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CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

DISCLOSEABLE TRANSACTION

On 12 May 2017, Hengda Real Estate, a subsidiary of the Company, its related subsidiaries and the Project Companies entered into 10 Project Agreements with the Fund Manager, pursuant to which, the Fund will invest a total of approximately RMB10.85 billion in relevant projects being co-developed by respective Project Companies and the Group.

The investments constitute a deemed disposal of the Company under Chapter 14 of the Listing Rules. As the Project Agreements are entered into by the Fund Manager with investments made by the Fund, the Project Agreements shall be aggregated under Rule 14.22 of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the investments are more than 5% but less than 25%, the investments constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 12 May 2017, Hengda Real Estate, a subsidiary of the Company, its related subsidiaries and the Project Companies entered into 10 Project Agreements with the Fund Manager, pursuant to which, the Fund will invest a total of approximately RMB10.85 billion in relevant projects being co-developed by respective Project Companies and the Group.

THE INVESTMENTS

(1) Chongqing Coronation Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (信銀(深圳)股權投資基金管理有限公司) (on behalf of Xinheng No. 1 Stable Contractual Fund (信恒穩健壹號契約型基金))
- (2) Champion Glory Holdings Limited, Champion Globe Limited and Champion King Investments Limited (subsidiaries of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Jianzhi (Chongqing) Real Estate Company Limited (重慶尖置房地產有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB1,618,150,700 in Jianzhi (Chongqing) Real Estate Company Limited, representing 30.95% of the enlarged share capital of the Project Company upon completion of the capital injection. The Group will continue to hold the remaining 69.05% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB1,618,150,700 to the Project Company by means of entrusted loan.

The capital injected and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

Chongqing Jianzhi Project is located at No. 1 Zhongxin Section and Qiaobei Village, Huaxin Street Jiedao, Jiangbei District, Chongqing (重慶市江北區華新街街道橋北村及中興段1號). Currently, the total planned gross floor area (GFA) is approximately 1,340,000 square meters (with above ground GFA of 1,000,000 square meters), of which approximately 450,000 square meters have been completed, approximately 360,000 square meters are under construction and approximately 530,000 square meters are to be developed (with above ground GFA of 440,000 square meters and underground GFA of 90,000 square meters). Properties to be constructed under

the project plan include super high-rise residential buildings, high-rise buildings, multi-storey and small high-rise residential buildings, apartments, commercial buildings and other ancillary facilities. The main purpose of introducing the Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	58,461,269.52	6,710,245.08
Net profit after tax	58,461,269.52	340,723.29

As at 31 December 2016, the unaudited net asset of the Project Company was RMB5,181,496,077.74.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 69.05%. The Project Company will continue to be a non-wholly owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

(2) Chengdu Central Plaza Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (on behalf of Xinheng No. 1 Stable Contractual Fund)
- (2) Linzhi Evergrande Tourism Development Co., Ltd. (林芝恒大旅遊發展有限公司) (a subsidiary of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Chengdu Evergrande Xindongcheng Real Estate Co., Ltd. (成都恒大新東城置業有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB600,000,000 in Chengdu Evergrande Xindongcheng Real Estate Co., Ltd., representing 37.04% of the enlarged share capital of the Project Company upon completion of the capital injection. The Group will continue to hold the remaining 62.96% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB600,000,000 to the Project Company by means of entrusted loan.

The capital injected and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

Chengdu Central Plaza Project is located at Chuanmianchang Living Zone, Chenghua District, Chengdu (成都市成華區川棉廠生活區). Currently, the total planned gross floor area (GFA) is approximately 430,000 square meters (with above ground GFA of 360,000 square meters), of which approximately 170,000 square meters have been completed, approximately 190,000 square meters are under construction and approximately 130,000 square meters are to be developed. Properties to be constructed under project plan include high-rise residential buildings, apartments, commercial buildings and other ancillary facilities. The main purpose of introducing the Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	64,811,538.38	(133,093,778.31)
Net profit after tax	48,608,653.78	(137,965,965.62)

As at 31 December 2016, the unaudited net asset of the Project Company was RMB1,504,901,330.94.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 62.96%. The Project Company will continue to be a non-wholly owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

(3) Shenzhen Jisha Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (on behalf of Xinheng No. 1 Stable Contractual Fund)
- (2) Evergrande Real Estate Group (Shenzhen) Limited (恒大地產集團(深圳)有限公司) (a subsidiary of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Shenzhen Guoxiang Jincheng Real Estate Development Co., Ltd. (深圳市國香金城房地產開發有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB1,064,527,750 in Shenzhen Guoxiang Jincheng Real Estate Development Co., Ltd., representing 49.00% of the enlarged share capital of the Project Company upon the capital injection. The Group will continue to hold the remaining 51.00% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB1,064,527,750 to the Project Company by means of entrusted loan.

