

19 August 2020

**High Concentration of Shareholding
in
Evergrande Health Industry Group Limited (Stock Code: 708)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Evergrande Health Industry Group Limited (“the Company”) in the hands of a limited number of shareholders as at 5 August 2020.

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

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

As at 5 August 2020, the shareholding structure of the Company was as follows:

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

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

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



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

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

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

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