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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)

PROPOSED ISSUE OF RMB SHARES UNDER SPECIFIC MANDATE AND RELATED MATTERS

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Reference is made to the Company's announcement dated 18 September 2020 in relation to the Proposed Issue of RMB Shares under the Specific Mandate and related matters.

The Board is pleased to announce that on 25 September 2020, the Board has considered and approved the resolutions regarding the Proposed Issue of RMB Shares under the Specific Mandate and related matters. According to the plan of the Proposed Issue of RMB Shares, the Company intends to apply for an initial public offering of RMB Shares and listing on the Sci-Tech Board of the Shanghai Stock Exchange for the allotment and issuance of no more than 1,555,867,058 RMB Shares (before exercise of the Over-allotment Option). The Proposed Issue of RMB Shares and the Specific Mandate will be subject to, among other things, the approval by the Shareholders at the General Meeting, as well as obtaining the necessary Regulatory Approvals.

Other resolutions related to the Proposed Issue of RMB Shares have been considered and approved by the Board. The main content of relevant resolutions are set out in the paragraph headed "OTHER RESOLUTIONS RELATED TO THE PROPOSED ISSUE OF RMB SHARES" below.

GENERAL

The Company will convene the General Meeting for the Shareholders to consider and, if thought fit, approve, among other things, the resolutions regarding the Proposed Issue of RMB Shares and related matters. A circular for the General Meeting containing, among other things, the details of the above resolutions, together with the notice of the General Meeting, will be despatched to the Shareholders in due course.

As the Proposed Issue of RMB Shares and the Specific Mandate is subject to, among others, the approval by the Shareholders at the General Meeting and the obtaining of the necessary Regulatory Approvals and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) to disclose any developments in respect of the Proposed Issue of RMB Shares in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate. This announcement is for information purposes only and is not intended to, and does not, constitute, or form part of, an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

1. THE PROPOSED ISSUE OF RMB SHARES AND THE SPECIFIC MANDATE

Reference is made to the Company's announcement dated 18 September 2020 in relation to the Proposed Issue of RMB Shares under the Specific Mandate and related matters.

The Board is pleased to announce that on 25 September 2020, the Board has considered and approved the resolutions regarding the Proposed Issue of RMB Shares under the Specific Mandate and related matters. According to the plan of the Proposed Issue of RMB Shares, the Company intends to apply for an initial public offering of RMB Shares and listing on the Sci-Tech Board of the Shanghai Stock Exchange for the allotment and issuance of no more than 1,555,867,058 RMB Shares (before exercise of the Over-allotment Option). The Proposed Issue of RMB Shares and the Specific Mandate will be subject to, among other things, the approval by the Shareholders at the General Meeting, as well as obtaining the necessary Regulatory Approvals.

The details of the Proposed Issue of RMB Shares are set forth as follows:

(1) Class of RMB Shares

Domestic listing RMB ordinary Shares (A Shares).

(2) Number of RMB Shares to be issued

It is proposed that the initial number of the RMB Shares to be issued will not exceed 1,555,867,058 Shares (before exercise of the Over-allotment Option), representing no more than 15.00% of the total number of issued Shares as at 30 September 2020 as enlarged by the number of RMB Shares hereby proposed to be issued. An over-allotment option may be granted in respect of such number of RMB Shares not exceeding 15% of those initially issued. All of the RMB Shares will be new Shares, and no conversion of existing Shares will be involved.

The final issue size of the RMB Shares shall be negotiated with and determined by the Board as authorised by the General Meeting, together with the sponsors and the underwriters subject to the communication with the relevant securities regulatory authorities, market conditions and actual capital needs of the Company.

(3) Number of RMB Shares offered by the Shareholders

The Proposed Issue of RMB Shares does not involve any Shares offered by the Shareholders.

(4) Price of RMB Shares and method of pricing

It is proposed to the Shareholders at the General Meeting to authorise the Board to, amongst others, work with the underwriters of the Company to (i) determine the price range of the offer price through marketing and preliminary price enquiries with potential investors; and (ii) finalise the offer price in accordance with the relevant laws and regulations and the rules of relevant securities regulatory authorities in the PRC.

