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CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

MAJOR TRANSACTION

On 30 December 2016, Kailong Real Estate and Hengda Real Estate, both wholly-owned subsidiaries of the Company, entered into the Investment Agreements with the Investors, pursuant to which, the Investors have agreed to subscribe for new capital in Hengda Real Estate for an aggregate amount of RMB30 billion, in return of an aggregate of approximately 13.16% of the enlarged equity interest of Hengda Real Estate.

Hengda Real Estate is an indirect wholly-owned subsidiary of the Company which is principally engaged in the residential property development and management business. Upon completion of the Capital Increase, Hengda Real Estate will be held as to approximately 86.84% by Kailong Real Estate, and will remain as a subsidiary of the Group.

The Capital Increase constitutes a deemed disposal of the Company under Chapter 14 of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Capital Increase is more than 25% but less than 75%, the Capital Increase 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 Capital Increase, the Company has approved the Capital Increase by the written approval of Xin Xin, a shareholder holding approximately 68.45% 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 exempted from the requirement to convene a shareholders' meeting for the approval of the Capital Increase.

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 28 February 2017.

INTRODUCTION

Reference is made to the announcement of the Company dated 3 October 2016 in relation to the Proposed Reorganisation where it was disclosed that Hengda Real Estate may introduce strategic investment by way of private placing. Since the commencement of the work on the introduction of strategic investors, the Company has received immense interests from the market and the Company has decided to select the investors referred to in this announcement as the first batch of investors. On 30 December 2016, Kailong Real Estate and Hengda Real Estate, both wholly-owned subsidiaries of the Company, entered into the Investment Agreements with the Investors, pursuant to which, the Investors have agreed to contribute an aggregate of RMB30 billion to the capital of Hengda Real Estate.

THE CAPITAL INCREASE

(1) The CITIC Juheng Investment Agreement

Date

30 December 2016

Parties to the CITIC Juheng Investment Agreement

- (1) Kailong Real Estate;
- (2) Hengda Real Estate; and
- (3) 中信聚恒(深圳)投資控股中心(有限合夥) (CITIC Juheng (Shenzhen) Investment Holdings LLP).

CITIC Juheng is a limited liability partnership established in the PRC. Its general partner is a subsidiary company of 中信信託有限責任公司 (CITIC Trust Co., Ltd.) and is principally engaged in investment in industrial enterprises, project investment, investment consulting, venture capital investment and related services. To the best knowledge of the Directors, having made all reasonable enquiries, CITIC Juheng and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

Amount of capital to be contributed under the CITIC Juheng Investment Agreement

Pursuant to the terms of the CITIC Juheng Investment Agreement, CITIC Juheng will subscribe for new capital in Hengda Real Estate for RMB5,000,000,000, representing approximately 2.19% of the enlarged equity interest of Hengda Real Estate upon completion of the Capital Increase.

(2) The Guangtian Investment Agreement

Date

30 December 2016

Parties to the Guangtian Investment Agreement

- (1) Kailong Real Estate;
- (2) Hengda Real Estate; and
- (3) 廣田投資有限公司 (Guangtian Investment Co., Ltd.).

Guangtian is a company incorporated in the PRC. It is a subsidiary 廣田控股集團有限公司 (Guangtian Holdings Co., Ltd.) and is principally engage in assets management, private equity and venture capital investment business. To the best knowledge of the Directors, having made all reasonable enquiries, Guangtian and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

Amount of capital to be contributed under the Guangtian Investment Agreement

Pursuant to the terms of the Guangtian Investment Agreement, Guangtian will subscribe for new capital in Hengda Real Estate for RMB5,000,000,000, representing approximately 2.19% of the enlarged equity interest of Hengda Real Estate upon completion of the Capital Increase.

(3) The Huajian Investment Agreement

Date

30 December 2016

Parties to the Huajian Investment Agreement

- (1) Kailong Real Estate;
- (2) Hengda Real Estate; and
- (3) 深圳市華建控股有限公司 (Shenzhen Huajian Holdings Co., Ltd.).

