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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**, you should at once hand this circular 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)

- (1) RE-APPOINTMENT OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE NEW SHARES AND
BUY BACK SHARES;
(3) ADOPTION OF NEW SHARE OPTION SCHEME; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of the Company to be held at Taishan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 6 June 2018 at 3:00 p.m. is set out on pages 28 to 32 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or adjournment thereof.

30 April 2018

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DEFINITIONS

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

“Adoption Date”	means the date on which the New Share Option Scheme shall be conditionally adopted by an ordinary resolution of the Shareholders;
“AGM”	the annual general meeting of the Company to be held at Taishan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 6 June 2018 at 3:00 p.m.
“Articles of Association”	the Articles of Association of the Company
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“associate”	shall have the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors of the Company
“Buy-back Mandate”	a general mandate proposed to be granted to the Directors to enable them to buy back Shares not exceeding 10% of the number of Shares in issue as at the date of passing the Buy-back Resolution at the AGM
“Buy-back Resolution”	the proposed ordinary resolution as referred to in resolution number 5(B) of the Notice of AGM
“Company”	Evergrande Health Industry Group Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Companies Ordinance”	means the Companies Ordinance, (Chapter 622 of the Laws of Hong Kong);
“connected person”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Eligible Participant”	means any full-time or part-time employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of the Subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of the Subsidiaries
“Exercise Price”	the price per Share, determined by the Board, at which a grantee may subscribe for Shares on the exercise of a Share Option in accordance with the rules of the New Share Option Scheme
“Extension Mandate”	a general mandate proposed to be granted to the Directors to the effect that any Shares bought back under the Buy-back Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its Subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HKICPA”	shall have the meaning ascribed to it under the section headed “APPENDIX I — DETAILS OF THE DIRECTORS PROPOSED FOR RE-APPOINTMENT” in this circular
“ICAEW”	shall have the meaning ascribed to it under the section headed “APPENDIX I — DETAILS OF THE DIRECTORS PROPOSED FOR RE-APPOINTMENT” in this circular
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares not exceeding 20% of the number of Shares in issue as at the date of passing the relevant resolution at the AGM
“Latest Practicable Date”	20 April 2018, 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

DEFINITIONS

“Mr. Chau”	shall have the meaning ascribed to it under the section headed “APPENDIX I — DETAILS OF THE DIRECTORS PROPOSED FOR RE-APPOINTMENT” in this circular
“Mr. Xie”	shall have the meaning ascribed to it under the section headed “APPENDIX I — DETAILS OF THE DIRECTORS PROPOSED FOR RE-APPOINTMENT” in this circular
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM
“Offer Date”	in respect of a Share Option, the date on which such Share Option is offered in writing to an Eligible Participant which may be a Business Day
“Overriding Limit”	shall have the meaning ascribed to it under the section headed “APPENDIX III — SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME” in this circular
“Previous Share Option Scheme”	the share option scheme of the Company adopted on 18 January 2008
“Scheme Limit”	shall have the meaning ascribed to it under the section headed “APPENDIX III — SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME” in this circular
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Share Option(s)”	a right granted or to be granted by the Company under the New Share Option Scheme, which right permits (but does not obligate) a grantee to subscribe for Shares in accordance with the terms and condition thereof
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a subsidiary for the time being of the Company within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and “Subsidiaries” shall be construed accordingly

DEFINITIONS

“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollar
“%”	per cent.



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. Han Xiaoran

Independent Non-executive Directors:

Mr. Chau Shing Yim, David

Mr. Guo Jianwen

Mr. Xie Wu

Registered office:

23rd Floor, China Evergrande Centre

38 Gloucester Road

Wanchai

Hong Kong

30 April 2018

To the Shareholders:

Dear Sir or Madam,

- (1) RE-APPOINTMENT OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE NEW SHARES AND
BUY BACK SHARES;
(3) ADOPTION OF NEW SHARE OPTION SCHEME; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM and to give you the notice of AGM. Resolutions to be proposed at the AGM include, *inter alia*: (i) the re-appointment of Directors; (ii) the grant of each of the Issue Mandate, Buy-back Mandate and Extension Mandate; and (iii) the adoption of New Share Option Scheme.

