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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)

ANNOUNCEMENT

PROCUREMENT OF CRITICAL ILLNESS INSURANCE CONTRACTS FOR ELDERLY CARE VALLEY MEMBERS

XI'AN INSURANCE PROCUREMENT AGREEMENT

On 8 November 2018, Evergrande Health Xi'an, a wholly-owned subsidiary of the Company, and Evergrande Life Shaanxi entered into the Xi'an Insurance Procurement Agreement, pursuant to which Evergrande Life Shaanxi shall provide membership critical illness insurance services as well as the regional service network and a series of supporting services to Evergrande Health Xi'an, and Evergrande Health Xi'an shall pay the product and service fee to Evergrande Life Shaanxi.

The principal business activities of the Group include the "Internet+" community health management, international hospitals and elderly care and rehabilitation, as well as the investment in high technology new energy vehicle manufacture. Evergrande Life Company Limited, Shaanxi Branch* (恒大人壽保險有限公司陝西分公司) is a company incorporated in the PRC principally engaged in the business of provision of life insurance, health insurance and accidental injury insurance.

REASONS AND BENEFITS FOR ENTERING INTO THE XI'AN INSURANCE PROCUREMENT AGREEMENT

The Xi'an Elderly Care Valley project is the key pilot project of the Group to comprehensively promote membership system and to accumulate membership system management experience. Given that Evergrande Life Shaanxi is relatively stronger than other insurance companies within the same area, it is able to provide personalized one-stop shop services as well as hospital visit and medical appointment accompanying services in the Xi'an Elderly Care Valley project, and to provide individual physical examinations the coverage of which is higher than those offered by other insurance companies. The Group can thus seek to improve the experience of the members of the Xi'an Elderly Care Valley

through entering into the transactions contemplated under the Xi'an Insurance Procurement Agreement. Based on the foregoing, the Directors consider that the entering into of the Xi'an Insurance Procurement Agreement is in the interests of the Company and the Shareholders as a whole.

As of the date of this announcement, the transaction amount for the procurement of insurance services from Evergrande Life Shaanxi by Evergrande Health Xi'an is approximately RMB63 million.

The Directors (including the independent non-executive Directors (save and except for Mr. CHAU Shing Yim David) believe that, the terms of the Xi'an Insurance Procurement Agreement are fair and reasonable, on normal commercial terms and beneficial to the business development of the Group. In addition, the terms of the Xi'an Insurance Procurement Agreement are no less favourable than those offered by independent third parties. Mr. CHAU Shing Yim David, an independent non-executive Director, is also an independent non-executive director of China Evergrande, the controlling shareholder of the Company, and China Evergrande may be deemed to be interested in the Xi'an Insurance Procurement Agreement. Accordingly, he has abstained from voting on the relevant resolution(s) in relation to the transactions contemplated under the Xi'an Insurance Procurement Agreement. To the best of the knowledge and belief of the Directors, none of the Directors other than Mr. CHAU Shing Yim David has any interest in the resolutions of the Board to approve transactions contemplated under the Xi'an Insurance Procurement Agreement or is otherwise required to abstain from voting on the relevant resolutions of Board.

LISTING RULE IMPLICATIONS

As at the date of this announcement, Evergrande Life Shaanxi is a non-wholly-owned subsidiary of China Evergrande, the controlling shareholder of the Company. Therefore, Evergrande Life Shaanxi is a connected person of the Company. The transactions contemplated under the Xi'an Insurance Procurement Agreement shall constitute continuing connected transactions of the Company under the Chapter 14A of Listing Rules. The Company shall take all necessary actions as soon as practicable to comply with the requirements of the Chapter 14A of Listing Rules.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Evergrande Health Industry Group Limited
“connected person”, “connected transaction” and “controlling shareholder”	have the respective meanings ascribed to them under the Listing Rules

“China Evergrande”	China Evergrande Group, a company incorporated in the Cayman Islands with limited liability, being the controlling shareholder of the Company whose shares are listed on the Main Board of the Stock Exchange (stock code: 3333)
“Director(s)”	the director(s) of the Company
“Evergrande Life Shaanxi”	Evergrande Life Insurance Company Limited, Shaanxi Branch* (恒大人壽保險有限公司陝西分公司), a company established in the PRC and a subsidiary of China Evergrande, the controlling shareholder of the Company
“Group”	the Company and its subsidiaries
“Evergrande Health Xi’an”	Xi’an Evergrande Elderly Care Valley Elderly Care Service Company Limited* (西安恒大養生谷養老服務有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Insurance Services”	critical illness insurance services, including proven critical illness insurance products, regional service network, a series of ancillary services, etc.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of Shares

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Xi’an Insurance
Procurement Agreement”

the Xi’an Elderly Care Valley membership critical illness procurement uniform transaction agreement dated 8 November 2018 entered into between Evergrande Health Xi’an and Evergrande Life Shaanxi

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

Hong Kong, 2 December 2018

As at the date of this announcement, the executive directors of the Company are Mr. SHI Shouming, Mr. PENG Jianjun and Mr. LI Siqian; 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*