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CHINA EVERGRANDE NEW ENERGY VEHICLE GROUP LIMITED

中國恒大新能源汽車集團有限公司

(a company incorporated in Hong Kong with limited liability)

(Stock code: 708)

**VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF SUBSIDIARIES**

THE DISPOSAL

The Board announces that on 24 April 2023 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Purchaser and CEG pursuant to which the Purchaser has conditionally agreed to purchase, and the Company has conditionally agreed to sell as the beneficial owner, the Target Shares at the Consideration of RMB2, subject to the terms and conditions thereunder. Upon Completion, the Company will cease to have any interest in the Disposal Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In 2018, the Group made a strategic entry into the new energy vehicle industry. Since then, it has set up its NEV Segment, established a vertical value-chain across the industry covering vehicle research and development, power batteries, electric motor control and powertrain technology, manufacturing, smart-charging and shared mobility.

In view of the significant capital commitment required by the NEV Segment, and having considered the Group's current resources, the Board is of the view that committing further resources in health and living projects within the Disposal Group would not be in line with its overall strategy to de-leverage and may pose limitations to the Group in the development of the NEV Segment.

By de-leveraging and reducing its holding of the Projects, through better focus and specialisation in the NEV Segment, the Board believes that the Company can take the NEV Segment to its next stage of growth. The Board also believes that the business growth in the NEV Segment will allow the Shareholders to realise shareholder value from their continued investment in the Remaining Group. Upon Completion, the Remaining Group will continue its existing principal business in the NEV Segment, and the holding of one residential and property development project in each of Tianjin and Nanning respectively.

After Completion, the Company would become a company purely focusing on the research, development and production of new energy vehicles in the NEV Segment, save and except that the Company will continue to hold the Tianjin Project and the Nanning Project in the short term. Given the recent appetite of the investors as revealed by the valuation of the fellow companies listed on the Stock Exchange which are principally engaged in the NEV Segment, the Company considers that the valuation of the Company would improve without two distinctive segments within the same Group. This in turn would attract investors and help raising funds. The Company is actively seeking external potential investors for possible cooperation opportunities. As at the date of this announcement, no definitive agreement has been entered into with any potential investor.

In addition, the Company is of the view that the Disposal would be able to facilitate the audit process for the financial statements prepared after the Completion.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules.

Also, as at the date of this announcement, the Purchaser is a subsidiary of CEG, the controlling shareholder and hence a connected person of the Company. Therefore, the Purchaser is an associate of CEG and thus a connected person of the Company. Accordingly, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As a result, the Disposal is subject to reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

GENERAL

The Company will convene a GM to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder. An Independent Board Committee comprising all the independent non-executive Directors (except Mr. Chau Shing Yim David who is also an independent non-executive director of CEG) has been established by the Company to consider the Sale and Purchase Agreement and the transactions contemplated thereunder and to advise the Independent Shareholders as to whether the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms or better and fair and reasonable, and in the interests of the Company and the Shareholders as a whole. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the GM, is expected to be despatched to the Shareholders on or before 2 May 2023.

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the conditions precedent set out in the section headed “Conditions Precedent” in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the resumption of trading in the Shares. For the avoidance of doubt, the Stock Exchange is not satisfied that the Company has fulfilled all resumption guidance.

INTRODUCTION

The Board announces that on 24 April 2023 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Purchaser and CEG pursuant to which the Purchaser has conditionally agreed to purchase, and the Company has conditionally agreed to sell as the beneficial owner, the Target Shares at the Consideration of RMB2, subject to the terms and conditions thereunder.

THE SALE AND PURCHASE AGREEMENT

The principal terms and conditions of the Sale and Purchase Agreement are set forth below.

Date

24 April 2023 (after trading hours)

Parties

Seller: the Company

Purchaser: the Purchaser

Guarantor: CEG

The Purchaser is a subsidiary of CEG, the controlling shareholder of the Company which is interested in approximately 58.54% of the total number of issued Shares and hence a connected person of the Company. Therefore, the Purchaser is an associate of CEG and thus a connected person of the Company.

Assets to be disposed of

The Purchaser has conditionally agreed to purchase, and the Company has conditionally agreed to sell as the beneficial owner, the Target Shares, free from all Encumbrances and with all rights accruing or attaching to them including the right to receive all distributions and dividends declared, paid or made in respect of the Target Shares as at or after the Completion.