LETTER FROM THE BOARD

RE-APPOINTMENT OF DIRECTORS

Retirement by rotation and re-appointment of Directors pursuant to Article 81(1) of the Articles of Association

In accordance with Article 81(1) of the Articles of Association, Mr. Chau Shing Yim, David (“**Mr. Chau**”) and Mr. Xie Wu (“**Mr. Xie**”) shall retire by rotation at the AGM and shall then be eligible for re-appointment at the AGM. Mr. Chau and Mr. Xie, being the independent non-executive Directors who are eligible for re-appointment at the AGM, have each made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

Details of the above Directors to be re-appointed at the AGM are set out in Appendix I to this circular.

GENERAL MANDATES TO ISSUE NEW SHARES AND BUY BACK SHARES

At the last annual general meeting of the Company held on 1 June 2017, ordinary resolutions were passed, among other things, to grant general mandates to the Directors to:

- (i) issue up to 20% of the total number of Shares in issue (i.e. maximum of 1,728,000,000 Shares);
- (ii) buy-back Shares on the Stock Exchange representing up to 10% of the total number of Shares; and
- (iii) extend the general mandate for issuing Shares as mentioned in paragraph (i) above by an amount representing any Shares repurchased by the Company pursuant to the general mandate to repurchase Shares as mentioned in paragraph (ii) above.

No Shares have been issued or bought back pursuant to the above mandates. Such mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek approval from the Shareholders at the AGM to grant fresh general mandates to Directors.

At the AGM, ordinary resolutions will be proposed that the Directors to be granted:

- (A) the Issue Mandate to allot, issue and deal with the Shares of not exceeding 20% of the total number of Shares in issue as at the date of the AGM (i.e. of not exceeding 1,728,000,000 Shares assuming no further Shares will be issued or bought back between the Latest Practicable Date and the date of the AGM);
- (B) the Buy-back Mandate to buy back fully paid up Shares of not exceeding 10% of the total number of the Shares in issue as at the date of the AGM; and
- (C) the Extension Mandate to increase the total number of Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares bought back under the Buy-back Mandate.

LETTER FROM THE BOARD

Such resolutions are set out in Resolutions 5(A), 5(B) and 5(C) in the Notice of AGM respectively.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the proposed Buy-back Resolution is set out in Appendix II to this circular.

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The Previous Share Option Scheme

As the term of the Previous Share Option Scheme has expired on 18 January 2018, the Board considers that it is in the interest of the Company to adopt the New Share Option Scheme so as to continue to provide incentives or rewards to the Eligible Participants thereunder for their contributions to the success of the Group. The Company had no subsisting share option scheme as at the Latest Practicable Date.

At the AGM, the Directors proposed to seek the approval of the Shareholders to adopt the New Share Option Scheme. A summary of the principal terms of which are set out in Appendix III to this circular. A copy of the New Share Option Scheme is available for inspection at the registered office of the Company in Hong Kong at 23rd Floor, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

Adoption of the New Share Option Scheme

The Board proposes the adoption of the New Share Option Scheme, which will be valid for 10 years from the Adoption Date.

The purpose of the New Share Option Scheme is to replace the Previous Share Option Scheme and to enable the Company to grant Share Options to the selected Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group.

The Board considers that the New Share Option Scheme will motivate more people to contribute to the Group's development. The New Share Option Scheme, which will be in the form of Share Options to subscribe for the Shares, will enable the Group to recruit, incentivize and retain high-calibre staff, and as such, it is in the interests of the Group as a whole that more categories of people be eligible for the New Share Option Scheme so as to give incentives to them to contribute to the Group's growth and development. Furthermore, the Board considers that the Eligible Participants will share the same interests and objectives with the Group upon their exercise of the Share Options. This is beneficial to the long-term development of the Group. In addition, the adoption of the New Share Option Scheme is in line with modern commercial practice that full-time or part-time employees, directors, members of the management, advisors and consultants of the Group and the Shareholders be given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group

LETTER FROM THE BOARD

as a whole. As such, the Directors consider that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole. The provisions of the New Share Option Scheme will comply with the requirements of Chapter 17 of the Listing Rules.