The offer price shall not be lower than the closing price of the Hong Kong Shares immediately prior to the date of the Board meeting approving the Proposed Issue of RMB Shares, i.e. HK\$25.00 per Share. If the offer price is lower than the aforesaid trading price of the Hong Kong Shares, the Board will decide whether to proceed with the Proposed Issue of RMB Shares after considering the market conditions, the Company's actual capital needs and the development strategies at the relevant time, the trading prices of comparable companies in the secondary market, and other relevant factors.

To ensure that the offer price is in the interests of the Company and the Shareholders as a whole, the Board and the underwriters of the Company will take into account (i) the operational and financial conditions of the Company; (ii) the average price-to-earning ratio of the same industry in the secondary market; (iii) the trading prices of the Hong Kong Shares on the Hong Kong Stock Exchange; (iv) the market conditions of the PRC stock markets; and (v) the applicable laws and regulations, when determining the final offer price.

(5) Method of issuance

The Company will adopt a combination of targeted placement to strategic investors, off-line placement and on-line subscription, or such other methods of issuance as approved by the relevant securities regulatory authorities in the PRC.

(6) Target subscribers

Price enquiry targets that meet the requirements of PRC laws and regulations and regulatory authorities, strategic investors, qualified off-line investors as well as natural persons, legal persons, other institutional investors (except for such persons prohibited by PRC laws and regulations, rules and regulatory documents) and such other target subscribers meeting the relevant qualification requirements of the CSRC, who maintain stock accounts with the SSE.

If any of the aforesaid target subscribers of the RMB Shares are connected persons of the Company, the Company will take reasonable measures to comply with the requirements of relevant regulatory authorities.

(7) Place of listing of RMB Shares

The Sci-Tech Board.

(8) Method of underwriting

Standby underwriting by the syndicate organised by the underwriters.

(9) Solo Sponsor and lead underwriter

Haitong Securities Co., Ltd.

(10) RMB Shares cannot be moved outside of the PRC or to the Hong Kong Register

The RMB Shares are subscribed and traded in RMB, issued to investors in the PRC solely for trading on the SSE. The RMB Shares will not be able to be moved outside of the PRC for trading in Hong Kong or to the Hong Kong Register.

(11) Non-fungibility between the RMB Shares and the Hong Kong Shares

The RMB Shares and the Hong Kong Shares will not be fungible.

(12) Use of Proceeds

The proceeds from the Proposed Issue of RMB Shares are intended to be used for research and development, manufacturing and marketing network construction of new energy vehicle project(s) and replenishment of working capital.

Within the scope of the investment projects with the funds raised from the Proposed Issue of RMB Shares, the Company can make proper adjustments to the sequence and specific amounts of investment projects according to the progress, capital requirements, timing and the relevant circumstances of the projects. Prior to receiving the proceeds from the Proposed Issue of RMB Shares, the Company may support the implementation of the aforesaid projects with its own funds or self-raised funds depending on the actual progress of such projects, and replace such funds with the funds raised from the Proposed Issue of RMB Shares upon receiving.

If the actual funds raised from the Proposed Issue of RMB Shares exceed the estimated total investment funds required for the intended use of proceeds as set out above, the Company will apply the surplus to replenish the working capital in relation to the principal businesses of the Company. If the actual funds raised from the Proposed Issue of RMB Shares are less than the estimated total investment funds required for the intended use of proceeds as set out above, the Company will make up the shortfall with its own funds.

(13) Valid period of the resolutions

The Specific Mandate for the Proposed Issue of RMB Shares is proposed to be valid for 12 months from the date of approval at the General Meeting.

2. OTHER RESOLUTIONS RELATED TO THE PROPOSED ISSUE OF RMB SHARES

Other resolutions related to the Proposed Issue of RMB Shares have also been considered and approved by the Board, which include, (1) the resolution on authorisation to the Board to deal with matters relating to the Proposed Issue of RMB Shares; (2) the resolution on the plan for distribution of profits accumulated and uncovered loss bearing before the Proposed Issue of RMB Shares; (3) the resolution on the price stabilisation plan of RMB Shares for three years after the Proposed Issue of RMB Shares; (4) the resolution on the profit distribution plan for Shareholders for three years after the Proposed Issue of RMB Shares; (5) the resolution on the use of proceeds from the Proposed Issue of RMB Shares; (6) the resolution on the impact of dilution on immediate return by the Proposed Issue of RMB Shares and relevant recovery measures; (7) the resolution on the undertakings and the corresponding binding measures in connection with the Proposed Issue of RMB Shares; (8) the resolution on the amendments to the Articles of Association; (9) the resolution on the adoption of policy governing the procedures for the holding of General Meetings; (10) the resolution on the Adoption of Policy Governing the Procedures for the holding of Board meetings; and (11) the resolution on authorisation to the Board to Review and Confirm related party transactions during the period from 1 January 2017 to 30 September 2020.