Huajian is a company incorporated in the PRC. It is a subsidiary of 華超置業控股有限公司 (Huachao Property Holdings Co., Ltd.) and is principally engage in the business of investment in industrial enterprises, and investments in industrial, agricultural, energy, transportation and tourism projects. To the best knowledge of the Directors, having made all reasonable enquiries, Huajian and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

Amount of capital to be contributed under the Huajian Investment Agreement

Pursuant to the terms of the Huajian Investment Agreement, Huajian will subscribe for new capital in Hengda Real Estate for RMB5,000,000,000, representing approximately 2.19% of the enlarged equity interest of Hengda Real Estate upon completion of the Capital Increase.

(4) The Zhongrong Investment Agreement

Date

30 December 2016

Parties to the Zhongrong Investment Agreement

- (1) Kailong Real Estate;
- (2) Hengda Real Estate; and
- (3) 深圳市中融鼎興投資合夥企業（有限合夥）(Shenzhen Zhongrong Dingxing Investment LLP).

Zhongrong Dingxing Investment is a limited liability partnership established in the PRC. Its general partner is a subsidiary company of 中融國際信託有限公司 (Zhongrong International Trust Co., Ltd.) and is principally engage in investment in industrial enterprises, equity investment and investment consulting business. To the best knowledge of the Directors, having made all reasonable enquiries, Zhongrong Dingxing Investment and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

Amount of capital to be contributed under the Zhongrong Investment Agreement

Pursuant to the terms of the Zhongrong Investment Agreement, Zhongrong Dingxing Investment will contribute RMB3,000,000,000 to the capital of Hengda Real Estate, representing approximately 1.32% of the enlarged equity interest of Hengda Real Estate upon completion of the Capital Increase.

(5) The Shandong Highway Investment Agreement

Date

30 December 2016

Parties to the Shandong Highway Investment Agreement

- (1) Kailong Real Estate;
- (2) Hengda Real Estate; and

- (3) Subsidiary (山東高速投資控股有限公司 (Shandong Highway Investment Group Co., Ltd.)) and affiliate (山東鐵路發展基金有限公司 (Shandong Railway Development Fund Co., Ltd.)) of 山東高速集團有限公司 (Shandong Highway Group Co., Ltd.) (collectively referred to as the “**Shandong Highway Companies**”).

The Shandong Highway Companies are principally engage in the business of assets management, project investment and management and investment consulting. To the best knowledge of the Directors, having made all reasonable enquiries, the Shandong Highway Companies and their ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

Amount of capital to be contributed under the Shandong Highway Investment Agreement

Pursuant to the terms of the Shandong Highway Investment Agreement, the Shandong Highway Companies will subscribe for new capital in Hengda Real Estate for RMB3,000,000,000, representing approximately 1.32.% of the enlarged equity interest of Hengda Real Estate upon completion of the Capital Increase.

(6) The Ruican Investment Agreement

Date

30 December 2016

Parties to the Ruican Investment Agreement

- (1) Kailong Real Estate;
- (2) Hengda Real Estate; and
- (3) 蘇州工業園區睿燦投資企業 (有限合夥) (Suzhou Industrial Park Ruican Investment LLP).

Ruican Investment is a limited liability partnership established in the PRC. Its general partner is a subsidiary company of 上海華信證券有限責任公司 (Shanghai Huaxin Securities Co., Ltd.) and is principally engage in the venture capital, industrial investment, management and financial consulting businesses. To the best knowledge of the Directors, having made all reasonable enquiries, Ruican Investment and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

Amount of capital to be contributed under the Ruican Investment Agreement

Pursuant to the terms of the Ruican Investment Agreement, Ruican Investment will subscribe for new capital in Hengda Real Estate for RMB3,000,000,000, representing approximately 1.32% of the enlarged equity interest of Hengda Real Estate upon completion of the Capital Increase.

(7) The Meitou Investment Agreement

Date

30 December 2016

Parties to the Meitou Investment Agreement

- (1) Kailong Real Estate;
- (2) Hengda Real Estate; and
- (3) 深圳市美投高新技術創業投資有限公司 (Shenzhen Meitou Hi-tech Venture Capital Investment Co., Ltd.).