The rules of the New Share Option Scheme provide that the Board may specify the Eligible Participants to whom Share Options shall be granted, the number of Shares subject to each Share Option and the date on which the Share Options shall be granted. The basis for determining the exercise price is also specified precisely in the rules of the New Share Option Scheme. There is no performance target specified in the New Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Participants to acquire proprietary interests in the Company. The Company does not at present intend to appoint a trustee to the New Share Option Scheme.

As at the Latest Practicable Date, there were 8,640,000,000 Shares in issue. Assuming that no further Share will be allotted, issued, repurchased or cancelled prior to the AGM, the total number of Shares that may fall to be allotted and issued under the New Share Option Scheme after the resolution regarding the proposed adoption of the New Share Option Scheme is passed at the AGM would be 864,000,000 Shares, representing approximately 10% of the total number of Shares in issue.

The Directors consider that it is not appropriate to state the value of the Share Options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Share Options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Share Options to be granted shall not be assignable, and no holder of the Share Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Share Option.

In addition, any such valuation would have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions, including the subscription price, the exercise period, lock-up period (if any), interest rate, expected volatility and other variables. As no Share Option had been granted as at the Latest Practicable Date under the New Share Option Scheme, certain variables are not available for calculating the value of the Share Options thereunder, the Directors believe that any calculation of the value of the Share Options under the New Share Option Scheme as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and may be misleading to the Shareholders and the investors of the Company.

None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustees of the New Share Option Scheme (if any).

As at Latest Practicable Date, the Company had not granted or proposed to grant or has no immediate plan to grant any Share Options under the New Share Option Scheme.

LETTER FROM THE BOARD

Conditions precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (i) the passing of ordinary resolution(s) by the Shareholders at the AGM to approve and adopt the rules of the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may fall to be allotted and issued by the Company pursuant to the exercise of the Share Options in accordance with the terms and conditions of the New Share Option Scheme.

Subject to the obtaining of the Shareholders' approval with respect to the adoption of the New Share Option Scheme at the AGM, the total number of Shares which may be issued upon exercise of all Share Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of issued Shares of the Company as at the date on which the New Share Option Scheme is adopted unless the Company obtains a fresh approval from Shareholders to renew the 10% limit on the basis that the maximum number of Shares in respect of which Share Options may be granted under the New Share Option Scheme together with any Share Options outstanding and yet to be exercised under the New Share Option Scheme and any other share option schemes shall not exceed 30% of the total number of issued Shares of the Company from time to time.

A summary of the principal rules of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme is available for inspection at the Company's registered office in Hong Kong at 23rd Floor, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong, during normal business hours from the date hereof up to the date of AGM.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Share Options to be granted under the New Share Option Scheme.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

ANNUAL GENERAL MEETING

The notice of AGM is set out on pages 28 to 32 of this circular. Resolutions in respect of, among other things, the re-appointment of Directors, the Issue Mandate, the Buy-back Mandate, the Extension Mandate and the adoption of New Share Option Scheme will be proposed at the AGM. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the AGM or adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or adjournment thereof. In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Shareholders to be taken at the AGM shall be conducted by way of poll.

RECOMMENDATION

The Directors are of the opinion that the proposed ordinary resolutions for the re-appointment of Directors, the Issue Mandate, the Buy-back Mandate, the Extension Mandate, the adoption of New Share Option Scheme and the re-appointment of PricewaterhouseCoopers as auditor of the Group are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all the Shareholders to vote in favour of all relevant resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in Appendix I (Details of Directors proposed for re-appointment), Appendix II (Explanatory Statement to the Buy-back Mandate) and Appendix III (Summary of the Principal Terms of the New Share Option Scheme) to this circular.