The main content of relevant resolutions are summarized as follows, and the details of which be set out in the circular for the General Meeting to be despatched to the Shareholders in due course.

(1) Resolution on Authorisation to the Board to Deal with Matters Relating to the Proposed Issue of RMB Shares

In accordance with the relevant laws, regulations and regulatory documents, as well as the Articles of Association, it is proposed that at the General Meeting, approval will be sought from the Shareholders to authorise, among other things, the Board and its authorised person(s) to exercise full powers to deal with matters relating to the Proposed Issue of RMB Shares, the scope of authorisation includes but not limited to:

- (i) implement the Proposed Issue of RMB Shares in accordance with the relevant laws, regulations, other regulatory requirements and the resolutions passed by the General Meetings;
- (ii) handle the matters in relation to the application for the Proposed Issue of RMB Shares, including but not limited to applying for approval from, registering with, filing with and seeking approvals, registration and consents from relevant governmental departments, regulatory authorities, stock exchanges and securities clearing institutions in relation to

the Proposed Issue of RMB Shares; to approve, register, sign, execute, amend and complete all agreements, contracts and other relevant legal documents related to the Proposed Issue of RMB Shares;

- (iii) draft, review, modify and sign the relevant documents in relation to the Proposed Issue of RMB Shares; engage and change the underwriters, accounting firm, legal firm(s) and other professional parties in relation to the Proposed Issue of RMB Shares; and determine and pay the fees in relation to the Proposed Issue of RMB Shares;
- (iv) according to the proposal of the Proposed Issue of RMB Shares considered and approved at the General Meeting and in accordance with relevant requirements of securities regulatory authorities, negotiate with the underwriters to determine the issuance time, target subscriber, market consultation on price range, method of pricing, final issuance price, final issuance quantity, possible strategic placings (including placing ratio and target placees) and other specific matters related to the Proposed Issue of RMB Shares based on the actual situation of the Company and market conditions; except for matters to be approved by the Shareholders at the general meeting according to relevant laws, regulations, regulatory documents and the provisions of the Articles of Association, make corresponding adjustments to the specific plan and other relevant matters of this issuance (including the suspension and termination of the implementation of the issuance plan);
- (v) according to the opinions of relevant domestic and foreign regulatory authorities in the process of application and approval of the Proposed Issue of RMB Shares as well as the actual situation of the Company, authorise the Board to make appropriate adjustments on the amount of the proposed investment projects according to the actual progress of proposed investment projects and the amount of funds actually raised; prior to receiving the proceeds from the Proposed Issue of RMB Shares, support the implementation of the aforesaid projects with its own funds based on the actual progress of such projects; upon receiving the proceeds, use such proceeds to reimburse its own funds or bank loans previously committed. In the specific implementation process of the investment projects and based on the actual circumstances, the opinions of relevant government department, sponsors and underwriters, to make adjustments of relevant matters, including but not limited to: to adjust the amount of utilised funds, implementation entities, progress and methods of the project within the determined scope of investment project; to determine the special storage account and sign the tripartite supervision agreement for the raised funds; and to sign the substantial contracts involved in the implementation of the investment projects, etc.;
- (vi) analyse, consider and substantiate the impacts of the Proposed Issue of RMB Shares on the Company's immediate financial indicators and the Shareholders' immediate return in accordance with the requirements under relevant laws and regulations and of the relevant regulatory authorities; revise, enhance and implement relevant measures and policies, and take full responsibility for handling the relevant matters;

