

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**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
DISPOSAL OF ENTIRE SHAREHOLDING OF
NEW MONDAY PUBLISHING LIMITED**

THE DISPOSAL

On 29 June 2016, the Vendor, an indirect non-wholly owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire shareholding of the Disposal Company at a Consideration of HK\$200,000. Completion has taken place simultaneously upon the signing of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date: 29 June 2016

Parties: (1) Vendor: New Media Group Limited, being an indirect non-wholly owned subsidiary of the Company

(2) Purchaser: Top Wheel Holdings

Top Wheel Holdings is an investment holding company incorporated in the BVI and owned as to 100% by Mr. Wong Chun Loong. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties who are independent of (i) the Company; and (ii) the connected persons of the Company.

Asset to be disposed

Pursuant to the terms of the Sale and Purchase Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the entire shareholding of the Disposal Company. Further information of the Disposal Company are set out in the section headed “Information on the Disposal Company” below.

Consideration

The Consideration has been settled by the Purchaser to the Vendor’s nominee by cheque upon Completion. The Consideration was determined after taking into account the unaudited net asset deficit of the Disposal Company of approximately HK\$21 million as at 31 May 2016 and the estimated expenses of the Disposal.

Completion

Completion has taken place simultaneously upon the signing of the Sale and Purchase Agreement.

INFORMATION ON THE GROUP

The principal business activities of the Group include magazine publishing, distribution of magazines, digital business, and provision of magazine content and “Internet+” community health management, international hospitals, elderly care, medical cosmetology and anti-aging business.

INFORMATION ON THE DISPOSAL COMPANY

As of the date of this announcement, the Disposal Company is an indirect non-wholly owned subsidiary of the Company. The Disposal Company is principally engaged in the publishing of the local magazine named “NM+ New Monday” which provides an advertising platform for advertisers focusing on trend-loving young generation. The unaudited net asset deficit of the Disposal Company is approximately HK\$21 million as at 31 May 2016.

Set out below is the audited financial information of the Disposal Company for the financial year ended 30 June 2014 and the eighteen months ended 31 December 2015 respectively:

	Eighteen months ended 31 December 2015 HK\$'000	Year ended 30 June 2014 HK\$'000
Revenue	100,061	96,180
Net Profit/(loss) before taxation	(10,633)	2,141
Net Profit/(loss) after taxation	(10,633)	2,141

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Company will cease to hold any interest in the Disposal Company and the Disposal Company will cease to be a subsidiary of the Company. The financial results of the Disposal Company will no longer be consolidated in the accounts of the Group.

With reference to (i) the unaudited net asset deficit of the Disposal Company of approximately HK\$21 million as at 31 May 2016 and (ii) the Consideration of HK\$200,000, the Company is expected to recognize an unaudited gain (before tax) of approximately HK\$21.2 million from the Disposal. The Company would like to emphasize that the aforesaid expected gain to be recorded by the Company will depend on the financial position of the Disposal Company as at the date of the Completion.

PROPOSED USE OF PROCEEDS

The Company is intended to use the sale proceeds from the Disposal for the expenditures attributable to the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal business activities of the Group include magazine publishing, distribution of magazines, digital business, and provision of magazine content and “Internet+” community health management, international hospitals, elderly care, medical cosmetology and anti-aging business.

As mentioned in the annual report 2015 of the Company for the 18 months ended 31 December 2015, the media segment has been pressured with uncertain economic conditions and competitive digital markets.

With the rapid growth in digital media and social networking sites, local print media has become sunset industry. Alerted by the market challenges and trim down arrangements by the peers, the Directors have been constantly reviewing the media segment and market demand aiming to strive for the best interests for the Company and its shareholders. In view of the challenging business environment, the Directors consider that there is an imminent need to make further streamlining and restructuring arrangements to

its media asset segment. Due to market model transformation, further deploying resources for the print media has become unappealing and the Company has considered different options, including introducing new partners to the media segment companies and introducing new shareholder(s) to the Disposal Company. The Directors considered that the Disposal reduces the loss-making assets of its media segment and is in the interests of the Company and its shareholders as a whole and the terms of the Sale and Purchase Agreement are fair and reasonable.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Company”	Evergrande Health Industry Group Limited, a company incorporated in Hong Kong with limited liability whose shares are listed and traded on the Stock Exchange
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Consideration”	the total consideration in the amount of HK\$200,000 for the Disposal by the Purchaser to the Vendor under the Sale and Purchase Agreement between the Vendor and the Purchaser dated 29 June 2016
“Directors”	the directors of the Company
“Disposal”	the disposal of the entire shareholding of the Disposal Company
“Disposal Company”	New Monday Publishing Limited, a company incorporated in Hong Kong with limited liability, an indirect non-wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Purchaser”	Top Wheel Holdings

“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 June 2016 entered into between the Vendor and the Purchaser in respect of the sale and purchase of the entire shareholding of the Disposal Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top Wheel Holdings”	Top Wheel Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor”	New Media Group Limited (新傳媒集團有限公司), a company incorporated in the British Virgin Islands with limited liability, an indirect non wholly-owned subsidiary of the Company
“%”	per cent

By Order of the Board
Evergrande Health Industry Group Limited
Tan Chaohui
Chairlady

Hong Kong, 29 June 2016

As at the date of this announcement, the executive Directors of the Company are Ms. Tan Chaohui, Mr. Peng Sheng, and 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.