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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)**

### **ANNOUNCEMENT ON QUARTERLY UPDATE**

This announcement is made by China Evergrande New Energy Vehicle Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **MASS PRODUCTION OF HENGCHI 5**

The Group has continued the mass production of Hengchi 5. As at the date of this announcement, the Group has delivered over 900 units of Hengchi 5.

In order to centralize financial resources to support the mass production of Hengchi 5, the Company continues to promote cost saving measures, improve management efficiency, actively adopt staff reduction measures towards and optimize employee structure in National Electric Vehicle Sweden AB, a Sweden-established subsidiary within the Group.

In face of the inability to obtain additional liquidity, the Group is at risk of discontinuing production. However, 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. Under this plan, the cumulative unleveraged cash flow from 2023 to 2026 is expected to reach negative RMB7 billion to negative RMB5 billion.

**All of the above financial projections are based on the management statement for 2021, which depend on a number of assumptions and pre-conditions and are subject to many uncertainties. The Company cannot guarantee that the operating results can be achieved in accordance with the aforementioned projections.**

## THE GROUP'S ASSET PLAN

The Group is currently considering the disposal of residential and property development projects. Set out below is the key unaudited indicative financial information of the Group for the year ended 31 December 2021 after the disposal of residential and property development projects (including its new energy vehicle segment and battery segment but excluding its real estate segment):

	<b>As at 31 December 2021</b>
<b>Key Balance Sheet Figures</b>	<i>RMB in millions</i>
Cash and cash equivalents	1,287
Financial assets held for trading	2,795
Inventories	112
Trade and other receivables	14,657
Fixed assets	4,517
Construction in progress	18,028
Long term investments	0
Intangible assets	12,776
Other assets	<u>5,348</u>
<b>Total assets</b>	<u>59,521</u>
Short term borrowings/Long term borrowings due within one year	13,885
Long term borrowings	11,271
Trade and other payables	28,885
Other liabilities	<u>4,789</u>
<b>Total liabilities</b>	<u>58,830</u>
<b>Total equity</b>	<u><u>691</u></u>

## SETTLEMENT OF STATUTORY DEMAND RECEIVED BY THE SUBSIDIARY

Evergrande Hengchi New Energy Automotive Holdings (Hong Kong) Limited, a wholly-owned subsidiary of the Company (the “**Subsidiary**”), has disclosed in the Company’s announcement dated 30 December 2022 that it has received a statutory demand from the legal adviser acting on behalf of the creditor pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). Having engaged in negotiations with the creditor, a settlement has been reached regarding the debt to be paid. This matter will not have any material adverse effect on the Group.

## **CEG'S ANNOUNCEMENT**

Reference is made to the announcement of China Evergrande Group dated 22 March 2023 (the “**CEG Announcement**”) with regard to the restructuring of its offshore debt. A copy of the CEG Announcement could be viewed at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0322/2023032201427.pdf>.

China Evergrande Group is the controlling shareholder of the Company. In the CEG Announcement, China Evergrande Group has disclosed certain material information about the Company.

## **RESUMPTION PROGRESS**

As disclosed in the Company's announcement dated 16 January 2023, with effect from 16 January 2023, the Company has appointed Prism Hong Kong and Shanghai Limited (“**Prism**”) as the new auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company. Prism is the member firm of Shanghai Certified Public Accountants (Special General Partnership) in Hong Kong.

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish its audited annual results for the year ended 31 December 2022 on or before 31 March 2023. The relevant audit and review work is still in progress. The Company will release the audited annual results for 2021, the interim results for 2022 and the audited annual results for 2022 as soon as practicable upon completion of the relevant procedures.

The Company will continue to keep the market informed of all material information in due course.

## **CONTINUED SUSPENSION OF TRADING**

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 and will remain suspended until further notice.

**The Company is still in the course of compiling its outstanding audited annual results of the Group, the information contained in this announcement is only a preliminary assessment made by the Company based on the financial information of the Group, which have not been confirmed or audited by the Company's auditors nor reviewed by the audit committee of the Board and is subject to possible adjustments. The actual audited results of the Group may differ from the information contained in this announcement. Shareholders and potential investors of the Company are advised to exercise caution and consult with professional advisers 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, 22 March 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.*