- (vii) determine the specific account for the proceeds as required prior to the Proposed Issue of RMB Shares; and execute relevant documents;
- (viii) formulate, modify or amend relevant terms of the internal management policies, including but not limited to related party (connected) transactions management, raised proceeds management, external guarantees and external investments, pursuant to the actual circumstances of the Proposed Issue of RMB Shares and the requirements and suggestions from relevant government agencies and regulatory departments; or make appropriate amendments to the relevant rules and regulations when the internal management policies conflict with the normative documents issued by the CSRC, stock exchanges and other regulatory authorities;
- (ix) after completion of the Proposed Issue of RMB Shares, handle the share registration and settlement as well as other related matters with the CSDC, including but not limited to share custody registration, lock-up for circulation and other matters;
- (x) publish the prospectus and abstracts, listing announcements and other documents on designated newspapers and websites, apply for listing on designated stock exchange and provide complete application materials in accordance with the requirements of the CSRC, stock exchanges and other regulatory authorities;
- (xi) suspend or terminate the Proposed Issue of RMB Shares at its discretion in the event of force majeure or other circumstances that make it difficult to implement the issue plan, or even if it is implemented, the Company will undertake extremely adverse consequences;
- (xii) communicate with the CSRC, stock exchanges and other regulatory authorities representing the Company for the purpose of the Proposed Issue of RMB Shares;
- (xiii) after completion of the Proposed Issue of RMB Shares, apply to the SSE for listing of the RMB Shares and sign documents on behalf of the Company in the process of the Proposed Issue of RMB Shares;
- (xiv) make corresponding adjustments to the Proposed Issue of RMB Shares and related matters pursuant to any new provisions in the regulations or policies in respect of the Proposed Issue of RMB Shares as promulgated by relevant securities regulatory authorities; and
- (xv) implement all other necessary, appropriate matters related to the Proposed Issue of RMB Shares where permitted by relevant laws and regulations.

The aforesaid authorisation shall be valid for 12 months from the date of approval at the General Meeting.

(2) Resolution on the Plan for Distribution of Profits Accumulated and uncovered loss bearing before the Proposed Issue of RMB Shares

As at the date of this announcement, the Company has no accumulated undistributed profit. If the Company has accumulated undistributed profits before the Proposed Issue of RMB Shares, the accumulated undistributed profits will be shared by all Shareholders (including the holders of RMB Shares and holders of Hong Kong Shares) in proportion to their respective shareholdings. If the Company has uncovered loss before the Proposed Issue of RMB Shares before the Proposed Issue of RMB Shares, the uncovered loss will be borne by all Shareholders (including the holders of RMB Shares and holders of Hong Kong Shares) in proportion to their respective shareholdings.

(3) Resolution on the Price Stabilisation Plan of RMB Shares for Three Years after the Proposed Issue of RMB Shares

To better protect the interests of the investors (especially the minority investors), in accordance with the Opinions of the China Securities Regulatory Commission on Further Promoting the Reform of the Initial Public Offering System (《中國證監會關於進一步推進新股發行體制改革的意見》) and relevant regulations, the Company proposed to adopt the price stabilisation plan of RMB Shares for three years after the Proposed Issue of RMB Shares, which take effect upon the listing of the RMB Shares on the Sci-Tech Board and the validity period is three years.

(4) Resolution on the Profit Distribution Plan for Shareholders for Three Years after the Proposed Issue of RMB Shares

In accordance with the requirements of the Notice on Further Implementation of Cash Dividends of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》), the Guidelines No. 3 on the Supervision and Administration of Listed Companies — Distribution of Cash Dividends of Listed Companies (《上市公司監管指引第3號 — 上市公司現金分紅》), the Opinions of the China Securities Regulatory Commission on Further Promoting the Reform of the Initial Public Offering System (《中國證監會關於進一步推進新股發行體制改革的意見》) and relevant laws and regulations, and for the purpose to better protect the interests of the investors (especially the minority investors) after the listing of the RMB Shares on the Sci-Tech Board, the Company proposed to adopt the profit distribution plan for Shareholders for three years after the Proposed Issue of RMB Shares, which take effect upon the listing of the RMB Shares on the Sci-Tech Board.

