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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)

**MAJOR TRANSACTION
BID-WINNING OF THE LAND USE RIGHTS OF LAND PLOTS
NO. CA06-29-1 AND NO. CA06-29-2, CHANG'AN DISTRICT,
XI'AN CITY, SHAANXI PROVINCE**

Evergrande Health Industry Group Limited is pleased to announce that, on 5 December 2016, it has, via its subsidiary, won the bid for the state-owned construction land use rights of land plots No. CA06-29-1 (land for residence use and commercial use (joint users)) and No. CA06-29-2 (land for residence use and commercial use (joint users)) of Chang'an District, Xi'an City, Shaanxi Province, China at a consideration of RMB733,300,000.

In accordance with the Listing Rules, as the highest applicable percentage ratio in respect of the Xi'an Land Acquisition is more than 25% but less than 100%, the Xi'an Land Acquisition constitutes a major transaction of the Company and is subject to announcement and Shareholders' approval requirements under the Listing Rules.

The transaction has been approved in writing by the controlling shareholder of the Company. A circular will be despatched to the Shareholders by the Company as soon as practicable in accordance with the Listing Rules setting out (among others) further details of the Xi'an Land Acquisition. The circular is expected to be despatched on or before 31 January 2017, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Evergrande Health Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that, on 5 December 2016, the Company has, via its subsidiary (the “**Bid Winner**”), won the bid for the state-owned construction land use rights of land plots No. CA06-29-1 (land for residence use and commercial use (joint users)) and No. CA06-29-2 (land for residence use and commercial use (joint users)) in Chang’an District, Xi’an City, Shaanxi Province, China (the “**Land Plots**”) (the “**Bid**”). The total area of the Land Plots is 159,426.13 square meters, of which land plot No. CA06-29-1 has a net site area of 74,286.84 square meters, plot ratio of 2.5 and aboveground construction area of approximately 187,630 square meters, with terms of 70 years and 40 years for the land use rights for residence use and commercial use, respectively; while land plot No. CA06-29-2 has a net site area of 85,139.29 square meters, plot ratio of 2.1 and aboveground construction area of approximately 175,646 square meters, with terms of 70 years and 40 years for the land use rights for residence use and commercial use, respectively. On 5 December 2016, the Bid Winner has entered into the “Land Plot CA06-29-1 State-Owned Construction Land Use Rights Online Bid Confirmation” (《CA06-29-1號國有建設用地使用權網上掛牌出讓成交確認書》) and the “Land Plot CA06-29-2 State-Owned Construction Land Use Rights Online Bid Confirmation” (《CA06-29-2號國有建設用地使用權網上掛牌出讓成交確認書》) with the Ministry of Land and Resources of Xi’an (the “**Vendor**”), the vendor of the use rights of the Land Plots, in relation to the acquisition of the use rights of the Land Plots (the “**Xi’an Land Acquisition**”).

CONSIDERATION FOR THE XI’AN LAND ACQUISITION

Consideration: RMB733,300,000 (to be settled by the Group by internal resources)

The consideration for the Xi’an Land Acquisition was determined by way of public listing and tendering. 50% of the 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 in Xi’an (《西安市國有建設用地使用權出讓合同》) between the Bid Winner and the Vendor and the remaining sum shall be settled within 360 days from the date of the entering into of such grant contract of state-owned construction land use rights in Xi’an.

INFORMATION ABOUT THE “EVERGRANDE HEALTH CO-WORKING SPACE” IN CHANG’AN DISTRICT, XI’AN CITY, SHAANXI PROVINCE, CHINA

Xi’an was known as Chang’an in ancient times and is the provincial capital of Shaanxi Province. Locating at the central part of Guanzhong Plain, Xi’an is an important scientific research, education and industrial base of China as well as an important central city in the western region of the country and a famous historical and cultural city in the world. As one of the four world’s great ancient capitals of civilization along with Athens, Rome and Cairo, Xi’an has a long history of over 3,100 years since its establishment as a city and about 1,100 years of functioning as a capital with 13 dynasties choosing this city as the capital successively. Positioned as a “golden-collar community”, “Evergrande Health Co-Working Space” is adjacent to the mountainous border which geographically divides the northern and southern parts of China and is an important initiative in implementing the ideology of healthy life “1+N”.