Meitou is a limited liability company established in the PRC and is principally engage in venture capital investment and related services. To the best knowledge of the Directors, having made all reasonable enquiries, Meitou and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

Amount of capital to be contributed under the Meitou Investment Agreement

Pursuant to the terms of the Meitou Investment Agreement, Meitou will subscribe for new capital in Hengda Real Estate for RMB3,000,000,000, representing approximately 1.32% of the enlarged equity interest of Hengda Real Estate upon completion of the Capital Increase.

(8) The Guangdong Weimei Investment Agreement

Date

30 December 2016

Parties to the Guangdong Weimei Investment Agreement

- (1) Kailong Real Estate;
- (2) Hengda Real Estate; and
- (3) 廣東唯美明珠投資有限公司 (Guangdong Weimei Mingzhu Investment Co., Ltd.).

Guangdong Weimei is a 50:50% joint venture between 廣東唯投控股有限公司 (Guangdong Weitou Holdings Co., Ltd.) and 佛山市葉盛投資有限公司 (Foshan Yesheng Investment Co., Ltd.) established in the PRC and is principally engage in industrial investment, equity investment and enterprise management consulting business. To the best knowledge of the Directors, having made all reasonable enquiries, Guangdong Weimei and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

Amount of capital to be contributed under the Guangdong Weimei Investment Agreement

Pursuant to the terms of the Guangdong Weimei Investment Agreement, Guangdong Weimei will subscribe for new capital in Hengda Real Estate for RMB3,000,000,000, representing approximately 1.32% of the enlarged equity interest of Hengda Real Estate upon completion of the Capital Increase.

OTHER TERMS OF THE INVESTMENT AGREEMENTS

Conditions

The Capital Increase is conditional upon the satisfaction of the following conditions:

- (a) the Investors having received approvals from its board of directors/executive director, shareholders (if necessary) or similar authorised organisations;
- (b) if the Investor is a State-owned enterprise, such approval from the State-owned Assets Administration Bureau or its authorised departments;
- (c) other approvals from the supervisory departments of the Investors;
- (d) the shareholder of Kailong Real Estate having approved the Capital Increase and the amendments to the articles of association of Hengda Real Estate; and
- (e) the Board (and if necessary, the Shareholders) having approved the Capital Increase.

Basis of determining the equity interest attributable to the Investors

The aggregate amount of the Capital Increase is RMB30 billion, which will be contributed to the equity capital of Hengda Real Estate and its capital reserve.

The amount of Capital Increase was determined after arm's length negotiations with reference to, among others, the net asset value of Hengda Real Estate as at 30 June 2016, the land reserves of Hengda Real Estate and the development potentials of such projects, the contracted sales performance of Hengda Real Estate, with reference to the appreciation in value of the land of Hengda Real Estate as indicated by an independent third party valuer in its preliminary valuation report, prevailing market conditions, and the development strategy of Hengda Real Estate and potential synergy and benefits of the Proposed Reorganisation.

Timing for the contribution

The Capital Increase amount is payable by the Investor within 3 business days from the signing of the Investment Agreement. The parties agreed to complete the capital verification procedures and process the registration of the Capital Increase with the 市場監督管理局 (Market Supervisory Administration Bureau) within 20 business days from the receipt of the Capital Increase amount by Hengda Real Estate.

Performance Undertaking and Indemnity

Performance Undertaking

Under the terms of the Investment Agreements, Kailong Real Estate and Hengda Real Estate have undertaken to the Investors that the net profit of Hengda Real Estate for the three financial years of 2017, 2018 and 2019 shall not be less than RMB24.3 billion, RMB30.8 billion and RMB33.7 billion, respectively.

Dividend payment prior to the entering into of the Reorganisation Agreement

The parties agreed that prior to the entering into of the Reorganisation Agreement and subject to the dividend payment not adversely affecting the ability of Hengda Real Estate to continue to operate, Hengda Real Estate will distribute at least 60% of its net profit for each of the financial years under the Performance Undertaking Period to its shareholders.