The capital injected and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

Shenzhen Jisha Project is located at Longgang District (龍崗區), Shenzhen. Currently, the total planned gross floor area (GFA) is approximately 570,000 square meters (with above ground GFA of 410,000 square meters). The project is an urban redevelopment project in Shenzhen, which has been included in the urban redevelopment plan. The construction has not commenced yet.

Properties to be constructed under project plan include residential buildings, office buildings, commercial buildings and other ancillary facilities. The main purpose of introducing the Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	(2,255,972.99)	(1,401,095.06)
Net profit after tax	(2,255,972.99)	(1,401,095.06)

As at 31 December 2016, the unaudited net asset of the Project Company was RMB1,066,670,791.46.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 51.00%. The Project Company will continue to be a non-wholly-owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

(4) Shenzhen Xiangnan Village Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (on behalf of Xinheng No. 1 Stable Contractual Fund)
- (2) Evergrande Real Estate Group (Shenzhen) Limited (a subsidiary of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Shenzhen Guochao Investment Co., Ltd. (深圳市國超投資有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB1,295,000,000 in Shenzhen Guochao Investment Co., Ltd., representing 49.00% of the enlarged share capital of the Project Company upon completion of the capital injection. The Group will continue to hold the remaining 51.00% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB1,295,000,000 to the Project Company by means of entrusted loan.

The capital injected and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

Shenzhen Xiangnan Village Project is located at Nanshan District (南山區), Shenzhen. Currently, the total planned gross floor area (GFA) is approximately 450,000 square meters (with above ground GFA of 360,000 square meters). The project is an urban redevelopment project in Shenzhen, which has been included in the urban redevelopment plan. The construction has not commenced yet. Properties to be constructed under project plan include residential buildings, apartments, office buildings, commercial buildings and other ancillary facilities. The main purpose of introducing the Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	(3,179,994.24)	(3,469,416.93)
Net profit after tax	(3,179,994.24)	(3,469,416.93)

As at 31 December 2016, the unaudited net asset of the Project Company was RMB1,293,420,902.46.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 51.00%. The Project Company will continue to be a non-wholly owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

(5) Shenzhen Daxin Village Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (on behalf of Xinheng No. 1 Stable Contractual Fund)
- (2) Evergrande Real Estate Group (Shenzhen) Limited (a subsidiary of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Shenzhen Huachao Industrial Co., Ltd. (深圳市華超實業有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB1,435,223,000 in Shenzhen Huachao Industrial Co., Ltd., representing 49.00% of the enlarged share capital of the Project Company upon completion of the capital injection. The Group will continue to hold the remaining 51.00% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB1,435,223,000 to the Project Company by means of entrusted loan.

The capital injected and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

Shenzhen Daxin Village Project is located at Nanshan District, Shenzhen. Currently, the total planned gross floor area (GFA) is approximately 520,000 square meters (with above ground GFA of 410,000 square meters). The project is an urban redevelopment project in Shenzhen, which has been included in the urban redevelopment plan. The construction has not been commenced yet. Properties to be constructed under project plan include residential buildings, apartments, office buildings, commercial buildings and other ancillary facilities. The main purpose of introducing the

Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	(19,104,664.53)	(11,883,717.91)
Net profit after tax	(19,104,664.53)	(11,883,717.91)

As at 31 December 2016, the unaudited net asset of the Project Company was RMB1,397,568,387.83.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 51.00%. The Project Company will continue to be a non-wholly owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

(6) Shenzhen Construction Institution Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (on behalf of Xinheng No. 1 Stable Contractual Fund)
- (2) Evergrande Real Estate Group (Shenzhen) Limited (a subsidiary of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Evergrande Real Estate (Shenzhen) Co., Ltd. (恒大置業(深圳)有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB2,313,505,900 in Evergrande Real Estate (Shenzhen) Co., Ltd., representing 49.00% of the enlarged share capital of the Project Company upon completion of the capital injection. The Group will continue to hold the remaining 51.00% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB2,313,505,900 to the Project Company by means of entrusted loan.