(5) Resolution on the Use of Proceeds from the Proposed Issue of RMB Shares

After deducting the issuance expenses, such proceeds are proposed to be used to following projects in the following manner:

- (1) research and development, manufacturing and marketing network construction of new energy vehicle project: approximately 70% of proceeds will be invested in research and development, manufacturing and marketing network construction of new energy vehicle project, in order to contribute to continuously improving the Company's technical reserves in relevant industry, further improving the Company's research and development capacity and manufacturing capacity, expanding market channels, enhancing the Company's sustainability, and eventually achieving commercialization of its research projects and long-term development of the Company; and
- (2) replenishment of working capital: approximately 30% of proceeds will be used for the replenishment of working capital and general corporate purposes, in order to improve the Company's financial position.

Within the scope of the investment projects with the funds raised from the Proposed Issue of RMB Shares, the Company can make proper adjustments to the sequence and specific amounts of investment projects according to the progress, capital requirements, timing and the relevant circumstances of the projects. Prior to receiving the proceeds from the Proposed Issue of RMB Shares, the Company may support the implementation of the aforesaid projects with its own funds or self-raised funds depending on the actual progress of such projects, and replace such funds with the funds raised from the Proposed Issue of RMB Shares upon receiving.

If the actual funds raised from the Proposed Issue of RMB Shares exceed the estimated total investment funds required for the intended use of proceeds as set out above, the Company will apply the surplus to replenish the working capital in relation to the principal businesses of the Company. If the actual funds raised from the Proposed Issue of RMB Shares are less than the estimated total investment funds required for the intended use of proceeds as set out above, the Company will make up the shortfall with its own funds.

(6) Resolution on the Impact of Dilution on Immediate Return by the Proposed Issue of RMB Shares and Relevant Recovery Measures

To counter the potential dilution effect of the Proposed Issue of RMB Shares on the Shareholders' return for the current period, specific measures for such return are proposed to be approved by the Shareholders in accordance with applicable laws, regulations and regulatory documents, including the Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》), the Several Opinions of the State Council on Further Promoting the Sound Development of the Capital Market (《國務院關於進一步促進資本市場

健康發展的若干意見》), and the Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》).

(7) Resolution on the Undertakings and the Corresponding Binding Measures in connection with the Proposed Issue of RMB Shares

To better protect the interests of the Shareholders, according to the Opinions of the China Securities Regulatory Commission on Further Promoting the Reform of the Initial Public Offering System (《中國證監會關於進一步推進新股發行體制改革的意見》) and relevant supporting regulations, the Company will provide undertakings in the listing documents with respect to the Proposed Issue of RMB Shares and propose corresponding binding measures. Such undertakings will take effect upon the listing of the RMB Shares on the Sci-Tech Board. The specific contents of the undertakings and the corresponding binding measures related to the Proposed Issue of RMB Shares are authorized to the Board and its authorized persons to determine.

(8) Resolution on the Amendments to the Articles of Association

Due to the Proposed Issue of RMB Shares and the listing on the Sci-Tech Board, according to the Rules Governing the Listing of Securities at the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》) and other regulations, a special resolution will be proposed at the General Meeting to approve the amendments to the Articles of Association. The adoption of the amended Articles of Association will take effect upon the listing of the RMB Shares on the Sci-Tech Board.

(9) Resolution on the Adoption of Policy Governing the Procedures for the Holding of General Meetings

Due to the Proposed Issue of RMB Shares and the listing on the Sci-Tech Board, according to the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Articles of Association and other regulations, a policy governing the procedures for the holding of general meetings of the Company is proposed to be approved by the Shareholders. Such policy will take effect upon the listing of the RMB Shares on the Sci-Tech Board.

The Board approved to propose to the General Meeting to authorise the Board and its authorised person to make adjustment and amendment to the policy governing the procedures for the holding of general meetings according to the changes in domestic and overseas laws, regulations and other regulatory documents, the requirements and suggestions of relevant domestic and overseas governmental and regulatory agencies, and the actual situation of the Proposed Issue of RMB Shares.

(10) Resolution on the Adoption of Policy Governing the Procedures for the Holding of Board Meetings

Due to the Proposed Issue of RMB Shares and the listing on the Sci-Tech Board, according to the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), the Articles of Association and other regulations, a policy governing the procedures for the holding of Board meetings is proposed to be approved by the Shareholders. Such policy will take effect upon the listing of the RMB Shares on the Sci-Tech Board.

