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**EVERGRANDE HEALTH
INDUSTRY GROUP**

EVERGRANDE HEALTH INDUSTRY GROUP LIMITED

恒大健康產業集團有限公司

(a company incorporated in Hong Kong with limited liability)

(Stock code: 708)

BUSINESS UPDATE

SUCCESSFUL BIDDING OF THE LAND USE RIGHTS OF HAINAN BOAO LECHENG INTERNATIONAL MEDICAL TOURISM PILOT ZONE

Evergrande Health Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that, on 19 October 2015, the Company successfully won a bidding on the state-owned construction land use rights of Land 2, No.3 Hainan Boao Lecheng International Medical Tourism Pilot Zone (the “**Pilot Zone**”), Qionghai city, Hainan province, China (the “**Medical Land**”) through its subsidiary (the “**Bid Winner**”) (the “**Bidding**”). The land area of the Medical Land is 81,234.17 square metres and it will be used for medical purposes with use right of 50 years.

CONSIDERATION OF THE BIDDING

Consideration: RMB93,419,295.50 (to be settled by the Group with internal resources)

The consideration of the Bidding is determined by way of public listing and tendering. Such consideration shall be settled within 30 days from the date of the entering into of the grant contract of state-owned construction land use rights (《國有建設用地使用權出讓合同》) between the Bid Winner and the National Land, Environment and Resources Bureau of Qionghai city, which shall be before 29 October 2015, in cash in one lump-sum.

INFORMATION ON THE PILOT ZONE

The Pilot Zone is closely adjacent to the central area of Boao Forum for Asia. Its functions are to develop medical, elderly care, scientific research and other industries relating to international medical tourism by leveraging on local ecological resources, build an ecological model with low carbon and low emission and construct a platform to enhance domestic and overseas cooperation and exchange in the related fields.

The establishment of Pilot Zone was officially approved by the State Council of China and supported by nine major national policies, which will facilitate the import of large-scale medical equipment, medical devices, medicines, medical technologies and methods as well as the introduction of foreign doctors and capital into the Pilot Zone. The Pilot Zone is China's first state-level development zone which is primarily engaged in international medical tourism services, low carbon ecological community and as a hub for international organizations.

The directors of the Company, having made all reasonable enquiries, confirm, to the best of their knowledge, information and belief, that the Qionghai government is a government authority, and the Qionghai government and its ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company and are not connected persons of the Company.

REASONS AND BENEFITS

The Group is primarily engaged in “Internet+” community healthcare management, medical cosmetology, anti-aging management as well as the sales of travel, dining and lifestyle magazines and contents.

With the aforesaid acquisition of the Medical Land, the Company plans to collaborate with world-class medical and research institutions, introduce first-class international talents and fully leverage on the supporting policies of the state in an endeavor to establish a new and high-end three-in-one (clinical, teaching and scientific research) international hospital and research and development platform. It will target the most health-threatening and the most complicated diseases such as tumors, introduce and develop the most advanced technologies and treatment methods for clinical practice to benefit the wider patient group.

Given the aforesaid reasons and benefits, the directors of the Company believe that the terms of the Bidding are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

GENERAL

Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), as the highest applicable percentage ratio of the Bidding exceeds 5% but is less than 25%, the Bidding constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

There can be no assurance that any forward-looking statements regarding the business development of the Group set out in this announcement or any of the matters set out herein are attainable, will actually occur or will be realised or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place any excessive reliance on the information disclosed herein. Any shareholder or potential investor who is in doubt is advised to seek advice from professional advisors.

By Order of the Board
Evergrande Health Industry Group Limited
Fong Kar Chun, Jimmy
Company Secretary

Hong Kong, 19 October 2015

As at the date of this announcement, the executive directors of the Company are Ms. Tan Chaohui, Mr. Tong Ming, Mr. Han Xiaoran; and the independent non-executive directors of the Company are Mr. Chau Shing Yim, David, Mr. Guo Jianwen and Mr. Xie Wu.