The capital injected and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

Shenzhen Construction Institution Project is located at Luohu District (羅湖區), Shenzhen. Currently, the total planned gross floor area (GFA) is approximately 470,000 square meters (with above ground GFA of 410,000 square meters). The project is a reconstruction project in Shenzhen, which has not been commenced yet. Properties to be constructed under project plan include office buildings, commercial buildings and other ancillary facilities. The main purpose of introducing the Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	(900,166.63)	(36,304.94)
Net profit after tax	(900,166.63)	(36,304.94)

As at 31 December 2016, the unaudited net asset of the Project Company was RMB2,332,569,428.43.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 51.00%. The Project Company will continue to be a non-wholly owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

(7) North Huaqiang — Phase II Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (on behalf of Xinheng No. 1 Stable Contractual Fund)
- (2) Evergrande Real Estate Group (Shenzhen) Limited (a subsidiary of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Shenzhen Win Holding Industrial Co., Ltd. (深圳市盈投實業有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB300,000,000 in Shenzhen Win Holding Industrial Co., Ltd., representing 49.18% of the enlarged share capital of the Project Company upon completion of the capital injection. The Group will continue to hold the remaining 50.82% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB300,000,000 to the Project Company by means of entrusted loan.

The injected capital and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

North Huaqiang—Phase II Project is located at North Huaqiang Area, Futian District, Shenzhen (深圳市福田區華強北片區). Currently, the total planned gross floor area (GFA) is approximately 98,000 square meters (with above ground GFA of 68,000 square meters). The project is an urban redevelopment project in Shenzhen, which has been included in the urban redevelopment plan. The construction has not been commenced yet. Properties to be constructed under project plan include residential buildings, apartments, commercial buildings and other ancillary facilities. The main

purpose of introducing the Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	(216,126.29)	(24,182.46)
Net profit after tax	(216,126.29)	(24,182.46)

As at 31 December 2016, the unaudited net asset of the Project Company was RMB299,556,654.58.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 50.82%. The Project Company will continue to be a non-wholly owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

(8) Shenzhen Pingshan Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (on behalf of Xinheng No. 1 Stable Contractual Fund)
- (2) Evergrande Real Estate Group (Shenzhen) Limited (a subsidiary of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Shenzhen Hongteng Investment Co., Ltd. (深圳市鴻騰投資管理有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB756,500,000 in Shenzhen Hongteng Investment Co., Ltd., representing 35.00% of the enlarged share capital of the Project Company upon the capital injection. The Group will continue to hold the remaining 65.00% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB756,500,000 to the Project Company by means of entrusted loan.

The capital injected and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

Shenzhen Pingshan Project is located at Pingshan New Central Area (坪山新區中心區). Currently, the total planned gross floor area (GFA) is approximately 1,370,000 square meters (with above ground GFA of 1,000,000 square meters). The project is an urban redevelopment project in Shenzhen, which has been included in the urban redevelopment plan. Properties to be constructed under project plan include residential buildings, apartments, office buildings, commercial buildings and other ancillary facilities. The main purpose of introducing the Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	2,155,512.34	(3,411,671.29)
Net profit after tax	2,155,512.34	(3,411,671.29)

As at 31 December 2016, the unaudited net asset of the Project Company was RMB911,519,947.10.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 65.00%. The Project Company will continue to be a non-wholly owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

(9) North Huaqiang — Phase I Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (on behalf of Xinheng No. 1 Stable Contractual Fund)
- (2) Evergrande Real Estate Group (Shenzhen) Limited (a subsidiary of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Shenzhen Hengyingtai Investment Co., Ltd. (深圳市恒盈泰投資有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB450,000,000 in Shenzhen Hengyingtai Investment Co., Ltd., representing 48.91% of the enlarged share capital of the Project Company upon completion of the capital injection. The Group will continue to hold the remaining 51.09% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB450,000,000 to the Project Company by means of entrusted loan.

The capital injected and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

North Huaqiang — Phase I Project is located at North Huaqiang Area, Futian District, Shenzhen (深圳市福田區華強北片區). Currently, the total planned gross floor area (GFA) is approximately 120,000 square meters (with above ground GFA of 87,000 square meters). The project is an urban redevelopment project in Shenzhen, which has been included in the urban redevelopment plan. The construction has not been commenced yet. Properties to be constructed under project plan include apartments, commercial buildings and other ancillary facilities. The main purpose of introducing

the Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	(8,588,850.50)	(7,727,066.16)
Net profit after tax	(8,588,850.50)	(7,727,066.16)

As at 31 December 2016, the unaudited net asset of the Project Company was RMB433,675,225.00.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 51.09%. The Project Company will continue to be a non-wholly owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

(10) Shenzhen Nanyou Mansion Project Agreement

Date

12 May 2017

Parties

- (1) CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (on behalf of Xinheng No. 1 Stable Contractual Fund)
- (2) Evergrande Real Estate Group (Shenzhen) Limited (a subsidiary of the Group)
- (3) Hengda Real Estate Group Company Limited
- (4) Qianhai Junlin Industrial Development (Shenzhen) Co., Ltd. (前海君臨實業發展(深圳)有限公司)

Investments to be made by the Fund

Pursuant to the terms under the agreement, the Fund will invest RMB1,012,000,000 in Qianhai Junlin Industrial Development (Shenzhen) Co., Ltd., representing 49.00% of the enlarged share capital of the Project Company upon the capital injection. The Group will continue to hold the remaining 51.00% equity interest in the Project Company.