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 Group. 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
Tan Chaohui
Chairlady

The biographies of the Directors proposed for re-appointment at the AGM are set out below:

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chau Shing Yim, David, aged 54, he has over 20 years of experience in corporate finance covering projects ranging from initial public offering transactions and restructuring of PRC enterprises to cross-border and domestic takeover transactions. Mr. Chau was formerly a partner of one of the big four accounting firms in Hong Kong, holding the position as their Head of Merger and Acquisition and Corporate Advisory. He is a member of the Hong Kong Securities Institute, the member of the Institute of Chartered Accountants of England and Wales (“**ICAEW**”), and was granted the Corporate Finance Qualification of ICAEW. Mr. Chau is also the member of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and was an ex-committee member of the Disciplinary Panel of HKICPA. Mr. Chau is the member of Jinan Municipal Committee of the Chinese People’s Political Consultation Conference (“**CPPCC**”), a director of Hong Kong Securities and Investments Institute and Hospital Governing Committee of Pamela Youde Nethersole Eastern Hospital on 1 April 2017.

Mr. Chau is currently is an independent non-executive director of Man Wah Holdings Limited (Stock Code: 1999), Lee & Man Paper Manufacturing Limited (Stock Code: 2314), China Evergrande Group (Stock Code: 3333), Richly Field China Development Limited (Stock Code: 313), HengTen Networks Group Limited (Stock Code: 136), IDG Energy Investment Group Limited (Stock Code: 650), Asia Grocery Distribution Limited (Stock Code: 8413) and Branding China Group Limited (Stock Code: 863). All the aforesaid companies are listed on the Stock Exchange.

Mr. Chau was also an executive director of China Solar Energy Holdings Limited (Stock Code: 155) from May 2015 to June 2015, an independent non-executive director of Up Energy Development Group Limited (Stock Code: 307) from June 2013 to September 2015, and Varitronix International Limited (Stock Code: 710) from July 2009 to June 2016. All the aforesaid companies are listed on the Stock Exchange.

Mr. Chau entered into a service contract with the Company, for a term of three years, and is subject to retirement by rotation (at least once every three years) and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. Mr. Chau is entitled to receive from the Company a Director’s fee of RMB25,000 per month which was recommended with reference to the duties and responsibilities undertaken by him as Director of the Company and determined by the Board as authorised by Shareholders at an annual general meeting.

Mr. Xie Wu, aged 53, is a physician of Traditional Chinese internal medicine. He has practiced clinical Chinese medicine for 27 years, with more than 10 years of experience in hemodialysis and extensive clinical experience in various sub-fields of nephrology. He worked in the kidney clinic in the People's Hospital in Luohu, Shenzhen and engaged in medical work in Yueyang Luowang Hospital, and is currently working at the hemodialysis center of nephrology and rheumatology of Yueyang Hospital of Traditional Chinese Medicine.

Mr. Xie entered into a service contract with the Company, for a term of three years, and is subject to retirement by rotation (at least once every three years) and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. Mr. Xie is entitled to receive from the Company a Director's fee of RMB25,000 per month which was recommended with reference to the duties and responsibilities undertaken by him as Director of the Company and determined by the Board as authorised by Shareholders at an annual general meeting.

Save as disclosed above (as applicable), as at the Latest Practicable Date, each of the Directors proposed to be re-appointed:

- (a) has not held any other directorships in any other listed public companies in the last three years and does not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company;
- (b) does not have any interests in shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO;
- (c) does not hold any other position in the Company or any of its Subsidiaries; and
- (d) has no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor is there any matter that needs to be brought to the attention of the Shareholders in relation to her/his re-appointment as a Director.

LISTING RULES

The Listing Rules permit a company with a primary listing on the Stock Exchange to buy back its own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' approval

All proposed buy-backs of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

(ii) Source of funds

Buy-backs must be funded out of funds legally available for the purpose in accordance with a company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

(iii) Maximum number of shares to be bought back

A maximum of 10% of the outstanding fully paid share capital at the date of passing the Buy-back Resolution may be bought back by the Company on the Stock Exchange.

EXERCISE OF THE BUY-BACK MANDATE

As at the Latest Practicable Date, the total number of Shares in issue was 8,640,000,000 Shares. Subject to the passing of the Buy-back Resolution and on the basis that no further Shares are issued or bought back by the Company prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 864,000,000 Shares (representing 10% of the number of Shares in issue) during the period from the date of the AGM up to: (i) the conclusion of next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of Hong Kong to be held; or (iii) the revocation, variation or renewal of the Buy-back Mandate by ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

REASONS FOR THE BUY-BACK OF SECURITIES

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to buy back Shares in the market. Buy-back of Shares will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or the earnings per share of the Company.