The Target Shares are made up of one issued share of each of Assemble Guard and Flaming Ace, representing the entire issued share capital of Assemble Guard and Flaming Ace respectively.

Consideration

The Consideration for the Target Shares shall be RMB2, subject to adjustment with reference to the Adjusted NAV of the Disposal Group as at 31 December 2022; and shall be paid by the Purchaser at Completion.

The Consideration was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to, *inter alia*, (i) the unaudited net liabilities of the Disposal Group of approximately RMB24,789 million as at 31 December 2022; (ii) the valuation of the Projects (as defined below) of approximately

RMB60,154 million as at 28 February 2023 performed by an independent property valuer; and (iii) the reasons for and benefits of the Disposal as set out in the section headed “Reasons for and benefits of the Disposal” in this announcement below.

Accordingly, the Directors consider that the Consideration and the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Conditions Precedent

The Completion is conditional on the following Conditions being satisfied or, as the case may be, waived, on or before the Longstop Date:

- (i) the relevant shareholders of the Company having approved the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (ii) the representations, warranties and undertakings of the Company given under the Sale and Purchase Agreement remaining true, accurate and not misleading;
- (iii) the representations, warranties and undertakings of the Purchaser given under the Sale and Purchase Agreement remaining true, accurate and not misleading; and
- (iv) all necessary governmental and other consents, approvals, licences, waivers and/or exemptions in respect of the execution and performance of the Sale and Purchase Agreement and any documents entered into in connection with the Sale and Purchase Agreement having been obtained and not having been revoked or withdrawn at any time before the Completion.

The Condition (i) above cannot be waived, in whole or in part, by any party to the Sale and Purchase Agreement. The Condition (ii) above may be waived in whole or in part by the Purchaser by notice in writing to the Company. The Condition (iii) above may be waived in whole or in part by the Company by notice in writing to the Purchaser. The parties to the Sale and Purchase Agreement may jointly waive the Condition (iv) above in whole or in part (to the extent not required by the Applicable Laws) by notice in writing to the other parties.

If the Conditions have not been satisfied or, as the case may be, waived by 11:59 p.m. (Hong Kong time) on the Longstop Date, the Sale and Purchase Agreement shall automatically terminate with immediate effect, save for certain surviving clauses in the Sale and Purchase Agreement, without prejudice to any rights or remedies of the parties to the Sale and Purchase Agreement which have accrued prior to such termination.

Completion

The Completion shall take place on the Completion Date.

Post-Completion

The Company shall, as soon as practicable after Completion, use reasonable endeavours to procure its auditors to conduct a review of the accounts of the Disposal Group for the financial year ended 31 December 2022 in accordance with the Hong Kong Standard on Review Engagements 2400 (Revised) and provide a statement as to the amount of the Adjusted NAV of the Disposal Group as at 31 December 2022 to the parties to the Sale and Purchase Agreement. If the Adjusted NAV of the Disposal Group reviewed by the auditors remains to be a negative amount or is not more than RMB2, the Consideration will remain unchanged. If the Adjusted NAV of the Disposal Group reviewed by the auditors is more than RMB2, the Consideration shall be adjusted to the amount of the Adjusted NAV of the Disposal Group (the “**Adjusted Consideration**”) and the Purchaser shall pay to the Company an amount equal to the difference between the Adjusted Consideration and the Consideration (the “**Remaining Consideration**”).

The Remaining Consideration shall be paid by the Purchaser in cash or in kind or a combination of both, at the election of the Purchaser.

If the Purchaser elects to pay the Remaining Consideration wholly in cash, such payment shall be made pursuant to a payment schedule to be agreed by the parties to the Sale and Purchase Agreement.

If the Purchaser elects to pay the Remaining Consideration partly or wholly in kind, the Company shall obtain further approval by the relevant shareholders of the Company with respect to such manner of settlement. If such proposal is rejected by those shareholders of the Company, the Remaining Consideration shall be settled in cash according to a payment schedule to be agreed by the parties to the Sale and Purchase Agreement.

The payment of the Remaining Consideration by the Purchaser is subject to the requirements of the then prevailing Listing Rules applicable to CEG.