If the net profit of Hengda Real Estate for a financial year in the Performance Undertaking Period is less than the Performance Undertaking Amount for that financial year, the proportional dividend to be paid by Hengda Real Estate to the Investors will be adjusted upward by using the following formula:

$$\text{Percentage ratio of the proportional dividend payable to the Investors} = \frac{\text{Percentage of equity interest held by the Investors}}{\text{(actual net profit of Hengda Real Estate for that financial year/the Performance Undertaking Amount for that year)}}$$

If the percentage ratio calculated by the above formula is greater than 100%, then the distribution to the Investors will be based on 100%.

Dividend payment after the entering into of the Reorganisation Agreement

The above dividend payment arrangement will lapse upon the execution of the Reorganisation Agreement. Upon the execution of the Reorganisation Agreement, dividend payment will be in accordance with the applicable requirements of the CSRC and the terms of the Reorganisation Agreement.

If, for any reasons, the Reorganisation Agreement is terminated after its execution, Hengda Real Estate will make up for any shortfall in dividend paid to the Investors during the period between the execution of the Reorganisation Agreement and its termination in accordance with the terms of the Investment Agreements as if the Reorganisation Agreement has not been entered.

Repurchase obligation or compensation

If the Proposed Reorganisation as contemplated under the Reorganisation Agreement is not completed by 31 January 2020 and the failure to complete is not attributable to the relevant Investor, the relevant Investor will have the right within two months of the expiry of such deadline to request Kailong Real Estate to either:

- (i) repurchase the equity interest held by the relevant Investor at its original investment cost; or
- (ii) transfer shares in Hengda Real Estate to the relevant Investor without consideration in accordance with the following formula as compensation:

$$\begin{array}{l} \text{Percentage of equity in Hengda Real} \\ \text{Estate to be transferred by Kailong} \\ \text{Real Estate to the relevant Investor as} \\ \text{compensation} \end{array} = \begin{array}{l} \text{Percentage interest in Hengda Real} \\ \text{Estate held by the relevant Investor} \\ \text{on the signing of the compensation} \\ \text{agreement (excluding any additional} \\ \text{interest acquired by the relevant} \\ \text{Investor after the date of the relevant} \\ \text{Investment Agreement)} \end{array} \times 50\%$$

Undertaking of the Investors

Each of the Investors has undertaken to Kailong Real Estate and Hengda Real Estate that for a period of three years from completion of the Capital Increase or immediately prior to the completion of the Proposed Reorganisation (whichever is earlier), it will not transfer its interests in Hengda Real Estate or create any encumbrances over such interests without the consent of Kailong Real Estate. From the date of completion of the Capital Increase to completion of the Proposed Reorganisation, the Investor will not alter its direct or indirect interests in Hengda Real Estate or carry out any acts which would adversely affect the Proposed Reorganisation.

INFORMATION ABOUT HENGDA REAL ESTATE

Hengda Real Estate is a limited liability company established in the PRC and is principally engaged in the business of property development in the PRC.

According to the unaudited financial statements of Hengda Real Estate, the financial results of Hengda Real Estate for the two years ended 31 December 2014 and 2015 are as follows:

	For the year ended	
	31 December	
	2014	2015
	(unaudited)	(unaudited)
	<i>RMB'million</i>	<i>RMB'million</i>
Net profit before tax	24,532	29,233
Net profit after tax	18,341	21,335

The consolidated net asset value of Hengda Real Estate as at 30 June 2016 was RMB63,654 million.

Immediately following the Capital Increase, the effective shareholding of the Company in Hengda Real Estate will be diluted from 100% to approximately 86.84%. Notwithstanding such dilution, Hengda Real Estate will remain as a non-wholly owned subsidiary of the Company and its financial results, assets, liabilities and cash flows will continue to be consolidated into the Company's consolidated financial statements in accordance with the Hong Kong Financial Reporting Standards. As Kailong Real Estate has agreed to the repurchase obligation, if the Proposed Reorganisation as contemplated under the Reorganisation Agreement is not completed by 31 January 2020, the Capital Increase in Hengda Real Estate will be treated as other financial liabilities of the Group and will not result in the recognition of any gain or loss in the Company's consolidated statement of profit or loss and other comprehensive income. Upon completion of the Proposed Reorganisation, the Capital Increase will then be classified as equity of the Group.