FUNDING OF BUY-BACK

Any buy-back will only be funded out of funds of the Company legally available for the purposes in accordance with its Articles of Association and the applicable laws of Hong Kong. The Company will not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in its latest published audited accounts contained in the annual report of the Company for the year ended 31 December 2017) in the event that the proposed Buy-back Mandate, if so approved, were to be exercised in full at any time during the proposed buy-back period. However, the Board does not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

SHARE PRICE

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
April	1.510	1.270
May	1.870	1.350
June	1.860	1.570
July	1.650	1.470
August	1.900	1.480
September	3.800	1.650
October	4.320	3.050
November	3.710	2.780
December	3.570	2.570
2018		
January	3.340	2.950
February	3.200	2.530
March	3.480	2.880
April (up to and including the Latest Practicable Date)	3.350	3.000

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make buy-back of Shares pursuant to the proposed Buy-back Mandate in accordance with the Listing Rules and all applicable laws of Hong Kong.

EFFECT OF TAKEOVERS CODE

If as a result of a share buy-back by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, China Evergrande Group indirectly held 6,479,550,000 Shares, representing approximately 74.99% of the total number of Shares in issue.

In the event that the Directors exercise in full the power to buy back Shares which was proposed to be granted pursuant to the Buy-back Resolution, assuming no further Shares will be issued or bought back between the Latest Practicable Date and the date of the AGM and there is no alteration to the existing shareholding of China Evergrande Group, the shareholding of China Evergrande Group in the Company would be increased to approximately 83.33% of the total number of Shares in issue.

The Directors consider that such an increase would not give rise to an obligation on the part of Evergrande Real Estate to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Buy-back Mandate to the extent as would result in (a) the number of Shares in public hands would fall below the prescribed minimum percentage of 25% of the total issued share capital of the Company; and (b) a requirement of China Evergrande Group to make a mandatory offer under the Takeovers Code.

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates, has any present intention, to sell any Shares to the Company in the event that the Buy-back Mandate is approved by the Shareholders. No core connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares (in issue or to be issued) to the Company nor have they undertaken not to sell any of the Shares held by them (in issue or to be issued to them) to the Company in the event that the Buy-back Mandate is approved by the Shareholders.

BUY-BACK OF SHARES MADE BY THE COMPANY

No buy-back of Shares has been made by the Company or any of its subsidiaries (whether on the Stock Exchange or otherwise) during the past six months prior to the Latest Practicable Date.

The following is a summary of the principal rules of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as effecting the interpretation of the New Share Option Scheme:

(a) Purpose

- (i) The New Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions the eligible participants (as described in paragraph (b) below) had or may have made to the Group.

(b) Who may join

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (e) below to:

- (i) any full-time or part-time employees, executives or officers of the Company or any of the Subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of the Subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers and agents, who in the sole opinion of the Board, have contributed or will contribute to the Company or any of its Subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

(c) Maximum number of Shares

Subject to the Listing Rules, the maximum number of Shares subject to outstanding Share Options must not exceed 30 per cent. of the Shares in issue from time to time. (“**Overriding Limit**”). No Share Option or other schemes may be granted if it will result in this Overriding Limit being exceeded at any time.

Subject to the Overriding Limit (as defined above) and the paragraphs below, the total number of Shares issued and to be issued upon exercise of all Share Options and other schemes must not exceed 10 per cent. (“**Scheme Limit**”) of the Shares in issue at the Adoption Date (subject to adjustment in the event of a capitalisation issue, rights issue or open offer of Shares, or a consolidation, sub-division or reduction of share capital of the Company (other than an issue of Shares as consideration in respect of a transaction)).

Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) increase the Scheme Limit at any time to 10% of the Shares in issue as at the date of such approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to the Listing Rules and paragraph (q) below, the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options or other schemes shall be granted if this will result in Overriding Limit being exceeded at any time. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (q) below whether by way of consolidation, capitalization issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

(d) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting.

The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine.

