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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

(proposed to be renamed as China Evergrande New Energy Vehicle Group Limited)

(a company incorporated in Hong Kong with limited liability)

(Stock Code: 708)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 5 August 2020.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of Evergrande Health Industry Group Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 5 August 2020.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement has been published by the Securities and Futures Commission (the “**SFC**”) on 19 August 2020 (the “**SFC Announcement**”).

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings suggested that as at 5 August 2020, a group of 18 Shareholders held an aggregate of 1,712,960,000 shares of the Company (the “**Shares**”), representing 19.83% of the issued Shares. Such shareholding, together with 6,479,550,000 Shares (representing 74.99% of the issued Shares) held by the Company’s substantial Shareholder, represented 94.82% of the issued Shares as at 5 August 2020. As such, only 447,490,000 Shares (representing 5.18% of the issued Shares) were held by other Shareholders.

As set out in the SFC Announcement, the shareholding structure of the Company as at 5 August 2020 was as follows:

| | Number of Shares held <i>(Shares)</i> | % of total number of issued Shares <i>(%)</i> |
|--|---|---|
| China Evergrande Group (<i>Note 1</i>) | 6,479,550,000 | 74.99 |
| A group of 18 shareholders | 1,712,960,000 | 19.83 |
| Other shareholders | <u>447,490,000</u> | <u>5.18</u> |
| Total | <u>8,640,000,000</u> | <u>100.00</u> |

Note 1: Of the 6,479,550,000 shares held, 6,479,500,000 shares were held by Evergrande Health Industry Holdings Limited and 50,000 shares were held by Acelin Global Limited, both being wholly-owned by China Evergrande Group, whose shares are listed on the Main Board of the Stock Exchange (stock code: 3333)

According to the SFC Announcement, the closing price of the Shares hovered between HK\$5.71 and HK\$6.54 during the period from 1 April 2020 to 10 June 2020 with an average daily turnover of 728,262 Shares. Since then, closing price of the Shares increased 434.7% from HK\$6.34 on 10 June 2020 to HK\$33.9 on 5 August 2020 with an average daily turnover of 17,802,322 Shares.

Since 10 June 2020, the Company made, *inter alia*, the following announcements:

- On 10 June 2020 after market close, the Company announced its acquisition of the remaining 17.6% stake in National Electric Vehicles Sweden AB (“NEVS”) at US\$379,500,000. Upon completion, NEVS will be wholly-owned by the Group.
- On 15 July 2020, the Company announced the change in board lot size from 5,000 Shares to 500 Shares with effect from 6 August 2020.
- On 27 July 2020, the Company announced the proposed name change to “China Evergrande New Energy Vehicle Group Limited”. The name change is subject to the approval by the shareholders at the general meeting to be held on 20 August 2020.
- On 3 August 2020, the Company revealed its six first-phase “Hengchi” vehicle models.

As at 18 August 2020, the Shares closed at HK\$30.7, representing an increase of 384.2% from the closing price of HK\$6.34 on 10 June 2020.

The information above is extracted from the SFC Announcement and the Company has not independently verified such information. Please also refer to the SFC Announcement for details.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the directors of the Company after making all reasonable enquiries, the Company confirms that not less than 25% of the Company's issued Shares were in the hands of the public as at 5 August 2020 and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on Stock Exchange.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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

Hong Kong, 19 August 2020

As at the date of this announcement, the executive directors of the Company are Mr. SHI Shouming, Mr. LIU Yongzhuo and Mr. QIN Liyong; and the independent non-executive directors of the Company are Mr. CHAU Shing Yim, David, Mr. GUO Jianwen and Mr. XIE Wu.