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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
PURCHASE OF THE LAND USE RIGHTS OF 3 LAND PLOTS IN
LIUHE DISTRICT, NANJING CITY, JIANGSU PROVINCE**

Evergrande Health Industry Group Limited is pleased to announce that, on 23 March 2018, it has, via its subsidiary, won the bid for the state-owned construction land use rights of 3 land plots in Liuhe District, Nanjing City, Jiangsu Province at a total consideration of RMB2,960,000,000.

In accordance with the Listing Rules, as the highest applicable percentage ratio in respect of the Nanjing Land Acquisition is more than 25% but less than 100%, the Nanjing 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 Nanjing Land Acquisition. The Company will apply to the Stock Exchange for a waiver under Rule 14.41(a) of the Listing Rules, to despatch the circular on or before 25 May 2018, 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 23 March 2018, the Company has, via its subsidiary (the “**Bid Winner**”), won the bid for the state-owned construction land use rights of land plots 2018 Ningwanggua (No.2) NO.2018G12 (land for hospital use, commercial use, elderly home use, and secondary residence use), NO.2018G13 (land for elderly home use, commercial use, mixed use, recreation use, secondary residence use and grassroots community center use), NO.2018G14 (commercial use and secondary residence use) in Liuhe District, Nanjing City, Jiangsu Province (the “**Land Plots**”) (the “**Bid**”).

The Land Plots have a total area of 566,957 square meters, in which the net area of plot NO.2018G12 is 242,674.97 square meters, with a total plot ratio of 1.43 and a total aboveground construction area of approximately 347,025.2 square meters, with terms of 70 years, 40 years and 50 years for the land use rights for residential use, commercial use and hospital use, respectively; the net area of plot NO.2018G13 is 212,951.50 square meters, with a total plot ratio of 1.5 and a total aboveground construction area of approximately 319,427.25 square meters, with terms of 70 years and 40 years for the land use rights for residential use and commercial use, respectively; the net area of plot NO.2018G14 is 111,330.65 square meters, with a total plot ratio of 1.4 and a total aboveground construction area of approximately 155,862.9 square meters, with terms of 70 years and 40 years for the land use rights for residential use and commercial use, respectively.

On 23 March 2018, the Bid Winner entered into a total of 3 relevant land use rights bid confirmations with the Ministry of Land and Resources of Nanjing (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 “**Nanjing Land Acquisition**”).

CONSIDERATION FOR THE NANJING LAND ACQUISITION

Consideration: RMB2,960,000,000 (to be settled by the Group by internal resources)

The consideration for the Nanjing Land Acquisition was determined by way of public listing and tendering. 50% of the consideration has been settled, and the remaining 50% of the consideration will be settled within 30 days after the relevant land use rights bid confirmations have been entered into.

The Bid Winner will also enter into the assignment agreement for state-owned construction land use rights (《國有建設用地使用權出讓合同》) in respect of the Nanjing Land Acquisition with the Vendor.

INFORMATION ABOUT NANJING CITY, JIANGSU PROVINCE, CHINA

Nanjing is situated in the eastern region of China and in the lower reaches of Yangtze River. Its geographical advantages include the adjacency to waterways, extensive economic hinterland and proximity to Shanghai, with whom Nanjing is one of the three core cities in the Yangtze River delta economic area. Nanjing is also the sole mega-city in the Yangtze River delta area and Eastern China.

Being one of the four great ancient capitals of China and among the first batch of national famous historical and cultural cities, Nanjing is the primary birthplace of the Chinese culture and has been chosen as the capital for multiple periods throughout the Chinese history. Nanjing has long been a political, economical and cultural center in Southern China.

REASONS AND BENEFITS OF THE TRANSACTION

The Group focuses on healthcare, health management, health insurance and elderly care under the membership system. The Group keeps pace with international standards and the world’s cutting-edge technology, such as Brigham and Women’s Hospital, to establish a lifelong health tracking management system for all memberships, conducting multidimensional scientific life management from all aspects.

Meanwhile, the Group initiated the idea of innovative services integrating medical insurance with prevention, medical services and health care. It has established a membership platform, which provides comprehensive full-life cycle health management services for members by integrating the world's firstclass old-age care and health preserving, medical and commercial insurance and other resources. Nanjing Liuhe Evergrande Health Land adheres to create health-orientated homes and to create a new healthy life of "one family with three generations, living in two apartments" while helping with developing Nanjing into a demonstrative health city, eco-friendly city, intelligent city, international city and liveable city in Eastern China, even across the whole China.

The Land Plots will be used for the construction of an international specialist hospital, a medical examination center, meeting and catering center and elderly care apartments. Meanwhile, adhering to the concept of an all-round healthy lifestyle for all-aged populations, and through the installation of relevant ancillary facilities for four gardens namely, YiYang (Keep fit), ChangLe (Cheerfulness), KangYi (Health) and Qinzi (Parent-child), the Land Plots will be developed into a demonstrative all-age health community in Eastern China, and even across the whole China. Efforts will be made to develop a modern lifestyle that meets the living standards of moderately developed countries.

On the basis of the above reasons and benefits, the directors of the Company believe that the terms of the Bid, the Nanjing 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 healthcare, health management, high-end medical therapy and elderly care under the membership system.

INFORMATION ABOUT THE VENDOR

The Vendor is a government department in Nanjing, China and an authority under the Nanjing Municipal Government.

To the best of knowledge, information and belief of the directors of the Company, after having made all reasonable enquiries, Nanjing government (being the authority which the Vendor is subordinated to) is a government institution, and Nanjing 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.

LISTING RULES IMPLICATIONS

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

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 Nanjing Land Acquisition, 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 (amongst others) further details of the Nanjing Land Acquisition. The Company will apply to the Stock Exchange for a waiver under Rule 14.41(a) of the Listing Rules to despatch the circular on or before 25 May 2018, 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, 23 March 2018

As at the date of this announcement, the executive directors of the Company are Ms. Tan Chaohui 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.