695,498 Huaxia Shares (representing approximately 4.522% of the total issued share capital of Huaxia Bank as at the date of this announcement) at an aggregate consideration of RMB3,302.5 million (equivalent to approximately HK\$4,198.4 million).

As the Acquisition was made on the Shanghai Stock Exchange, the Company is not aware of the identities of the vendors of the Acquired Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the vendors of the Acquired Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

The aggregate consideration of the Acquired Shares is RMB3,302.5 million (equivalent to approximately HK\$4,198.4 million) and represents the market price of the Huaxia Shares at the time of purchase. The consideration was settled through the internal resources of the Company.

INFORMATION ABOUT HUAXIA BANK

Huaxia Bank is a company established in Beijing, the PRC, the shares of which are listed on the Shanghai Stock Exchange. It is a commercial bank in the PRC and is principally engaged in the businesses of deposit taking, loan, settlement, discounted bills and issuance of bonds and financial products.

According to the published financial statements of Huaxia Bank, the financial results of Huaxia Bank prepared in accordance with PRC accounting standards for the two years ended 31 December 2011 and 2012 are as follows:

	For the year ended	
	31 December	
	2011	2012
	<i>(audited)</i>	<i>(audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before tax	12,527,399	17,251,481
Net profit after tax	9,220,972	12,795,659

The net asset value of Huaxia Bank as at 31 December 2012 was RMB74,694,208,106.

REASON FOR THE ACQUISITION

The Company and Huaxia Bank are renowned enterprises in their respective sectors of property development and banking in the PRC. The co-operation between the Company and Huaxia Bank will foster the relationship between the two industries and will enhance both the property development and banking businesses of each of the parties. In addition, Huaxia Bank has strong financial performance, making the Acquisition a reasonable investment of the Company.

Given that the Acquisition was made on prevailing market price, 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 is 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 but exempt from the Shareholders' approval requirement set out in 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:

“Acquisition”	the acquisition of the Acquired Shares by the Company;
“Acquired Shares”	an aggregate of 402,695,498 Huaxia Shares;
“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;
“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;
“Huaxia Bank”	華夏銀行股份有限公司 (Huaxia Bank Co. Ltd.), a commercial bank established in the PRC, the shares of which are listed on the Shanghai Stock Exchange;
“Huaxia Shares”	ordinary shares in the issued share capital of Huaxia Bank;

“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;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Shanghai Stock Exchange”	上海證券交易所 (Shanghai Stock Exchange);
“Shareholder(s)”	shareholder(s) of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

In this announcement, exchange rates of HK\$1.00 to RMB0.78661 are used for illustration purpose only.

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

Hong Kong, 24 January 2014

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