(e) Price of Shares

Subject to any adjustments made as described in paragraph (q) below, the Exercise Price in relation to each Share Option offered to an Eligible Participant shall be such price as the Board in its absolute discretion shall determine, save that such price must be least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the Offer Date;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(f) Granting options to connected persons

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as maybe from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by the Company to the shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before the shareholders' meeting and the Offer Date (which shall be the date of Board meeting at which the Board proposes to grant the proposed Share Options to that Eligible Participant);
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

(g) Restrictions on the times of grant of options

A grant of options may not be made after a price-sensitive event has occurred or a price-sensitive matter has been the subject of a decision until such price-sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual results, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its annual results, or half-year, or quarterly or other interim period (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement, and where an option is granted to a Director;
- (iii) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (iv) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(h) Rights are personal to grantee

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the share issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding options or any part thereof granted to such grantee.

(i) Time of exercise of option and duration of the New Share Option Scheme

An option may be exercised in accordance with the terms of the New Share Option Scheme at anytime after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more

than 10 years after the date of approval of the New Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(j) Performance target

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the New Share Option Scheme can be exercised.

(k) Rights on ceasing employment or death

If the grantee of an option ceases to be an employee of the Company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (l) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation,

which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(l) Rights on dismissal

If the grantee of an option ceases to be an employee of the Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of the Group (if so determined by the Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, or has been convicted of any criminal offence involving his integrity or honesty, his option will lapse and not be exercisable after the date of termination of his employment.

(m) Rights on takeover

If a general offer is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Code)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(n) Rights on winding-up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription amount for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

(o) Rights on compromise or arrangement between the Group and its members or creditors

If, pursuant to the Companies Ordinance, a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated (other than a relocation scheme as contemplated in Rule 7.14(3) of the Listing Rules), the Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and any grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription amount for the Shares in respect of which the notice is given (such notice to be received by the Company not later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

(p) Ranking of Shares

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

(q) Effect of alterations to capital

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of the Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the Exercise Price as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on September 5, 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time. The capacity of the auditors of the Company or the approval independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrations and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the equity capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes) as that to which he was entitled to subscribe had he exercised all the Share Options held by him immediately before such adjustments and the aggregate Exercise Price payable by a grantee on the full exercise of any Share Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(r) Expiry of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (k), (l), (m), (n); or
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (o) becomes effective;
- (iv) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his relationship with the Company and/or any of the Subsidiaries on any one or more of the grounds: that he has been guilty of serious misconduct, or has been convicted of any criminal offence involving his or her integrity or honesty, or in relation to an employee of the Company and/or any of the Subsidiaries; or that he has become insolvent, bankrupt or has made arrangements or compositions with his creditors generally; or any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant Subsidiary. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (v) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (h) above or the options are cancelled in accordance with paragraph (t) below.

(s) Alteration of the New Share Option Scheme

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of options granted,

shall first be approved by the shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the New Share Option Scheme.

The amended terms of the New Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by shareholders in general meeting.

(t) Cancellation of Options

Subject to paragraph (h) above, any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Share Option is cancelled pursuant to paragraph (l).

(u) Termination of the New Share Option Scheme

The Company may by resolution in general meeting or the Board at any time terminate the New Share Option Scheme and in such event no further option shall be offered but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Share Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(v) Administration of the Board

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (except as otherwise provided under the rules of the New Share Option Scheme) shall be final and binding on all parties.

(w) Condition of the New Share Option Scheme

The New Share Option Scheme is conditional on:

- (i) the passing of the necessary resolutions by the Shareholders to approve and adopt the rules of the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options to be granted under the New Share Option Scheme.

(x) Disclosure in annual and interim reports

The Company will disclose details of the New Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

(y) Present status of the New Share Option Scheme

As at the Latest Practicable Date, no option had been granted or agreed to be granted under the New Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options to be granted under the New Share Option Scheme, being 864,000,000 Shares in total.

