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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **Evergrande Health Industry Group Limited** (the “**Company**”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED SHARE SUBDIVISION
AND
NOTICE OF GENERAL MEETING**

A notice of GM to be held at the Aberdeen Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 3:00 p.m. on Monday, 24 August 2015 for the purpose of considering, and if thought fit, approving the Share Subdivision is set out on pages 8 to 9 of this circular.

Whether or not you intend to attend and vote at the GM in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar **Tricor Secretaries Limited at Level 22, Hopewell Center, 183 Queen's Road East, Hong Kong**, as soon as possible but in any event not less than 48 hours before the time appointed for holding the GM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending or voting in person at the GM or any adjournment thereof should you so wish.

28 July 2015

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EXPECTED TIMETABLE

EXPECTED TIMETABLE

The expected timetable relating to the Share Subdivision is set out below:

2015

(Hong Kong Time)

Latest time for lodging the proxy form for the GM (not less than 48 hours prior to the time of the GM).....	3:00 p.m., Saturday, 22 August
Date and time of the GM	3:00 p.m., Monday, 24 August
Publication of poll results of the GM.....	Monday, 24 August

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” in this circular.

2015

(Hong Kong Time)

Effective date of the Share Subdivision.....	Tuesday, 25 August
Dealing in Converted Shares commences	9:00 a.m., Tuesday, 25 August
Original counter for trading in shares temporarily closes	9:00 a.m., Tuesday, 25 August
Temporary counter for trading in Converted Shares in board lots of 50,000 Converted Shares opens.....	9:00 a.m., Tuesday, 25 August
First day for free exchange of existing share certificates for new share certificates for the Converted Shares	Tuesday, 25 August
Original counter for trading in Converted Shares (in board lots of 5,000 Converted Shares) re-opens.	9:00 a.m., Wednesday, 9 September
Parallel trading in Shares and Converted Shares begins	9:00 a.m., Wednesday, 9 September
Temporary counter for trading in Converted Shares in board lots of 50,000 Converted Shares closes.....	4:00 p.m., Wednesday, 30 September
Parallel trading in Shares and Converted Shares ends	4:00 p.m., Wednesday, 30 September
Last day for free exchange of existing share certificates for new share certificates for Converted Shares.	Monday, 5 October

EXPECTED TIMETABLE

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above depends on the results of the GM and are therefore for indicative purpose only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of directors of the Company;
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities and there is no suspension in trading in the shares of the Company on that day;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the laws of Hong Kong);
“Company”	Evergrande Health Industry Group Limited, a company incorporated in Hong Kong with limited liability;
“GM”	the general meeting of the Company to be convened for the purpose of approving the Share Subdivision;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	the lawful currency for the time being of Hong Kong;
“Latest Practicable Date”	24 July 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Share(s)”	the existing ordinary shares in the share capital of the Company prior the Share Subdivision becoming effective;
“Shareholder(s)”	the registered holders of the Shares or Converted Shares (as the case may be);
“Share Subdivision”	the proposed conversion of all of the Shares into a larger number of shares by converting each one (1) Share into ten (10) Converted Shares pursuant to section 170(2)(e) of the Companies Ordinance; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.



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)

Executive Directors:

Ms. Tan Chaohui (*Chairlady*)

Mr. Tong Ming

Mr. Han Xiaoran

Registered Office:

Suites 1501–1507

One Pacific Place

88 Queensway

Hong Kong

Independent Non-executive Directors:

Mr. Chau Shing Yim, David

Mr. Guo Jianwen

Mr. Xie Wu

28 July 2015

To the Shareholders

Dear Sir/Madam,

**PROPOSED SHARE SUBDIVISION
AND
NOTICE OF GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you (i) with details of the Share Subdivision, the trading arrangements in respect of the Converted Shares, the arrangement and procedure for the free exchange of share certificates and (ii) a notice of the GM, at which an ordinary resolution will be proposed to consider and approve the proposed Share Subdivision.

PROPOSED SHARE SUBDIVISION

The Board proposes to effect the Share Subdivision by converting every one (1) existing Share into ten (10) Converted Shares pursuant to section 170(2)(e) of the Companies Ordinance. The Share Subdivision will become effective on the day immediately after fulfillment of the conditions set out below under the section headed “Conditions of the Share Subdivision”.

LETTER FROM THE BOARD

The Shares are currently traded in board lots of 5,000 Shares and the board lot size will remain unchanged when implementing the Share Subdivision. Upon the Share Subdivision becoming effective, the board lots size of the Converted Shares for trading on the Stock Exchange will become 5,000 Converted Shares.

It is expected the Share Subdivision will not result in any odd lots other than those already existing.

SHARE CAPITAL STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the total number of Shares in issue is 864,000,000 Shares and the total issued share capital of the Company is HK\$282,271,018.

As at the Latest Practicable Date, the Company has no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for any Shares.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision will be conditional upon the following:

- a) the passing of an ordinary resolution by the Shareholders at the GM for approving the Share Subdivision; and
- b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Converted Shares.

