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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)**

**FULFILMENT OF RESUMPTION GUIDANCE  
AND  
RESUMPTION OF TRADING**

Trading in the shares of the Company has been suspended since 9:00 a.m. on 1 April 2022. As the Company has fulfilled all Resumption Guidance, the Company has made an application to the Stock Exchange for the resumption of trading in the Company's shares on the Stock Exchange with effect from 9:00 a.m. on Friday, 28 July 2023.

This announcement is made by China Evergrande New Energy Vehicle 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 (the “**Stock Exchange**”) (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

References are made to (i) the announcement published by the Company on 21 March 2022 in relation to the delay in publication of audited annual results of the Group for the year ended 31 December 2021; (ii) the announcement published by the Company on 20 June 2022 in relation to the Stock Exchange's guidance to the Company for resumption of trading in the shares of the Company; and (iii) the announcements published by the Company on 16 September 2022, 30 December 2022, 23 March 2023 and 20 June 2023 in relation to the quarterly updates on the progress of resumption of trading. Unless the context requires otherwise, terms used in this announcement have the same meanings as those defined in the Company's announcement dated 20 June 2022.

## **BACKGROUND OF SUSPENSION OF TRADING IN THE SHARES**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022.

As disclosed in the Company's announcement dated 20 June 2022, the Stock Exchange imposed on the Company the following resumption guidance (the "**Resumption Guidance**"):

- (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (b) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (c) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

## **FULFILMENT OF ALL RESUMPTION GUIDANCE**

As at the date of this announcement, the Company has fulfilled all Resumption Guidance, details of which are set out below.

### **Resumption Guidance (a) — publish all outstanding financial results required under the Listing Rules and address any audit modifications**

On 26 July 2023, the Company published all the outstanding financial results in satisfaction of Resumption Guidance (a). Please refer to the announcements on the annual results for the years ended 31 December 2021 and 2022 and the announcement on the interim results for the six months ended 30 June 2022 (the "**Results Announcements**").

### **Resumption Guidance (b) — demonstrate the Company's compliance with Rule 13.24 of the Listing Rules.**

The Group carries out a business with a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of the Company's shares on the Stock Exchange.

### ***Operations***

The principal business activities of the Group are the research and development ("**R&D**"), manufacturing, and sales of new energy vehicles (collectively, the "**NEV Business**"), which began in 2018. Since the commencement of the NEV Business, the Company has invested heavily in the design and development of new energy vehicles ("**NEV**") and related technologies. Before 2022 when the Company's first NEV model was rolled out, the Company has already generated revenue through (i) providing technical services to technology companies and institutes by capitalizing on the Company's previous R&D efforts; (ii) the sales of lithium batteries developed by the Company; and (iii) the sales

of spare parts to after-sales service centres. With the launch of the Company's Hengchi 5 model, with over 1,000 vehicles delivered accumulatively, the Company's revenue generation has become more viable and sustainable.

Since 2018, the scale of the NEV Business has developed into sizeable operation. In terms of R&D, the Group has set up R&D institutions, with over 450 research personnel responsible for different R&D aspects. The Group has applied for over 3,500 patents and over 2,600 of which have been granted. In terms of production, the Group has a vehicle manufacturing base in Tianjin, with a designed production capacity of 50,000 vehicles per year, and two auto parts manufacturing bases in Shanghai and Guangzhou with a designed production capacity of 100,000 and 200,000 sets of auto parts per year, respectively.

The Company will, as appropriate, roll out a series of Hengchi models. Currently, the Hengchi 5 has achieved mass production and was rolled out. The Company's next targets will include the roll out and production of the Hengchi 6 and Hengchi 7, as appropriate.

In terms of supply chain, core components required for Hengchi 5, such as the high-voltage battery assembly, the electronically-controlled driving system, the advanced driver assistance system ("ADAS") driving system, the ADAS parking system, the triple display screen and the chassis controller/booster, are designed, developed, produced and supplied by international companies renowned in their respective experience and fields. The Company will continue to use its best efforts to ensure the stable supply of components.

