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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)**

**INSIDE INFORMATION  
AND  
RESUMPTION OF TRADING**

This announcement is made by Evergrande Health Industry Group Limited (the “**Company**”) in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the major transaction announcement of the Company dated 25 June 2018 (the “**Announcement**”) in relation to the acquisition of Season Smart Limited (“**Season Smart**”), which holds investment in Faraday Future. Unless the context otherwise requires, capitalised terms used herein shall bear the same meaning as defined in the Announcement.

On 30 November 2017, Season Smart and Faraday Future’s original shareholder (FF Top Holding Ltd. (the “**Original Shareholder**”), its ultimate controlling shareholder being Yueting Jia) entered into a merger and subscription agreement, pursuant to which Season Smart shall invest US\$2 billion in the span of three years for 45% of the shares in the joint venture Smart King Ltd. (“**Smart King**”), and shall, pursuant to the agreement, pay US\$800 million by the end of 2018, US\$600 million in 2019 and US\$600 million in 2020. On 25 May 2018, Season Smart had already paid in advance the US\$800 million which was due by the end of 2018.

In July 2018, the Original Shareholder put forward that the US\$800 million paid by Season Smart had basically been spent, and asked that Season Smart further advance another US\$700 million. In order to give its full support to Smart King’s development, Season Smart, Smart King and the Original Shareholder entered into a supplemental agreement, pursuant to which Season Smart agreed to, subject to fulfillment of payment conditions, pay in advance US\$700 million.

By manipulating Smart King through using the majority seats in the board of directors of Smart King, the Original Shareholder had, under the circumstances where the payment conditions had not been fulfilled, requested for funding from Season Smart, and used this as an excuse to commence arbitration at the Hong Kong International Arbitration Centre on 3 October 2018, seeking to: 1) deprive Season Smart of its consent right as a shareholder in respect of financing; and 2) terminate all agreements and deprive of Season Smart’s rights under the relevant agreements.

The Company considers that Season Smart has already fulfilled its obligations under the relevant agreements. The arbitration commenced by Smart King has severely damaged the rights and interests of Season Smart and its shareholder. Season Smart has engaged a team of international lawyers and will take all necessary actions to protect Season Smart’s continuing rights under the relevant agreements, and to protect the interests of the Company and its shareholders.

The Company will make further announcements as and when appropriate.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company (the “**Shares**”) on the Stock Exchange has been halted since 9:00 a.m. on 4 October 2018 pending the publication of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 8 October 2018.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 7 October 2018

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