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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

**THE ENTERING OF BOAO EVERGRANDE INTERNATIONAL HOSPITAL
WORK PLAN SCOPE AND LICENSE AGREEMENT WITH
BRIGHAM AND WOMEN'S HEALTH CARE, INC.**

Reference is hereby made to the announcement dated 24 September 2015 in relation to the entering of a memorandum of understanding (the “**MOU**”) by Evergrande Health Industry Group Limited (the “**Company**”, together with its subsidiaries, collectively known as the “**Group**”) with Brigham and Women’s Health Care, Inc. (“**Brigham**”), and the announcement dated 15 March 2016 in relation to the further entering into of a legally binding strategic collaboration agreement (the “**Strategic Collaboration Agreement**”) under the MOU by the Company with Brigham (collectively the “**Parties**”).

After the signing of the Strategic Collaboration Agreement, the Company has been working closely with Brigham in various aspects, including Brigham’s assisting with the design, setting up of clinical programs, hospital management and organizational structure of Boao Evergrande International Hospital. The parties have achieved great success, which has laid down a strong foundation for creating a world-class hospital and healthcare system.

Therefore, the Company is pleased to announce that on 15 December, 2016, the Company and Brigham have entered into the work plan scope for further deepening of collaboration (the “**Work Plan Scope**”) and the Company together with Boao Evergrande International Hospital and Brigham have also entered into a license agreement (the “**License Agreement**”). According to the Work Plan Scope, Brigham will provide expertise to Boao Evergrande International Hospital, deeply participate in the preparation for the opening of Boao Evergrande International Hospital, and Brigham will provide support in the subsequent hospital operation. Pursuant to the License Agreement, Boao Evergrande International Hospital is licensed to use specific names and trademarks which include recognizing the relationship as “Boao Evergrande International Hospital in affiliation with Brigham and Women’s Hospital” (“博鰲恒大國際醫院—布萊根和婦女醫院附屬醫院”).

According to the information provided by Brigham, Brigham and Women's Hospital is a teaching affiliate of Harvard Medical School, and an international leader in almost every field of medicine. Brigham and Women's Hospital is ranked among the nation's top ten hospitals by US News and World Report in many specialties. The medical preeminence of Brigham and Women's Hospital dates back to 1832. In addition to excellence in clinical treatment, Brigham and Women's Hospital is an international leader in basic, clinical and translational research on human diseases. For the last 25 years, Brigham and Women's Hospital ranked second among independent hospitals in terms of research funding from the National Institutes of Health (NIH).

Upon entering the Work Plan Scope and the License Agreement, the Group and Brigham entered into a new stage of cooperation where Brigham will assist Boao Evergrande International Hospital as a critical part of the Group's overall strategic plan. Through introducing Brigham's modern hospital management system and cutting-edge medical technology, and with the support of the world's top doctors and scientists, a sustainable development model leveraging on Brigham's clinical, teaching and research will support Evergrande to develop Boao Evergrande International Hospital into a world-class institution.

BACKGROUND INFORMATION

The vision of the Group is to implement the "Healthy China" strategy and improve the life quality of the general public, provide high quality medical services, improve health insurance coverage and develop the 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.

The construction of Boao Evergrande International Medical Center in Hainan Boao Lecheng International Medical Tourism Pilot Zone has commenced, and is under intense construction.

Hainan Boao Lecheng International Medical Tourism Pilot Zone is closely adjacent to the central area of Boao Forum for Asia. The establishment of the 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.

On the land as mentioned above, the Company will collaborate with the international medical and research institute, to introduce international first-class talents, to take advantage of supportive policy, and will establish a high end international hospitals and research and development platform which will integrate clinical studies, teaching, and research. It is developed to cure the diseases that have larger threats to human beings and more complexity by introducing and developing cutting-edge equipment, technology and treatment to clinical treatment for the benefits of the patients and people's livelihood.

GENERAL

The Strategic Collaboration Agreement, the Work Plan Scope and the License Agreement and the transactions contemplated thereunder are of an income nature, and are conducted in the ordinary and usual course of the business of the Company, and therefore do not fall into the scope of “transaction” referred to in Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

To the best of the knowledge, information and belief of the Directors of the Company after all reasonable inquiries have been made, Brigham (and its ultimate beneficial owners) are not connected persons of the Company, and the Strategic Collaboration Agreement, the Work Plan Scope, the License Agreement and the transactions contemplated thereunder do not constitute any connected transactions under Chapter 14A 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 data 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
Chairperson

Hong Kong, 15 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.