INFORMATION ON THE DISPOSAL GROUP

Each of Assemble Guard and Flaming Ace is a company incorporated in the BVI with limited liability, and is principally engaged in the investment holding of, collectively, 47 existing health and living projects of the Group under the Health Management Segment and the NEV Segment via their subsidiaries (the “**Projects**”). Set out below is a list of the Projects, which are primarily residential and property development projects:

No. Name of the Project*

1. Cangzhou Evergrande Health Valley (滄州恒大養生谷)
2. Hohhot Evergrande Health Valley (呼和浩特恒大養生谷)
3. Jiangyin Evergrande Health Valley (江陰恒大養生谷)
4. Jinhua Evergrande Health Valley (金華恒大養生谷)
5. Jinzhai Evergrande Health Valley (金寨恒大養生谷)
6. Kunming Evergrande International Health City (昆明恒大國際健康城)
(including properties situated at Kunming Astral Garden (昆明星體花園) and Kunming Starland Commercial Plaza (昆明星天地商業廣場))
7. Nanjing Evergrande Health Valley (南京恒大養生谷)
8. Nanning Airport Evergrande Health Valley (南寧空港恒大養生谷)
9. Ningchu Evergrande International Health City (寧滁恒大國際健康城)
10. Shangrao Evergrande Health Valley (上饒恒大養生谷)
11. Shenfu Evergrande Health Valley (瀋撫恒大養生谷)
12. Suihua Longjiang Evergrande Health Valley (綏化龍江恒大養生谷)
13. Tangshan Evergrande Health Valley (唐山恒大養生谷)
14. Urumqi Evergrande Health Valley (烏魯木齊恒大養生谷)
15. Wuzhou Evergrande Health City (梧州恒大健康城)
16. Wuhan Evergrande Health City (武漢恒大健康城)
17. Xi'an Evergrande Health Valley (西安恒大養生谷)
18. Xiangtan Evergrande Health Valley (湘潭恒大養生谷)
19. Yangzhong Evergrande Health Valley (揚中恒大養生谷)
20. Yueyang Evergrande Health Valley (岳陽恒大養生谷)
21. Yuntai Mountain Evergrande Health Valley (雲台山恒大養生谷)
22. Zhengzhou Evergrande Health Valley (鄭州恒大養生谷)
23. Chongqing Beibei Evergrande Health Valley (重慶北碚恒大養生谷)
24. Chongqing Shuangfu Evergrande Health City (重慶雙福恒大健康城)
25. Zibo Evergrande Health Valley (淄博恒大養生谷)
26. Zishan Lake Evergrande Health Valley (梓山湖恒大養生谷)
27. Guiyang Evergrande Imperial Dragon Peak (貴陽恒大御龍天峰)
28. Liu'an Evergrande Jade Garden (六安恒大翡翠華庭)
29. Liu'an Evergrande Garden (六安恒大珺庭)
30. Nantong Evergrande Jade Garden (南通恒大翡翠華庭)
31. Nantong Evergrande Linxi County (南通恒大林溪郡)
32. Nantong Evergrande Cloud Garden (南通恒大雲錦華庭)

No.	Name of the Project*
33.	Shenyang Evergrande Junrui Mansion (瀋陽恒大珺睿府)
34.	Shenyang Evergrande Linxi County (瀋陽恒大林溪郡)
35.	Shenyang Evergrande Imperial Lake County (瀋陽恒大御湖郡)
36.	Shouxian Evergrande Future City (壽縣恒大未來城)
37.	Urumqi Cloud Garden (烏魯木齊雲錦華庭)
38.	Xiangyin Evergrande Imperial Lake Manor (湘陰恒大御湖莊園)
39.	Xinjiang Evergrande Imperial Peak (新疆恒大御峰)
40.	Xinjiang Evergrande Imperial Lake County (新疆恒大御湖郡)
41.	Xinjiang Evergrande Yulan Bay (新疆恒大御瀾灣)
42.	Yangzhou Evergrande Guanglan Mansion (揚州恒大觀瀾府)
43.	Yangzhou Evergrande Cloud Garden (揚州恒大雲錦華庭)
44.	Yueyang Evergrande Hua Mansion (岳陽恒大華府)
45.	Zhengzhou Evergrande Future Light (鄭州恒大未來之光)
46.	Zhengzhou Evergrande Yue Mansion (鄭州恒大悅府)
47.	Supporting facilities of Sanyuan Evergrande Cultural Tourism and Health City (三原恒大文化旅遊康養城配套)