The Board approved to propose to the General Meeting to authorise the Board and its authorised person to make adjustment and amendment to the policy governing the procedures for the holding of board meetings according to the changes in domestic and overseas laws, regulations and other regulatory documents, the requirements and suggestions of relevant domestic and overseas governmental and regulatory agencies, and the actual situation of the Proposed Issue of RMB Shares.

(11) Resolution on Authorisation to the Board to Review and Confirm related party transactions during the period from 1 January 2017 to 30 September 2020

For the related party transactions between the Company and the related parties as defined in the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》) during the period from 1 January 2017 to 30 September 2020, the Board will be authorised at the General Meeting to consider and confirm such related party transactions were conducted on the principles of equality, willingness, fairness and reasonableness in all material respects; the prices were fair and the decision making authority and procedures were legal; the interests of the Company and Shareholders came to no harm; and there was no transfer of benefits between the Company or the related parties. The authorisation to the Board at the General Meeting shall be valid for 12 months from the date of consideration and passing of the resolution at the General Meeting.

For the avoidance of doubt, the above related party transactions are determined by the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》). The connected transactions (as defined in the Listing Rules) of the Company as a listed company in Hong Kong have been and will continue to be in compliance with the requirements of the Listing Rules.

3. IMPACT OF THE PROPOSED ISSUE OF RMB SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For reference and illustration purposes only, assuming that the issue of all the 1,555,867,058 RMB Shares under the Proposed Issue of RMB Shares is approved and carried out, and all are issued to non-connected persons of the Company and there are no other changes in the share capital of the Company prior to the completion of the Proposed Issue of RMB Shares, the shareholding structures of the Company as at the date of this announcement and immediately after the completion of the Proposed Issue of RMB Shares (assuming no Over-allotment Option is exercised) are set out as follows:

	As at the date of this announcement		Immediately after the completion of the Proposed Issue of RMB Shares (assuming no Over-allotment Option is exercised)	
	<i>Number of Shares</i>	<i>Approximate percentage of the Company's issued share capital</i>	<i>Number of Shares</i>	<i>Approximate percentage of the Company's issued share capital</i>
RMB Shares to be issued under the Proposed Issue of RMB Shares	—	—	1,555,867,058	15.00%
Hong Kong Shares	8,816,580,000	100%	8,816,580,000	85.00%
— Hong Kong Shares held by core connected persons	6,479,745,000	73.49%	6,479,745,000	62.47%
— Hong Kong Shares held by the public	<u>2,336,835,000</u>	<u>26.51%</u>	<u>2,336,835,000</u>	<u>22.53%</u>
Total	<u>8,816,580,000</u>	<u>100%</u>	<u>10,372,447,058</u>	<u>100%</u>

As at the date of this announcement, according to the information publicly available to the Company, the public held no less than 26.51% of Shares issued by the Company. Assuming that the issue of all the 1,555,867,058 RMB Shares under the Proposed Issue of RMB Shares is approved and all are issued to non-connected persons of the Company, and no Over-allotment Option is exercised, the percentage of RMB Shares held by the public with respect to the total number of Shares after the issuance is expected to be 15.00%, the percentage of Hong Kong Shares held by the public with respect to the total number of Shares after the issuance is expected to be 22.53% and the percentage of Shares (both RMB Shares and Hong Kong Shares in aggregate) held by the public with respect to the total number of Shares after the issuance is expected to be 37.53%.

As at the date of this announcement, the Company had not entered or proposed to enter into any agreement in relation to subscription of RMB Shares with any connected persons of the Company.

4. FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities involving issue of equity securities in the past twelve months prior to the date of this announcement:

Date of initial announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
15 September 2020	Placing of existing shares and top-up subscription of new shares under the general mandate	HK\$3,984,941,340	For the general corporate purposes of the Group	Not yet been utilised and will be used as intended

5. APPLICATION FOR LISTING

An application for the Proposed Issue of RMB Shares will be made to the SSE. The SSE, after approving the application, will apply to the CSRC for the registration of Proposed Issue of RMB Shares. The Company will make another application to the SSE for the listing of, and permission to deal in, the RMB Shares on the Sci-Tech Board after the CSRC agrees with the registration and the public offering of the RMB Shares has been completed. The RMB Shares will not be listed on the Hong Kong Stock Exchange.