Shareholder's loan

Apart from the capital investment, pursuant to the arrangement made by the Fund and the Group in relation to project investment, the Fund will provide a shareholder's loan of RMB1,012,000,000 to the Project Company by means of entrusted loan.

The capital injected and the shareholder's loan will be utilised for the development and construction of the land of the project and other purposes as agreed by the parties.

Particulars of the project

Shenzhen Nanyou Mansion Project is located at Nanshan District, Shenzhen. Currently, the total planned gross floor area (GFA) is approximately 155,000 square meters (with above ground GFA of 128,000 square meters), of which approximately 155,000 square meters are under construction. Properties to be constructed under project plan include office buildings, commercial buildings and other ancillary facilities. The main purpose of introducing the Fund as a cooperative partner for co-development is to provide sufficient capital support for the development of the project. The parties have determined the transaction price based on the value of the company through negotiation.

Based on the financial statements of the Project Company, the financial results of the Project Company for the two years ended 31 December 2015 and 2016 are set out below:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Net profit before tax	(306,128.73)	(6,442,311.08)
Net profit after tax	(306,128.73)	(6,442,311.08)

As at 31 December 2016, the unaudited net asset of the Project Company was RMB1,054,965,442.38.

Upon completion of the investment, the actual shareholding of the Group in the Project Company will be diluted from 100% to approximately 51.00%. The Project Company will continue to be a non-wholly owned subsidiary of the Company, and its financial results, assets, liabilities and cash flow will continue to be accounted for in the consolidated financial statements of the Company.

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Basis of determination of the investments

Total amount to be invested by the Fund in the Project Companies will be approximately RMB10.85 billion.

The amount of capital injection is determined by the Group and the Fund Manager after arm's length negotiations by reference to the net assets value of the respective Project Companies, the development scale and saleable gross floor area of the projects.

Profits of respective Project Companies will be distributed to the Group and the Fund based on their respective shareholdings. When the relevant projects are fully completed, profits will be distributed to the Group and the Fund in accordance with the actual percentage of realisation of net revenue target achieved by the Project Companies at the proportion as agreed by the parties.

Information about Hengda Real Estate

Hengda Real Estate is a limited liability company established in China and is principally engaged in property development in China.

Information about the Fund and the Fund Manager

The Fund Manager is a professional equity investment fund management company established in China and is principally engaged in fund management services. To the best of the Directors' knowledge after having made all reasonable enquiries, the Fund Manager and its ultimate beneficial owners are independent of the Company or its connected persons, and they are not connected with each other.

The Fund is one of the funds under the management of the Fund Manager, and is principally engaged in equity investment.

REASON FOR THE INVESTMENTS

The investments will have the effect of raising funds for the co-development of the projects. Given that the investments were being made after arm's length negotiations, and that the Project Agreements were concluded based on normal commercial terms, the Board considered that the investments were made on normal commercial terms, the terms of which were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The investments constitute a deemed disposal of the Company under Chapter 14 of the Listing Rules. As the Project Agreements are entered into by the Fund Manager with investments made by the Fund, the Project Agreements shall be aggregated under Rule 14.22 of the Listing Rules. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the investments are more than 5% but less than 25%, the investments constitute a discloseable transaction for the Company and are 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”	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;
“Fund”	Xinheng No. 1 Stable Contractual Fund (信恒穩健壹號契約型基金), a fund established in China and managed by the Fund Manager;
“Fund Manager”	CIF (Shenzhen) Equity Investment Fund Management Co., Ltd. (信銀(深圳)股權投資基金管理有限公司), a professional fund management company established in China;
“Hengda Real Estate”	Hengda Real Estate Group Company Limited (恒大地產集團有限公司), a limited liability company established in China and a subsidiary of the Group;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Project Agreement(s)”	the cooperative agreement(s) entered into between the Fund Manager and the Group on 21 April 2017; and
“Project Company(ies)”	entity(ies) responsible for project development.

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

Hong Kong, 12 May 2017

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. Huang Xiangui and Mr. Shi Junping, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.