FINANCIAL INFORMATION ON THE DISPOSAL GROUP

The unaudited consolidated financial information attributable to the Disposal Group for the two financial years ended 31 December 2022 are set forth as follows:

	For the year ended/As at 31 December 2021 (unaudited) (RMB'000) (approx.)	For the year ended/As at 31 December 2022 (unaudited) (RMB'000) (approx.)
Results		
Revenue	6,977,270	1,504,269
Net loss before tax	16,725,355	8,856,212
Net loss after tax	16,782,562	8,824,385
Assets		
Total assets	82,250,093	71,715,024
Net liabilities	15,775,625	24,789,399

The consolidated net liability book value (including minority interests) of the Disposal Group as at 31 December 2022 was approximately RMB24,789,399,000.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Company will cease to have any interest in the Disposal Group and the financial information of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Group.

It is estimated that the Company will record a gain on disposal of approximately RMB24,789 million. Such gain on disposal as a result of the Disposal represents the difference between the Consideration and the net liability value of the Disposal Group as at 31 December 2022. The actual amount of gain in connection with the Disposal may be different from the above and will be assessed after Completion taking place and is subject to review by the auditors of the Company.

As only a nominal consideration of RMB2 is payable in connection with the Disposal, the Company does not expect to receive any net proceeds from the Disposal.

INFORMATION ON THE GROUP

The Company and the Group

The Company is a company incorporated in Hong Kong with limited liability. The Group is principally engaged in technology research and development and manufacturing of, and sales services in respect of new energy vehicles (collectively, the “**NEV Segment**”), as well as health management businesses including “Internet+” community health management, international hospitals, elderly care and rehabilitation (collectively, the “**Health Management Segment**”).

INFORMATION ON THE PURCHASER AND CEG

The Purchaser

The Purchaser is a subsidiary of CEG and is principally engaged in investment holding.

CEG

CEG is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange. CEG is a conglomerate and is principally engaged in the property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC. CEG, together with its subsidiaries, has transformed from a real estate developer to a conglomerate featuring “diversified business & digital technology” and will gradually spin off its high-quality assets for listing, building a concentric and diversified ecosystem centered around fixed and mobile spaces, while connecting the eight major businesses through closed-loop data sharing to serve hundreds of millions of customers.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board undertakes strategic review of its businesses from time to time with a view to maximising returns to the Shareholders.

The Disposal will allow the Group to focus on the NEV Segment and deploy the appropriate resources towards funding existing and future projects which will, in the long term, offer better and more sustainable returns to the Group and in turn benefit the Company and its Shareholders as a whole.

In 2018, the Group made a strategic entry into the new energy vehicle industry. Since then, it has set up its NEV Segment, established a vertical value-chain across the industry covering vehicle research and development, power batteries, electric motor control and powertrain technology, manufacturing, smart-charging and shared mobility.

The Company showcased its first new energy vehicle series “*Hengchi (恒馳)*” in 2020 and the NEV Segment has emerged to be an area of key focus for the Company. As disclosed in the announcement of the Company dated 22 March 2023, the Group has delivered over 900 units of Hengchi 5 to the customers as at the date of that announcement. However, as at the date of this announcement, the production of Hengchi 5 in the Group’s Tianjin facilities was suspended due to insufficient funding. The Group aims to resume production in May 2023.

In view of the significant capital commitment required by the NEV Segment, and having considered the Group’s current resources, the Board is of the view that committing further resources in health and living projects within the Disposal Group would not be in line with its overall strategy to de-leverage and may pose limitations to the Group in the development of the NEV Segment.

By de-leveraging and reducing its holding of the Projects, through better focus and specialisation in the NEV Segment, the Board believes that the Company can take the NEV Segment to its next stage of growth. The Board also believes that the business growth in the NEV Segment will allow the Shareholders to realise shareholder value from their continued investment in the Remaining Group. Upon Completion, the Remaining Group will continue its existing principal business in the NEV Segment, and the holding of one residential and property development project in each of Tianjin (the “**Tianjin Project**”) and Nanning (the “**Nanning Project**”) respectively. It is expected that the residential units in the Tianjin Project will be delivered to the purchasers by the end of June 2023 and hence, the company holding the Tianjin Project will not form part of the Disposal Group. Regarding the Nanning Project, the Group is in negotiation with the relevant parties and intends to complete the disposal of the company holding the Nanning Project as soon as practicable.