6. REASONS FOR THE PROPOSED ISSUE OF RMB SHARES

The Board considers that the Proposed Issue of RMB Shares will enhance the corporate image of the Company, broaden the Company's fund raising channels, reduce financing costs, improve the Company's capital structure, and further strengthen the financial position of the Group and provide working capital to the Group.

The Board considers that the Proposed Issue of RMB Shares is in line with the interests of the Company and the Shareholders as a whole, and is beneficial to strengthen the sustainable development of the Company.

7. GRANT OF WAIVERS FROM STRICT COMPLIANCE WITH CERTAIN PROVISIONS OF THE LISTING RULES

For the purpose of the Proposed Issue of RMB Shares, the Company has applied for, and the Hong Kong Stock Exchange has granted on 25 September 2020, the following waivers from strict compliance with the relevant provisions of the Listing Rules:

1. One-off waiver relating to no listing of the RMB Shares on the Hong Kong Stock Exchange

As the RMB Shares will be of the same class as the Hong Kong Shares but will not be listed on the Hong Kong Stock Exchange, the Company has applied for, and the Hong Kong Stock Exchange has granted, a one-off waiver so that there is no need to seek listing of the RMB Shares to be issued under the Proposed Issue of RMB Shares on the Hong Kong Stock Exchange under Rules 8.20 and 13.26 of the Listing Rules, on the following conditions:

- (1) Rule 6.12 of the Listing Rules is modified such that the requirement of obtaining the prior approval of shareholders for voluntary withdrawal of listing on the Hong Kong Stock Exchange by (i) at least 75% of the votes attaching to any class of listed securities held by holders voting either in person or by proxy at the meeting before voluntarily withdrawing its listing on the Hong Kong Stock Exchange; and (ii) the number of votes cast against the resolution is not more than 10% of the votes attaching to any class of listed securities held by holders permitted under Rule 6.12(1) of the Listing Rules to vote in person or by proxy at the meeting, shall apply to holders of the Hong Kong Shares only;
- (2) Rule 6.15 of the Listing Rules is modified such that the requirement of fulfilling shareholders' approval requirements under the Hong Kong Code on Takeovers and Mergers for voluntary withdrawal of listing on the Hong Kong Stock Exchange shall apply to holders of the Hong Kong Shares only;
- (3) Rule 13.36(2)(b) of the Listing Rules is modified such that the Shareholders (including both holders of Hong Kong Shares and holders of RMB Shares) can, by ordinary resolution in a general meeting, give a general mandate to the Directors under which (i) the aggregate number of Hong Kong Shares allotted or agreed to be allotted must not exceed 20% of the number of the issued Hong Kong Shares as at the date of the resolution granting the general mandate; and (ii) the aggregate number of RMB Shares allotted or agreed to be allotted must not exceed 20% of the number of the issued RMB Shares as at the date of the resolution granting the general mandate; and
- (4) Rule 13.36(2)(b) of the Listing Rules is further modified such that the Shareholders (including both holders of Hong Kong Shares and holders of RMB Shares) can, by ordinary resolution in a general meeting, give a repurchase mandate to the Directors under which (i) only the Hong Kong Shares may be repurchased; and (ii) the maximum

number of Hong Kong Shares repurchased by the Company since the granting of the general mandate will be 10% of the number of the issued Hong Kong Shares as at the date of the resolution granting the repurchase mandate.

Given this is a one-off waiver for the Proposed Issue of RMB Shares only, the Company would need to apply for waiver from Rules 8.20 and 13.26 of the Listing Rules for any further issue of new RMB Shares.

2. Waiver relating to corporate communications

As the Company is not required to (a) seek an express and positive written confirmation from each holder of the RMB Shares that corporate communications may be made available using electronic means; and (b) physically send a circular to the holders of the RMB Shares. The publication of corporate communications, including circulars, on the websites of the SSE and the Company and through other prescribed communication channels such as specified PRC newspapers, constitute effective delivery to the holders of the RMB Shares. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver so that the requirements relating to corporate communications under Rule 2.07A of the Listing Rules will apply only to the holders of Hong Kong Shares.