Since year 2000, population aged over 60 has accounted for over 10% of the total population of Xi'an City, reaching the international standard of aging population. According to a population sample survey by the Statistics Bureau of Xi'an City in 2015, population aged over 60 had reached 1.352 million, accounting for 15.53% of the total population. In view of the faster pace of aging population, "Evergrande Health Co-Working Space" will implement the national strategy of "Healthy China" and improve the quality of healthy life of the general public.

To the best of knowledge, information and belief of the directors of the Company, after having made all reasonable enquiries, Xi'an government (being the authority which the Vendor is subordinated to) is a government institution, and Xi'an government and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and are not the connected persons of the Company.

REASONS AND BENEFITS OF THE TRANSACTION

The corporate vision of the Group is to implement the national strategy of "Healthy China" and improve the quality of healthy life of the general public. Its strategic direction is to optimise medical services, improve health protection and develop universal health industry. The Group is engaged in the development of medical, health preservation, medical cosmetology and anti-aging services and is committed to the integration of insurance and finance services and the provision of scientific, all-round and full life-cycle health services. As the aging problem of the Chinese society becomes more and more serious and the resources for elderly care are severely limited, it is of vital importance to address the increasingly serious imbalance of the supply and demand of elderly services and develop the elderly service industry in line with national policies and demand. The problems of segmentation and the difficulty in the transfer of scientific education and intelligence resources in Chang'an region is becoming more and more acute. The promotion of "Evergrande Health Co-Working Space" is to materialise the principle of health-based home and develop a benchmark of all-round and full life-cycle health and elderly services and solution for reasonable transfer of scientific education and intelligence resources in the north-western region of China.

The Company plans to join hands with top-notch institutions, introduce first-class talents and fully leverage on national supporting policies on the Land Plots. The Company also aims to integrate insurance and financial services, provide scientific, all-round and full life-cycle health services, build up high-quality elderly and health preservation industries and draw on local high-quality high school resources to enrich the lives of students through joint efforts.

On the basis of the above reasons and benefits, the directors of the Company believe that the terms of the Bid, the Xi'an Land Acquisition and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE GROUP

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.

LISTING RULES IMPLICATIONS

In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), as the highest applicable percentage ratio in respect of the Xi’an Land Acquisition is more than 25% but less than 100%, the Xi’an Land Acquisition constitutes a major transaction of the Company and is subject to announcement and Shareholders’ approval requirements under the Listing Rules.

In accordance with the Listing Rules, a major transaction is subject to Shareholders’ approval. To the best of the knowledge, information and belief of the directors of the Company, after having made all reasonable enquiries, as no shareholder of the Company (“**Shareholder**”) has material interests in the transaction, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for approving the transaction. The Company will not be required to convene a general meeting for approving the transaction as the Company has obtained written Shareholder’s approval from Evergrande Health Industry Holdings Limited, the controlling shareholder of the Company (the “**Controlling Shareholder**”), in lieu of convening a general meeting as permitted by Rule 14.44 of the Listing Rules. The Controlling Shareholder directly holds 6,479,500,000 shares in the Company, representing approximately 74.99% of the issued shares of the Company as at the date of this announcement.

GENERAL

A circular will be despatched to the Shareholders by the Company as soon as practicable in accordance with the Listing Rules setting out (among others) further details of the Xi’an Land Acquisition. The circular is expected to be despatched on or before 31 January 2017, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

There can be no assurance that any forward-looking statements regarding the business development of the Group set out in this announcement and 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
Tan Chaohui
Chairlady

Hong Kong, 5 December 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.