NOTICE OF ANNUAL 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 OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Evergrande Health Industry Group Limited (the “**Company**”) will be held at Taishan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 6 June 2018 at 3:00 p.m. for the following purposes:

1. To receive and adopt the Audited Consolidated Financial Statements of the Company for the twelve months ended 31 December 2017 together with the Reports of the Directors and Independent Auditor (“**Auditor**”) thereon.
2. To re-appoint Mr. Chau Shing Yim, David as an independent non-executive Director and to authorize the Board of Directors of the Company (“**Board**” or “**Directors**”) to fix the Director’s remuneration.
3. To re-appoint Mr. Xie Wu as an independent non-executive Director and to authorize the Board to fix the Director’s remuneration.
4. To re-appoint PricewaterhouseCoopers as Auditor and to authorise the Board to fix their remuneration.
5. As special business to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

5(A) “**THAT:**

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to allot and issue additional shares in the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to a Rights Issue or the exercise of

NOTICE OF ANNUAL GENERAL MEETING

subscription or conversion rights under any warrants of the Company or any securities which are convertible into shares of the Company or any share option scheme, shall not exceed 20% of the number of shares of the Company in issue on the date of this resolution and this approval shall be limited accordingly; and

- (iii) for the purposes of this resolution: “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company (the “**Articles of Association**”) or any applicable laws to be held; and (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.
- (iv) “**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

5(B) “**THAT:**

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to buy back issued shares of the Company, subject to and in accordance with all applicable laws and the Articles of Association, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of shares of the Company which may be bought back by the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under The Code on Takeovers and Mergers and Share Buy-backs pursuant to paragraph (i) of this resolution shall not exceed 10% of the number of the shares of the Company in issue as at the date of this resolution and the authority shall be limited accordingly; and
- (iii) for the purposes of this resolution: “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the

NOTICE OF ANNUAL GENERAL MEETING

Company is required by the Articles of Association or any applicable laws to be held; and (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

5(C) “**THAT** conditional upon resolution no. 5(B) above being passed, the aggregate number of shares of the Company which are bought back by the Company under the authority granted to the Directors as mentioned in resolution no. 5(B) above shall be added to the total issued share of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution no. 5(A) above.”

6. As special business to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

“**THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and the permission to deal in, the ordinary shares of the Company (or such shares as shall result from a capitalisation issue, rights issue, sub-division, consolidation, re-classification, reconstruction or reduction of share capital of the Company from time to time) (the “**Share(s)**”) to be issued pursuant to the exercise of the share options granted which may be granted under the new share option scheme (the “**New Share Option Scheme**”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, the New Share Option Scheme be and is hereby approved and adopted; and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (i) to administer the New Share Option Scheme under which share options will be granted to the Eligible Participants eligible under the New Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the New Share Option Scheme;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);

NOTICE OF ANNUAL GENERAL MEETING

- (iii) to grant share options under the New Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme and subject to the Listing Rules and the Companies Ordinance ;
- (iv) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme and subject to the Listing Rules and the Companies Ordinance; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme and subject to the Listing Rules and the Companies Ordinance.”

Yours faithfully,
By Order of the Board
Evergrande Health Industry Group Limited
Tan Chaohui
Chairlady

Hong Kong, 30 April 2018

Registered office:
23rd Floor, China Evergrande Centre
38 Gloucester Road
Wanchai
Hong Kong

Notes:

- (i) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one, or if he/she is a holder of more than one share, or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, the form of proxy must be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a corporation, either under its common seal, or under the hand of an officer or attorney duly authorized on that behalf, and must be deposited at the Company's Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time for holding the meeting or adjourned meeting.

NOTICE OF ANNUAL GENERAL MEETING

(iii) Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding of such share.

(iv) For the purpose of ascertaining shareholders' right to attend and vote at the above meeting, the register of members of the Company will be closed and the relevant details are set out below:

Latest time to lodge transfer: 4:30 p.m. on 31 May 2018 (Thursday)

Book closure: 1 June 2018 (Friday) to 6 June 2018 (Wednesday)

Record date: 6 June 2018 (Wednesday)

During the above closure period, no transfer of shares will be registered. In order to qualify for the right to attend and vote at the above meeting, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's Share Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before the above latest time to lodge transfer.

(v) Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this Notice will be decided by poll at the above meeting. Where the Chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution will be decided by a show of hands.

(vi) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 1:00 p.m. and before the above meeting time, the meeting will be postponed. The Company will post an announcement on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (<http://www.evergrandehealth.com>) to notify shareholders of the date, time and place of the rescheduled meeting.