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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)

**VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE**

This is a voluntary announcement made by Evergrande Health Industry Group Limited (the “**Company**”, together with its subsidiaries, collectively known as the “**Group**”).

Reference is made to the Company’s announcement dated 25 June 2018 in relation to the acquisition of Season Smart Limited by the Company (the “**Announcement**”). As disclosed in the Announcement, the sole asset of Season Smart Limited is its 45% equity interest (on a fully diluted basis) in Smart King Ltd. (the “**Joint Venture**”) and the Joint Venture holds the business of Faraday Future. As the Joint Venture will be treated as an associate of the Group under Hong Kong Financial Reporting Standards, the Group will use equity accounting method to account for the Joint Venture.

As disclosed in the Announcement, Faraday Future is a global internet company focused on building smart mobility ecosystems, with the objective of providing new energy, smart, interconnected and sharing products and services to users. It has more than 1,000 leading technology professionals, and has filed close to 1,500 patent applications in the United States and the PRC and has been granted more than 380 patents in both countries.

The Company is pleased to announce, based on the information provided by Faraday Future, the latest business development of Faraday Future as set out below.

MARKET PROSPECTS OF BATTERY ELECTRIC VEHICLE

In view of the fact that a number of countries have issued a timetable for banning the sale of fossil fuel vehicles, Faraday Future believes that the development of new energy vehicles is an inevitable trend. The production and sales of new energy vehicles are expected to maintain rapid growth in the next decade or even longer. The annual sales volume of the entire market may reach tens of millions, or even hundreds of millions, of vehicles after 10 to 20 years, presenting extremely broad prospects.

PROGRESS OF FF91

As disclosed in the Announcement, FF91 is the first high-end vehicle of Faraday Future. It has a designed 0–96kph acceleration of 2.39 seconds, a maximum cruising range of 700 kilometers and has numerous smart sensors and smart retractable 3D light detection and ranging radar enabling advanced technological features such as automatic parking, facial recognition technology and seamless entry system. FF91 has various world’s-leading functions and technical indicators. Furthermore, FF91 is equipped with 10 large screens and light-speed network portals, aiming at realizing smart traveling such as mobile office, entertainment and leisure.

To the knowledge of the Group, the first body-in-white for FF91 has arrived at the production base in Hanford, the United States, and the FF91 full-vehicle assembly has officially started and various rigorous tests including engineering tests are also being conducted at the same time, in order to ensure that FF91 reaches the mass production target by the first quarter of 2019 as scheduled.

FUTURE DEVELOPMENT STRATEGY OF FARADAY FUTURE

On 14 August 2018, Faraday Future established its operating headquarters in the PRC named as Evergrande FF Intelligent Automotive (China) Co., Ltd.* (恒大法拉第未來智能汽車(中國)有限公司) which will be fully responsible for the technology research and development as well as all of the production, operation and management of Faraday Future in the PRC, thus bringing world’s cutting-edge new energy automotive technology to take root in the PRC.

The Group has been informed that, in view of the above, Faraday Future has devised a long-term strategic plan, which is to build five research and development and production bases in Eastern China, Western China, Southern China, Northern China and Central China in the next decade. Its goal is to reach the planned annual production capacity of 5 million vehicles after 10 years while launching various multi-type vehicle series including FF91 and FF81 covering high-end, mid-range and entry-level products in the global market to establish an internet-based smart traveling ecosystem and comprehensively satisfy various market demands which are growing at a rapid pace.

As this announcement contains forward-looking statements, 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
Shi Shouming
Chairman

Hong Kong, 14 August 2018

* *For identification purpose only*

As at the date of this announcement, the executive directors of the Company are Mr. SHI Shouming, Mr. PENG Jianjun and Mr. LI Siqun; and the independent non-executive directors of the Company are Mr. CHAU Shing Yim David, Mr. GUO Jianwen and Mr. XIE Wu.