Assuming all the conditions are fulfilled, the Share Subdivision will become effective on the next Business Day immediately after the passing of the ordinary resolution as specified therein, which is expected to take place on 25 August 2015.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Converted Shares upon the implementation of the Share Subdivision.

EFFECT OF THE SHARE SUBDIVISION

Upon the Share Subdivision becoming effective, the Converted Shares will rank *pari passu* in all respects with each other. Implementation of the Share Subdivision would not, by itself, alter the underlying assets, liabilities, businesses, management or financial position of the Group and the Company or the rights of the Shareholders, except for payment of the related expenses. The proportionate interests and the voting rights of the Shareholders in the Company will not be affected by the Share Subdivision.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE SHARE SUBDIVISION

The proposed Share Subdivision (when effective) will increase the total number of Shares in issue and correspondingly reduce the trading price of each Share in the Company so that the market value per board lot of Shares in the Company can be reduced to appeal to more investors. Based on the closing price of HK\$7.69 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the market value per board lot of 5,000 Shares is HK\$38,450. The estimated market value per new board lot of 5,000 Converted Shares will be theoretically reduced to HK\$3,845 immediately upon the Share Subdivision becoming effective.

The Board is of the view that the increase in number of shares of the Company together with the reduction in the trading price as a result of the Share Subdivision may improve the trading liquidity of the Converted Shares vis-à-vis the existing Shares, apart from enabling the Company to broaden its Shareholders' base. Accordingly, the Board considers that the Share Subdivision is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXCHANGE OF SHARE CERTIFICATES

Upon the Share Subdivision becoming effective, the Shareholders may, during the period from Tuesday, 25 August 2015 to Monday, 5 October 2015 (both dates inclusive), submit their existing certificates for the Shares to the Company's share registrar, Tricor Secretaries Limited at Level 22, Hopewell Center, 183 Queen's Road East, Hong Kong, in exchange for the new share certificates for the Converted Shares free of charge. Thereafter, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate issued or cancelled. Existing certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for Converted Shares at any time at the expense of the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the proposed Share Subdivision is set out on pages 1 to 2 of this circular.

GENERAL MEETING

A notice convening the GM to be held at the Aberdeen Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 24 August 2015 at 3:00 p.m. for the purpose of considering, and if thought fit, approving the Share Subdivision set out on pages 8 to 9 of this circular.

The Board is not aware of any requirement for any Shareholder to abstain from voting on the resolution to approve the Share Subdivision at the GM.

A proxy form for the GM is enclosed. Whether or not you intend to attend and vote at the GM in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar Tricor Secretaries

LETTER FROM THE BOARD

Limited at Level 22, Hopewell Center, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the GM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending or voting in person at the GM or any adjournment thereof should you so wish.

The ordinary resolution proposed to be approved at the GM will be taken by poll and an announcement will be made by the Company following the conclusion of the GM to inform the Shareholders of the results.

GENERAL

The Company is incorporated in Hong Kong with limited liability. The principal business activities of the Group are plastic surgery, skin therapy and care, anti-ageing management as well as the sales of health and travel magazines, books and contents.

A GM is proposed to be convened for the Shareholders to consider, and if thought fit, to approve the Share Subdivision.

RECOMMENDATION

The Board holds the view that the proposed Share Subdivision is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the GM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By Order of the Board
Evergrande Health Industry Group Limited
Fong Kar Chun, Jimmy
Company Secretary

NOTICE OF GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that a general meeting of Evergrande Health Industry Group Limited (the “**Company**”) will be held at the Aberdeen Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 24 August 2015 at 3:00 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** the Share Subdivision (as defined below) be approved in the following manner:

- a) every one (1) existing ordinary share in the share capital of the Company be converted into ten (10) shares (the “**Converted Share(s)**”) in the share capital of the Company pursuant to section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Share Subdivision**”) and such Share Subdivision shall take effect on the next Business Day (as defined below) immediately following the date on which this resolution is passed;
- b) all of the Converted Shares shall rank *pari passu* in all respects with each other and have the same rights and privileges and be subject to the restrictions contained in the articles of association of the Company;
- c) the directors of the Company be and are hereby authorised generally to do all such acts and things and execute all such documents, including under the seal of the Company, where applicable, as they consider necessary or expedient to implement and give effect to the Share Subdivision and arrangements set out in this resolution,

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of, and permission to deal in, the Converted Shares.

In this resolution, the term “**Business Day**” shall mean a day on which the Stock Exchange is open for the business of dealing in securities and there is no suspension in trading in the shares of the Company on that day.”

Yours faithfully,
By Order of the Board
Evergrande Health Industry Group Limited
Fong Kar Chun, Jimmy
Company Secretary

Hong Kong, 28 July 2015

NOTICE OF GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. To be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's share registrar Tricor Secretaries Limited at Level 22, Hopewell Center, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.