The Directors currently intend to apply the proceeds from the Capital Increase for the repayment of certain indebtedness of the Group, future project developments and as general working capital of the Group.

REASON FOR THE CAPITAL INCREASE, PROPOSED A SHARE LISTING

The Company announced on 3 October 2016 that Kailong Real Estate and Hengda Real Estate have entered into a cooperation agreement with Shenzhen Real Estate and Shenzhen Investment pursuant to which the parties agreed to work towards the entering into of the Reorganisation Agreement with regard to the Proposed Reorganisation. Under the Proposed Reorganisation, Shenzhen Real Estate will, by way of issue of Renminbi ordinary shares and/or payment of cash consideration, acquire all of the interest in Hengda Real Estate from Kailong Real Estate. Upon completion of the Proposed Reorganisation, Kailong Real Estate will become the controlling shareholder of Shenzhen Real Estate and the Proposed Reorganisation will enable the Company to effectively list its real estate related assets on the Shenzhen Stock Exchange A-share market.

The Capital Increase will serve to raise fund as well as to allow the Group to maintain the public float of Shenzhen Real Estate upon completion of the Proposed Reorganisation.

Given that the Capital Increase was being made after arm's length negotiations, and that the Investment Agreements were concluded based on normal commercial terms, the Directors (including the independent non-executive Directors) consider that the Capital Increase 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.

The Company does not rule out the introduction of further investors to Hengda Real Estate in the near future. The Company will disclose any such further investments in compliance with the Listing Rules when binding investment agreements have been entered into.

GENERAL

The Group is principally engaged in the development of large scale residential properties and integrated commercial properties in the PRC.

The Capital Increase constitutes a deemed disposal of the Company under Chapter 14 of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Capital Increase is more than 25% but less than 75%, the Capital Increase 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 Capital Increase, the Company has approved the Capital Increase by the written approval of Xin Xin, a shareholder holding approximately 68.45% 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 exempted from the requirement to convene a shareholders' meeting for the approval of the Capital Increase.

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 28 February 2017.

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;
“Capital Increase”	the investment of an aggregate of RMB30 billion in the registered capital of Hengda Real Estate by the Investors pursuant to the terms of the Investment Agreements;

“CITIC Juheng Investment Agreement”	the investment agreement dated 30 December 2016 entered into between Kailong Real Estate, Hengda Real Estate and CITIC Juheng in relation to CITIC Juheng investing an amount of RMB5,000,000,000 in the capital of Hengda Real Estate;
“CITIC Juheng”	中信聚恆(深圳)投資控股中心(有限合夥) (CITIC Juheng (Shenzhen) Investment Holdings LLP);
“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;
“CSRC”	the China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Guangdong Weimei Investment Agreement”	the investment agreement dated 30 December 2016 entered into between Kailong Real Estate, Hengda Real Estate and Guangdong Weimei in relation to Guangdong Weimei investing an amount of RMB3,000,000,000 in the capital of Hengda Real Estate;
“Guangdong Weimei”	廣東唯美明珠投資有限公司 (Guangdong Weimei Mingzhu Investment Co., Ltd.);
“Guangtian Investment Agreement”	the investment agreement dated 30 December 2016 entered into between Kailong Real Estate, Hengda Real Estate and Guangtian in relation to Guangtian investing an amount of RMB5,000,000,000 in the capital of Hengda Real Estate;
“Guangtian”	廣田投資有限公司 (Guangtian Investment Co., Ltd.)
“Group”	the Company and its subsidiaries;
“Hengda Real Estate”	恒大地產集團有限公司 (Hengda Real Estate Group Company Limited), a limited liability company established in the PRC which is wholly-owned by Kailong Real Estate as at the date of this announcement;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Huajian Investment Agreement”	the investment agreement dated 30 December 2016 entered into between Kailong Real Estate, Hengda Real Estate and Huajian in relation to Huajian investing an amount of RMB5,000,000,000 in the capital of Hengda Real Estate;
“Huajian”	深圳市華建控股有限公司 (Shenzhen Huajian Holdings Co., Ltd.);
“Investment Agreements”	the investment agreements dated 30 December 2016 entered into between Kailong Real Estate, Hengda Real Estate and the Investors in relation to the Capital Increase;
“Investors”	the investors referred to in the Investment Agreements;
“Kailong Real Estate”	廣州市凱隆置業有限公司 (Guangzhou Kailong Real Estate Company Limited), a limited liability company established in the PRC, a wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Meitou Investment Agreement”	the investment agreement dated 30 December 2016 entered into between Kailong Real Estate, Hengda Real Estate and Meitou in relation to Meitou investing an amount of RMB3,000,000,000 in the capital of Hengda Real Estate;
“Meitou”	深圳市美投高新技術創業投資有限公司 (Shenzhen Meitou Hi-tech Venture Capital Investment Co., Ltd.);
“net profit”	the net profits attributable to the holding company after deducting extraordinary profits and losses;
“Performance Undertaking Amount”	the minimum amount of net profits of Hengda Real Estate for the Performance Undertaking Period undertaken by Kailong Real Estate and Hengda Real Estate under the Investment Agreements;
“Performance Undertaking Period”	the three financial years ending 31 December 2017, 2018 and 2019;
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administration Region;

