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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
CAPITAL CONTRIBUTION TO EVERGRANDE LIFE**

The Board announces that up to 21 April 2016, Evergrande Nanchang, being a 50% shareholder in Evergrande Life, has contributed in aggregate RMB9.0 billion to the capital reserve of Evergrande Life.

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

CAPITAL CONTRIBUTION

The Board announces that up to 21 April 2016, Evergrande Nanchang, an indirect wholly owned subsidiary of the Company and a 50% shareholder in Evergrande Life, has contributed in aggregate RMB9.0 billion to the capital reserve of Evergrande Life.

Evergrande Life is owned as to 50% by Evergrande Nanchang and as to 25% by 重慶財信企業集團有限公司 (Chongqing Casin Group Co., Ltd.*) and as to 25% by The Great Eastern Life Assurance Company (大東方人壽保險公司), and is accounted as a jointly controlled entity of the Group.

The Capital Contribution aims to increase the cash assets of Evergrande Life by reference to its capital requirements. As agreed among its shareholders, 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) will have no right to the shareholders' equity resulting from the cash assets contributed under the Capital Contribution.

INFORMATION ABOUT EVERGRANDE LIFE

Evergrande Life is a life insurance company established in May 2006 with the approval of CIRC and is currently the only national sino-foreign joint venture life insurance company in the PRC to set up its headquarters in the western part of China. In November 2015, the CIRC approved Evergrande Nanchang to acquire 50% of the equity interest in the then 中新大東方人壽保險有限公司 (Great Eastern Life Assurance (China) Co., Ltd.*) from two of its then shareholders and change its name to its present name of Evergrande Life. Evergrande Nanchang has thus become the single largest shareholder of Evergrande Life.

The financial results of Evergrande Life for the two years ended 31 December 2014 and 2015 are set forth below:

| | For the year ended 31 December | |
|---------------------------------|--------------------------------|-----------|
| | 2014 | 2015 |
| | (Audited) | (Audited) |
| | RMB'000 | RMB'000 |
| Net loss before tax | (51,037) | (338,469) |
| Net loss after tax [#] | (48,209) | (333,981) |

[#] Excluding other comprehensive income or loss

As at 31 December 2015, the audited net asset value of Evergrande Life was RMB3,263,059,632.83.

REASONS FOR THE CAPITAL CONTRIBUTION

In November 2015, the Company, through Evergrande Nanchang, acquired 50% of the equity interest of Evergrande Life. Prior to the acquisition, Evergrande Life was operating at a loss and lacked capital for its business development and precaution of underwrite risks. Through the Capital Contribution, the cash assets and the solvency margin ratio of Evergrande Life will increase and enable it to accelerate the expansion of its existing life insurance business and the expansion into businesses such as healthcare insurance and pension insurance.

Relying on its enlarged capital reserve, Evergrande Life will be able to carry out its insurance business towards the community resources of millions of residents involved in over 300 existing projects of the Group, which will strengthen the upstream and downstream community supply chain as well as the competitiveness of the Group in the real estate industry by achieving strategic synergy from the integration of the market and the industry.

Taking into consideration of the above reasons, the Board considers that the Capital Contribution is fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATION OF THE LISTING RULES

As the applicable percentage ratio of the Capital Contribution is more than 5% but less than 25%, the Capital Contribution constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Capital Contribution 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 otherwise requires:

| | |
|------------------------|---|
| “Capital Contribution” | the capital contribution by Evergrande Nanchang into the capital reserve of Evergrande Life; |
| “Board” | the board of directors of the Company; |
| “CIRC” | the China Insurance Regulatory Commission; |
| “Company” | Evergrande Real Estate Group Limited (Stock Code on the Hong Kong Stock Exchange: 3333), a company incorporated in the Cayman Islands with limited liability; |
| “Director(s)” | the director(s) of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | the 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; |
| “Evergrande Life” | Evergrande Life Insurance Company Limited, a life insurance company established in the PRC which is 50% owned by Evergrande Nanchang; |

“Evergrande Nanchang” 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; and

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

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

Hong Kong, 21 April 2016

As at the date of this announcement, the Board 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 only*