After Completion, the Company would become a company purely focusing on the research, development and production of new energy vehicles in the NEV Segment, save and except that the Company will continue to hold the Tianjin Project and the Nanning Project in the short term. Given the recent appetite of the investors as revealed by the valuation of the fellow companies listed on the Stock Exchange which are principally engaged in the NEV Segment, the Company considers that the valuation of the Company would improve without two distinctive segments within the same Group. This in turn would attract investors and help raising funds. The Company is actively seeking external potential investors for possible cooperation opportunities. As at the date of this announcement, no definitive agreement has been entered into with any potential investor.

In addition, since the Disposal Group will no longer be consolidated into the financial statements of the Group after Completion, the Company is of the view that the Disposal would be able to facilitate the audit process for the financial statements prepared after the Completion.

Having considered the above factors and the section headed “Financial Effect of the Disposal” in this announcement above, the Board (excluding the independent non-executive Directors who will give their views after taking into account the opinion given by the Independent Financial Adviser) is of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and that the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules.

Also, the Purchaser is a subsidiary of CEG, the controlling shareholder and hence a connected person of the Company. Therefore, the Purchaser is an associate of CEG and thus a connected person of the Company. Accordingly, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As a result, the Disposal is subject to reporting, announcement, circular and Independent Shareholders’ approval requirements under the Listing Rules.

GENERAL

The Company will convene a GM to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

An Independent Board Committee comprising all the independent non-executive Directors (except Mr. Chau Shing Yim David who is also an independent non-executive director of CEG) has been established by the Company to consider the Sale and Purchase Agreement and the transactions contemplated thereunder and to advise the Independent Shareholders as to whether the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms or better and fair and reasonable, and in the interests of the Company and the Shareholders as a whole. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the GM, is expected to be despatched to the Shareholders on or before 2 May 2023.

Pursuant to the Listing Rules, for a circular issued in relation to a very substantial disposal, the Company is required to (i) include in the circular in relation to the disposal, the financial information of (a) the disposal group; or (b) the listed issuer's group with the disposal group being shown separately, which must be reviewed by the listed issuer's auditors or reporting accountants according to the relevant accounting standards as specified under Rule 14.68(2)(a)(i) of the Listing Rules; (ii) include in the circular in relation to the disposal, the pro forma income statement, balance sheet and cash flow statement of the remaining group on the same accounting basis in accordance with Chapter 4 of the Listing Rules as specified under Rule 14.68(2)(a)(ii) of the Listing Rules; and (iii) provide a letter from the listed issuer's financial advisers or auditors confirming that the statement made by the directors that the working capital available to the listed issuer's group is sufficient for its requirements for at least 12 months from the date of publication of the circular has been made by the directors after due and careful enquiry and the persons or institutions providing finance have confirmed in writing that such facilities exist as specified under Rule 14.66(12) of the Listing Rules (collectively, the "**Rules Requirements**"). In view of the specific circumstances of the Company, the Company has applied to the Stock Exchange for a waiver from strict compliance with the Rules Requirements and the Stock Exchange has granted a waiver to the Company from strict compliance with the Rules Requirements.

Further details of the waiver will be disclosed in the circular of the Company to be despatched to the Shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Company will convene the GM on Friday, 12 May 2023 to consider, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. The register of members of the Company will be closed from Tuesday, 9 May 2023 to Friday, 12 May 2023 (both dates inclusive) for the purpose of ascertaining Shareholder's entitlement to attend and vote at the GM, during which period no share transfers can be registered. In order to be eligible to attend and vote at the GM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 8 May 2023.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended until further notice.

WARNING

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the Conditions set out in the section headed “The Sale and Purchase Agreement — Conditions Precedent” in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the resumption of trading in the Shares. For the avoidance of doubt, the Stock Exchange is not satisfied that the Company has fulfilled all resumption guidance.

