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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)

UPDATES SINCE 31 AUGUST 2021

This announcement is made by China Evergrande New Energy Vehicle Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”). With reference to the announcement dated 30 August 2021 on the Company’s unaudited interim results for the six months ended 30 June 2021 (the “**Interim Results Announcement**”), the Board of the Company would like to provide certain updates on the Group’s business and financial positions since 31 August 2021 as further set out below:

As disclosed in the Interim Results Announcement, in light of the adverse effects on the liquidity of the Group, there were delays in payments to suppliers and construction fees in the Group’s Evergrande Elderly Care Valley and new energy vehicle living projects, which resulted in the suspension of work on certain relevant projects of the Group. As of the date of this announcement, there is no material progress on the resumption of certain projects despite the Group’s efforts.

The Company is still exploring with different potential strategic investors to introduce new investors to the Group; as of the date of this announcement, due diligence and negotiation are still in progress. The Group is also actively negotiating with potential investors about selling some of the Elderly Care Valley projects and overseas assets of the Group, in order to improve the Group’s overall efficiency and to supplement working capital. As at the date of this announcement, the Group has not entered into any legally binding agreement with any investor. It remains uncertain as to whether the Group will be able to consummate any such sale. If necessary, the Company will comply with the relevant requirements under the Listing Rules and make further announcement(s) as appropriate.

If the said potential introduction of strategic investments and/or the potential sale of assets cannot materialize within a short period of time, the Group will lack further capital injection, which is expected to affect the daily operations of the Group, worsen its ability to pay employees’ salary and/or other expenses. It will, at the same time, impede the research and development progress of new energy vehicles and have a material adverse impact on the Group’s mass production of new energy vehicles.

As of the date of this announcement, the Group is encountering serious shortage of funds. In view of the liquidity pressure, the Group has suspended paying some of its operating expenses and some suppliers have suspended supplying for projects.

In view of the difficulties, challenges and uncertainties in improving its liquidity as mentioned above, there is no guarantee that the Group will be able to meet its financial obligations under the relevant contracts.

The Company will closely monitor the implementation of the measures mentioned above and update the market as appropriate on material development. **Shareholders of the Company and other investors should note that it is uncertain whether the Group could successfully implement the measures to ease the liquidity issues as mentioned in this announcement. Shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.**

On behalf of the Board of
China Evergrande New Energy Vehicle Group Limited
SIU Shawn
Chairman

Hong Kong, 24 September 2021

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.