In terms of sales and marketing, the Group has over 40 sales outlets (both direct stores or authorised dealerships) across key cities in China and it has also commenced the establishment of exhibition and experience centres, sales centres and after-sales services centres in Beijing, Shanghai, Guangzhou and Tianjin to further promote the NEV Business.

In 2022, the revenue generated from the NEV Business was approximately RMB134.0 million, with sales and marketing expenses of the NEV Business at approximately RMB196.1 million, and administrative expenses of the NEV Business (which mostly comprised R&D expenses) at approximately RMB2,616.7 million.

The business operations of the Group are continuing as usual in all material respects.

## *Assets*

As at 31 December 2022, the Company's assets amounted to approximately RMB30,394.7 million, comprising non-current assets of approximately RMB22,396.6 million (of which approximately RMB14,536.9 million were property, plant and equipment) and current assets of approximately RMB7,998.1 million.

Notwithstanding that the production of Hengchi 5 was suspended on a temporary basis in or around April 2023, the production of Hengchi 5 quickly resumed in May 2023 due to the Company's efforts in raising money. Going forward, in addition to revenue generated from the NEV Business, the Company plans to raise approximately USD500 million by way of equity and/or debt financing in order to satisfy the capital requirements for production and sales of Hengchi 5 and normal operation of the Company. In this regard, the Company has been in continuous discussion with potential investors for fundraising. As at the date of this announcement, no definitive agreement has been entered into. Attributed to the prospects of the NEV Business, the Company has a track record of attracting quality investors. This is demonstrated by the successful rounds of fundraising in the aggregate amount of approximately HK\$33,199.6 million even before the first Hengchi 5 model was delivered to the first customer, as disclosed in the announcements of the Company dated 15 September 2020, 24 January 2021, 9 November 2021 and 19 November 2021. The Company is confident that it will be able to raise sufficient funds to support its business operations and development plan. Currently, the utilization rate of the production capacity of the Tianjin manufacturing base is affected by capital constraints and there are cases of late payment of employees' salaries. The funding situation of the Tianjin manufacturing base would be alleviated if the Company achieves the plan of capital introduction and fundraising.

In the announcement dated 22 March 2023, the Company disclosed that "if the Group is able to obtain financing of more than RMB29 billion in the future, it plans to launch a number of flagship models and hopes to achieve mass production." The Company would like to clarify that at the time of that announcement, the amount of RMB29 billion was an estimated amount that would be required to launch a number of flagship models and produce them in a number of manufacturing bases, and the amount required to produce Hengchi 5 in the Tianjin manufacturing base accounts only part of the abovementioned amount.

Based on the above, the Board is of the view that the Group has a viable and sustainable business with a sufficient level of operations and assets of sufficient value to support its operations to meet the requirements under Rule 13.24 of the Listing Rules and warrant the continued listing of the shares of the Company on the Stock Exchange.

## **Resumption Guidance (c) — inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position**

Since its trading suspension on 1 April 2022, the Company has continued to disclose material information to the Company's shareholders and other investors by issuing announcements in a timely manner.

## RESUMPTION OF TRADING

Trading in the shares of the Company has been suspended since 9:00 a.m. on 1 April 2022. As all Resumption Guidance have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Company's shares on the Stock Exchange with effect from 9:00 a.m. on Friday, 28 July 2023.

## PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the Company and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this announcement include statements about the Company's business plan, any potential fundraising and all other statements in this announcement other than historical facts. **There is no assurance that any business plan or potential fundraising will materialise.**

Forward-looking statements include, without limitation, statements typically containing words such as “plans”, “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

All forward-looking statements attributable to the Company are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the date of this announcement.

Any forward-looking statement contained in this announcement based on past or current trends and/or activities of the Company should not be taken as a representation that such trends or activities will continue in the future. No statement in this announcement is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Subject to the requirements of the Listing Rules and other applicable laws and regulations, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

**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  
**China Evergrande New Energy Vehicle Group Limited**  
**Siu Shawn**  
*Chairman*

Hong Kong, 27 July 2023

*As at the date of this announcement, the executive directors of the Company are Mr. SIU Shawn, Mr. LIU Yongzhuo 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.*