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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)**

## **ACQUISITION OF E-TRACTION**

This announcement is made by the board (the “**Board**”) of directors (“**Directors**”) of Evergrande Health Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company announces that, on 15 March 2019, a subsidiary of the Company (the “**Purchaser**”) entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) with Tianjin Tianhai Group Co., Ltd.\* (天津天海同步集團有限公司) (the “**Seller**”), TeT Drive Technology Co. Ltd.\* (湖北泰特機電有限公司) (“**TeT**”) and Lv Chao\* (呂超) (the “**Guarantor**”). Pursuant to the Equity Transfer Agreement, the Purchaser agrees to acquire, and the Seller agrees to sell its 70% equity interest in TeT, free from any encumbrance, at the consideration of RMB500 million (the “**Acquisition**”). The Guarantor agrees to provide joint liability guarantee for all obligations of the Seller under the Equity Transfer Agreement. Upon completion of the Acquisition, TeT will become a subsidiary of the Company.

TeT is the leader in the worldwide research, development and production of in-wheel motors, and wholly-owns e-Traction, an international leading research, development and production enterprise in in-wheel motors and electric automobile powertrain systems. e-Traction was established in 1981 and is headquartered in the Netherlands. It is equipped with internationally advanced in-wheel motor technologies and numerous patent technologies. With the same mileage, TeT’s Turn-Key EV powertrain technology is able to preserve more electricity as compared to those installed with centralised motors, which is utilized by current mainstream new energy vehicles. By virtue of optimizing the overall vehicle structure, space utilization is improved, while design, manufacturing and maintenance costs are correspondingly reduced. In terms of safety, the optimization in the energy management system coupled with the advanced battery management system allow TeT to ensure safety of both the battery and the entire vehicle; the application of TeT’s in-wheel motor also lowers the height of gravity centre, ensuring a smoother, steadier and safer drive.

e-Traction has production layouts in the Netherlands and China, and its products have been widely applied in 14 cities across 8 countries in Europe since 2009. Electric motor is one of the core components of new energy vehicles. Through the Acquisition, the Group is able to introduce the world's most advanced Turn-Key EV powertrain technology, thereby consolidating its competitive edge in electric motor control, further improving the layout for its new energy vehicle industry chain, while securing a strategically beneficial position with industrial synergies, and elevating its overall competitiveness.

Pursuant to the Listing Rules, as the highest of the applicable percentage ratios in respect of the Acquisition is less than 5%, the Acquisition and the transactions contemplated under the Equity Transfer Agreement do not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Seller, its ultimate beneficial owner and the Guarantor is a third party independent from the Company and the connected persons of the Company.

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

Hong Kong, 15 March 2019

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

*\* For identification purposes only*