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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)

**(1) TERMINATION OF DISCLOSEABLE TRANSACTION
AND
(2) VOLUNTARY ANNOUNCEMENT
PURCHASE OF THE LAND USE RIGHTS OF RESTRUCTURED LAND
PLOTS IN XIANGTAN CITY, HUNAN PROVINCE**

(1) TERMINATION OF DISCLOSEABLE TRANSACTION

Reference is made to the announcement of Evergrande Health Industry Group Limited (the “**Company**“, together with its subsidiaries, the “**Group**”) dated 19 January 2018 (“**January Announcement**”) in respect of the Company (via its subsidiary) entering into the land use rights bid confirmations with the Bureau of Land Resources Xiangtan (the “**Vendor**”), on 19 January 2018, for the state-owned construction land use rights of 5 land plots in Xiangtan City, Hunan Province, China (collectively, the “**January Land Plots**”) at a total consideration of RMB699,290,000 (the “**January Xiangtan Land Acquisition**”). The Vendor is a government department in Xiangtan, the People’s Republic of China and an authority under Xiangtan Municipal Government.

The board (the “**Board**”) of directors (“**Directors**”) of the Company wishes to update the shareholders of the Company with respect to the latest information of the January Xiangtan Land Acquisition. Due to internal approval procedures of the Vendor, the transfer of the state-owned construction land use rights of the January Land Plots from the Vendor to the bid winner was not completed. The Board considers that the termination of the January Xiangtan Land Acquisition does not and would not have any material adverse impact on the financial position and the business operation of the Group.

(2) PURCHASE OF THE LAND USE RIGHTS OF RESTRUCTURED LAND PLOTS IN XIANGTAN CITY, HUNAN PROVINCE

In March 2018, the Vendor has re-structured the January Land Plots which was subsequently re-listed as the Restructured Land Plots (as defined below) for bidding. The Company is pleased to announce that the Company has, via its subsidiary, Hengpeng Hunan Health Industry Co., Ltd.* (恒鵬湖南健康產業有限公司) (“**Hengpeng Hunan**”), won the bid for the land use rights of Tan Gong Tu Wang Gua (2018) 010 land plot (land for medical and sanitary use) in Xiangtan City, Hunan Province, China (the “**(2018) 010 Land Plot**”); and Hunan Hengsheng Health Industry Co., Ltd.* (湖南恒盛健康產業有限公司) (“**Hunan Hengsheng**”), a joint venture company owned as to 40% by a subsidiary of the Company and as to 60% by a third party independent of the Company and its connected persons, has won the bids for the state-owned construction land use rights of Tan Gong Tu Wang Gua (2018) 011 land plot (land for entertainment and recreational use), Tan Gong Tu Wang Gua (2018) 012 land plot (land for commercial use), Tan Gong Tu Wang Gua (2018) 013 land plot (land for commercial use) and Tan Gong Tu Wang Gua (2018) 014 land plot (land for entertainment use) in Xiangtan City, Hunan Province, China (the “**Remaining Land Plots**”, together with the (2018) 010 Land Plot, collectively as the “**Restructured Land Plots**”). The Grant Contracts of State-Owned Construction Land Use Rights (《國有建設用地使用權出讓合同》) in relation to the Restructured Land Plots were entered into on 28 May 2018.

The consideration for the acquisition of the state-owned construction land use rights of the (2018) 010 Land Plot and the Remaining Land Plots (the “**Acquisition**”), being RMB55,690,000 (the full amount of which is contributed solely by Hengpeng Hunan) and RMB643,600,000 (40% of which is contributed by Hunan Hengsheng) respectively, was determined by way of public listing and tendering. As payment for the bidding deposit of the Restructured Land Plots acquisition, approximately 20% of the consideration had been settled. The remaining consideration for the Restructured Land Plots is expected to be paid before 29 June 2018. The amount previously paid by the Company as payment for bidding deposit of the January Land Plots has been refunded by the Vendor to the Company.

As all of the applicable percentage ratios calculated on an aggregate basis in respect of the acquisition of the state-owned construction land use rights of the Restructured Land Plots in accordance with The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) does not exceed 5%, the Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

By Order of the Board
Evergrande Health Industry Group Limited
Shi Shouming
Chairman

Hong Kong, 29 May 2018

As at the date of this announcement, the executive directors of the Company are Mr. Shi Shouming 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.

** for identification purpose only.*