“Proposed Reorganisation”	the proposed major assets reorganisation of Shenzhen Real Estate where Shenzhen Real Estate will by way of issue of Renminbi ordinary shares (A shares) and/or the payment of cash consideration, acquire 100% of the equity interest in Hengda Real Estate from Kailong Real Estate, which will result in Kailong Real Estate becoming the controlling shareholder of Shenzhen Real Estate;
“Reorganisation Agreement”	the reorganisation agreement to be entered into between Kailong Real Estate, Hengda Real Estate, Shenzhen Real Estate and Shenzhen Investment in relation to the Proposed Reorganisation;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Ruican Investment Agreement”	the investment agreement dated 30 December 2016 entered into between Kailong Real Estate, Hengda Real Estate and Ruican Investment in relation to Ruican Investment investing an amount of RMB3,000,000,000 in the capital of Hengda Real Estate;
“Ruican Investment”	蘇州工業園區睿燦投資企業(有限合夥) (Suzhou Industrial Park Ruican Investment LLP);
“Shandong Highway Investment Agreement”	the investment agreements dated 30 December 2016 entered into between Kailong Real Estate, Hengda Real Estate and the Shandong Highway Companies in relation to the Shandong Highway Companies investing an amount of RMB3,000,000,000 in the capital of Hengda Real Estate;
“Shandong Highway Companies”	subsidiary (山東高速投資控股有限公司 (Shandong Highway Investment Group Co., Ltd.)) and affiliate (山東鐵路發展基金有限公司 (Shandong Railway Development Fund Co., Ltd.)) of 山東高速集團有限公司 (Shandong Highway Group Co., Ltd.);
“Shareholder(s)”	shareholder(s) of the Company;
“Shenzhen Investment”	深圳市投資控股有限公司 (Shenzhen Investment Holding Co. Ltd.), a company established in the PRC, the controlling shareholder of Shenzhen Real Estate;
“Shenzhen Real Estate”	深圳經濟特區房地產(集團)股份有限公司 (Shenzhen Special Economic Zone Real Estate & Properties (Group) Co. Ltd.), a joint stock company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (Shenzhen Stock Exchange A share stock code: 000029, B share stock code: 200029);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Xin Xin”	Xin Xin (BVI) Limited, a shareholder holding approximately 68.45% of the issued share capital of the Company as at the date of this announcement;
“Zhongrong Investment Agreement”	the investment agreement dated 30 December 2016 entered into between Kailong Real Estate, Hengda Real Estate and the Zhongrong Dingxing Investment in relation to the Zhongrong Dingxing Investment investing an amount of RMB300,100,000 in the registered capital of Hengda Real Estate;
“Zhongrong Dingxing Investment”	深圳市中融鼎興投資合夥企業(有限合夥) (Shenzhen Zhongrong Dingxing Investment LLP); and
“%”	per cent.

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

Hong Kong, 31 December 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.