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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)**

**DISCLOSEABLE TRANSACTION  
BUSINESS UPDATE**

**SUCCESSFUL BIDDING OF THE LAND USE RIGHTS OF  
A LAND PLOT IN HAIHUA ISLAND, BINHAI NEW DISTRICT,  
DANZHOU, HAINAN PROVINCE**

Evergrande Health Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that, on 22 December 2015, the Company successfully won a bidding on the state-owned construction land use rights of Land Plot 2-06-1, Block 4, Binhai New District, Danzhou, Hainan Province, China (the “**Hospitality, Retail and Commercial Composite Land**”) through its subsidiary (the “**Bid Winner**”) (the “**Bidding**”). The land area of this land is 32,701.375 square metres and it will be used for hospitality, retail and commercial purposes with use right of 40 years.

**CONSIDERATION OF THE BIDDING**

Consideration: RMB55,134,519.00 (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 Danzhou city, which shall be before 22 January 2016, in cash and in one lump-sum.

## **INFORMATION ON THE HAIHUA ISLAND, HAINAN PROVINCE, CHINA**

Haihua Island is themed on styled hotel area, food street, 7-star hotel, wetland park, television and film media base, ecological amusement park, sea park, sand beach swimming area, yacht club, etc. It is a tourist resort island integrating general entertainment, business seminars, club member sports and leisure resort. The construction of Haihua Island capitalizes on the strategy of developing Hainan into an international tourism island and will greatly enhance the image and quality of Hainan province's seaside tourism. The construction has been confirmed by the Hainan provincial government as the first project of tourism in the western part of Hainan province during the "12th Five-Year Plan" period, contributing to the resource of tourism in the western part of Hainan province.

The directors of the Company, having made all reasonable enquiries, confirm, to the best of their knowledge, information and belief, that Danzhou government is a government authority, and Danzhou 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 OF THE TRANSACTION**

The principal business activities of the Group are "Internet+" community healthcare management, high-end international hospitals, elderly care industry, medical cosmetology, anti-aging management as well as the sales of travel, dining and lifestyle magazines and contents. China's problem of aging population is worsening, but elderly care resources are very limited. Resolving the increasingly obvious imbalance of supply and demand of elderly care services and developing elderly care industry are in line with the State's policy and demand.

Due to the unique geographic and weather conditions, Hainan is an excellent area for elderly care. Haihua Island is located on the west coastline of Hainan Island and its climate is especially suitable for elderly people to live habitually. Meanwhile, Haihua Island will be an excellent destination for world cultural tourism, and will provide an abundant cultural living environment for the elderly.

With the aforesaid acquisition of the land, the Company plans to collaborate with world-class institutions, introduce first-class international talents and fully leverage on the supporting policies of the State with the aim of developing a unique elderly care service integrating residence, medication and insurance. This also marks the commencement of the Group's thought out plan on the elderly care industry.

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, 22 December 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.*