3. Waiver relating to requirements for certification of transfers

As (a) there is no requirement to issue physical share certificates in respect of the RMB Shares under the listing rules prescribed by the SSE as evidence of title, and (b) the transfers of RMB Shares on the Sci-Tech Board can be conducted by trading transfers (being transfers pursuant to transactions conducted between two parties holding SSE stock accounts through the paperless trading platform of the SSE, which does not involve any certificate, temporary documents or split renounceable documents) and non-trading transfers (including share transfers due to inheritance, gift and property division, for which the relevant applicant must submit materials required by the CSDC to complete the transfer, and the CSDC, which will be the Company's share registrar of the RMB Shares and the keeper of the register of holders of the RMB Shares, will provide services of certifying transfers against certificates or temporary documents and splitting renounceable documents with respect to such non-trading transfers of the RMB Shares), the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver so that the requirements relating to certification of transfers to be completed within certain time frame under Rule 13.58 of the Listing Rules will apply only to the Hong Kong Shares and the non-trading transfers of the RMB Shares.

4. Waiver relating to requirements for securities registration services

As (a) the RMB Shares will only be listed on the SSE and it is proposed that the CSDC will be the share registrar of the RMB Shares for the Company. The CSDC will keep a share register in respect of the RMB Shares in the Shanghai Register, which will be separate from the register of members of the Company in respect of the Hong Kong Shares which is kept by

the Tricor Secretaries Limited, the Company's Hong Kong Register. There will be no movement of Shares allowed between the Hong Kong Register and the Shanghai Register due to current restrictions under laws, rules and regulations in the PRC; and (b) the RMB Shares can be traded electronically on the Sci-Tech Board of the Shanghai Stock Exchange and no physical share certificates temporary documents or split and return renounceable documents will be required to evidence title, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver so that the requirements relating to securities registration services under Rules 13.59 and 13.60 of the Listing Rules will apply only to the Hong Kong Shares.

8. GENERAL

The General Meeting will be convened for the purpose of considering and, if thought fit, approving the Proposed Issue of RMB Shares and related matters. A circular for the General Meeting containing, among other things, the details of the above resolutions, together with the notice of the General meeting, will be despatched to the Shareholders in due course.

As the Proposed Issue of RMB Shares and the Specific Mandate is subject to, among others, the approval by the Shareholders at the General Meeting and the obtaining of the necessary Regulatory Approvals and may or may not proceed, shareholders and potential investors should exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) to disclose any developments in respect of the Proposed Issue of RMB Shares in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate. This announcement is for information purposes only and is not intended to, and does not, constitute, or form part of, an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles of Association”	the Articles of Association of the Company
“Board”	the board of directors of the Company
“Company”	China Evergrande New Energy Vehicle Group Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 708)
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	China Securities Regulatory Commission

“Director(s)”	the director(s) of the Company
“General Meeting”	the general meeting of the Company to be held on Tuesday, 20 October 2020 for the purpose of considering and, if thought fit, approving the Proposed Issue of RMB Shares and other related matters
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Shares”	the existing ordinary Shares which are listed on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Over-allotment Option”	an over-allotment option which may be granted by the Company in respect of such number of RMB Shares not exceeding 15% of the number of RMB Shares initially issued under the Proposed Issue of RMB Shares
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
“Proposed Issue of RMB Shares”	the Company’s proposed issue of no more than 1,555,867,058 RMB Shares (before exercise of the Over-allotment Option), which will be listed on the Sci-Tech Board
“Regulatory Approvals”	the approvals or decisions from the relevant regulatory authorities and governmental departments in the PRC and Hong Kong (including but not limited to the CSRC, the Hong Kong Stock Exchange, the SSE and the CSDC)
“RMB”	Renminbi, the lawful currency of the PRC
“RMB Share(s)”	the ordinary Share(s) to be subscribed for in RMB by investors in the PRC, listed on the Sci-Tech Board and traded in RMB
“Sci-Tech Board”	the Science and Technology Innovation Board of the SSE

“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the General Meeting to allot and issue RMB Shares pursuant to the Proposed Issue of RMB Shares
“SSE”	the Shanghai Stock Exchange
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollar
“%”	per cent

By Order of the Board
China Evergrande New Energy Vehicle Group Limited
Shi Shouming
Chairman

Hong Kong, 25 September 2020

As at the date of this announcement, the executive Directors of the Company are Mr. SHI Shouming, 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.