DEFINITIONS

In this announcement, the following terms and expressions (unless the context otherwise requires) shall have the following respective meanings:

“Adjusted Consideration”	has the meaning ascribed to it under the section headed “The Sale and Purchase Agreement — Post-Completion” in this announcement
“Adjusted NAV of the Disposal Group”	the combined net assets (or net liabilities) value of the Disposal Group which is to be adjusted by the value of the Projects based on the valuation as at 28 February 2023 conducted by the independent property valuer
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgments, determination, orders or notices of any Authority or stock exchange that is applicable to such person
“Assemble Guard”	Assemble Guard Limited (蒼保有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“Assemble Guard Share”	one share in Assemble Guard, representing the entire issued share capital of Assemble Guard
“associate(s)”	has the meaning ascribed to it under the Listing Rules

“Authority”	any national, provincial, municipal or local government, administrative or regulatory body or department, court, tribunal, arbitrator or any body that exercises the function of a regulator, including without limitation the Stock Exchange and the Securities and Futures Commission in Hong Kong
“Board”	the board of Directors
“Business Day”	a day other than a Saturday or Sunday or public holiday in Hong Kong
“BVI”	British Virgin Islands
“CEG”	China Evergrande Group, a company incorporated in the Cayman Islands with limited liability and the controlling shareholder of the Company, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3333)
“Company”	China Evergrande New Energy Vehicle 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 (stock code: 708)
“Completion”	the completion of the Disposal
“Completion Date”	the date which is the fifth Business Day after the date (not being later than the Longstop Date) on which the last of the Conditions is satisfied or waived, or such other date as the Purchaser and the Company may agree in writing
“Condition(s)”	the condition(s) precedents for the Completion
“connected person(s)”, “connected transaction(s)” and “controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate purchase price for the Target Shares, which shall be RMB2, subject to adjustment with reference to the Adjusted NAV of the Disposal Group as at 31 December 2022

“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Target Shares under the Sale and Purchase Agreement
“Disposal Group”	collectively, Assemble Guard, Flaming Ace and their respective subsidiaries from time to time
“Encumbrances”	any claim, mortgage, charge, pledge, lien, restriction, assignment, power of sale, hypothecation, security interest, title retention, trust arrangement, subordination arrangement, contractual right of set-off or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement, arrangement or obligation to create any of the same
“Flaming Ace”	Flaming Ace Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“Flaming Ace Share”	one share in Flaming Ace, representing the entire issued share capital of Flaming Ace
“GM”	the general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Health Management Segment”	has the meaning ascribed to it under the section headed “Information on the Group” in this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors who have no material interest in the Disposal, namely, Mr. Guo Jianwen and Mr. Xie Wu

“Independent Financial Adviser”	Maxa Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) other than those required to abstain from voting on the resolution(s) relating to the Sale and Purchase Agreement and the transactions contemplated thereunder at the GM under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	30 September 2023, or such other date as the Company, the Purchaser and CEG may agree
“Nanning Project”	has the meaning ascribed to it under the section headed “Reasons for and benefits of the Disposal” in this announcement
“NEV Segment”	has the meaning ascribed to it under the section headed “Information on the Group” in this announcement
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Project(s)”	has the meaning ascribed to it under the section headed “Information on the Disposal Group” in this announcement
“Purchaser”	Anxin Holding Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of CEG

“Remaining Consideration”	has the meaning ascribed to it under the section headed “The Sale and Purchase Agreement — Post-Completion” in this announcement
“Remaining Group”	the Group, excluding the Disposal Group after Completion
“RMB”	Renminbi, the lawful currency of the PRC
“Rules Requirements”	has the meaning ascribed to it under the section headed “General” in this announcement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 24 April 2023 entered into between the Company, the Purchaser and CEG in relation to, among others, the disposal of the Target Shares
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Shares”	collectively, the Assemble Guard Share and the Flaming Ace Share
“Tianjin Project”	has the meaning ascribed to it under the section headed “Reasons for and benefits of the Disposal” in this announcement
“%”	per cent.

By order of the Board
China Evergrande New Energy Vehicle Group Limited
SIU Shawn
Chairman

Hong Kong, 24 April 2023

As at the date of this announcement, the executive Directors are Mr. SIU Shawn, Mr. LIU Yongzhuo and Mr. QIN Liyong; and the independent non-executive Directors are Mr. CHAU Shing Yim David, Mr. GUO Jianwen and Mr. XIE Wu.

* *For identification purpose only*