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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)

**(1) MAJOR AND CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO CONNECTED LOANS RECEIVABLE
AND
(2) UPDATES ON CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO GREEN LANDSCAPING SERVICES,
MATERIAL PROCUREMENT AND SALES OF NEV**

References are made to the announcements of China Evergrande New Energy Vehicle Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 24 April 2023, 25 April 2023, 10 May 2023 and 12 May 2023, and the circular of the Company dated 25 April 2023 (collectively, the “**VSD Disclosure Documents**”) in respect of the disposal of all the issued shares in Assemble Guard Limited and Flaming Ace Limited by the Company to Anxin Holding Limited (a subsidiary of China Evergrande Group (In Liquidation) (“**CEG**” or “**CEG (In Liquidation)**”, as the case may be)) (the “**Disposal**”).

References are also made to the announcements of the Company dated 26 July 2023 and 27 March 2024 in respect of, among others, the annual results of the Company for the year ended 31 December 2021 and for the year ended 31 December 2023, respectively, and the continuing connected transactions relating to the Green Landscaping Services, Material Procurement and Sale of NEV (the “**Historical CCT Announcements**”).

Unless expressed otherwise, capitalised terms used in this announcement shall have the same meanings as used in the VSD Disclosure Documents and the Historical CCT Announcements.

(1) **MAJOR AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE CONNECTED LOANS RECEIVABLE**

A. Major and Continuing Connected Transaction in relation to Loans to Disposed Group

Prior to the completion of the Disposal, the Company and certain subsidiaries of the Company provided intra-group loans to Assemble Guard Limited, Flaming Ace Limited and their respective subsidiaries (the “**Disposed Group**”) from time to time for daily operation purpose. Upon completion of the Disposal on 12 May 2023, the Company ceased to have any interest in the Disposed Group, and the companies in the Disposed Group became subsidiaries of CEG (In Liquidation), a controlling shareholder of the Company and thus a connected person of the Company. As a result of the Disposal, the outstanding balance of such intra-group loans (“**Pre-Disposal Loans**”) in the principal amount of approximately RMB14,432 million owed by the Disposed Group were reclassified as “Amounts due to related parties”, and the financial assistance given in respect of the Pre-Disposal Loans became continuing connected transactions pursuant to Chapter 14A of the Listing Rules upon the completion of the Disposal.

After the completion of the Disposal, the Company and certain subsidiaries of the Company also provided additional loans in the principal amount of approximately RMB1 million (“**Post-Disposal Loans**”, together with Pre-Disposal Loans, the “**Loans to Disposed Group**”, each a “**Loan to Disposed Group**”) to members of the Disposed Group. The provision of the Post-Disposal Loans constitute financial assistance under Chapter 14 of the Listing Rules and connected transactions of Chapter 14A of the Listing Rules.

Summary of Major Terms

Set out below is the summary of the major terms of the Loans to Disposed Group:

Parties:	(1) The Company and certain subsidiaries of the Company (as lender); and (2) Certain companies in the Disposed Group (as borrower).
Principal amount of the Post-Disposal Loans (unaudited):	Approximately RMB1 million
Outstanding balance as of 28 February 2025 (unaudited):	Approximately RMB14,562 million, comprising (i) the outstanding principal amount of the Pre-Disposal Loans of approximately RMB14,432 million; (ii) the outstanding principal amount of the Post-Disposal Loans of approximately RMB1 million; and (iii) the adjustment arising from translation differences in the sum of RMB129 million.

The Group has not provided any new Post-Disposal Loan to Disposed Group since the liquidation of CEG on 29 January 2024.

- Duration: 3 years commencing from 12 May 2023 (in respect of the Pre-Disposal Loans) and from the date of the advance of the relevant Post-Disposal Loans (in respect of the Post-Disposal Loans) to be renewed automatically for successive periods of three years thereafter, subject to compliance with the then applicable requirements of the Listing Rules.
- Repayment: The principal amount of the Loans to Disposed Group shall be fully repaid by the relevant borrower on demand of the relevant lender during the term of the relevant Loan to Disposed Group.
- Interest and Security: The Loans to Disposed Group were interest-free and unsecured.

B. Major and Continuing Connected Transactions in relation to Loans to CEG

The Board noted that in addition to the Loans to the Disposed Group disclosed in the section headed “A. Major and Continuing Connected Transaction in relation to Loans to Disposed Group” above, the Group (including the companies in the Disposed Group before completion of the Disposal) provided loans to the subsidiaries, associates and/or joint ventures of CEG, which for the purpose of this announcement, excludes members of the Group and the Disposed Group (the “**Loans to CEG Group**”, together with the Loans to Disposed Group, the “**Connected Loans Receivable**”).

Summary of Major Terms

Set out below is the summary of the major terms of the Loans to CEG Group:

- Parties: (1) The Company and certain subsidiaries of the Company (as lender); and
- (2) Certain subsidiaries, associates and/or joint ventures of CEG (as borrower).
- Outstanding loan balance as of 28 February 2025 (unaudited): Approximately RMB2,050 million.
- The Group has not provided any new Loan to CEG Group since the liquidation of CEG on 29 January 2024.

	For the year ended 31 December					
	2019	2020	2021	2022	2023	2024
	(unaudited)					
Highest outstanding loan balance (excluding the impact of currency fluctuations and translation differences between foreign currency statements) (<i>Approximate RMB million</i>):	1,246	3,409	8,318	8,716	7,756	2,206
Duration:	3 years from the date of the relevant advance, and thereafter automatically renewable for successive periods of three years, subject to the then applicable requirements of the Listing Rules.					
Repayment:	The principal amount of the Loans to CEG Group shall be fully repaid by the relevant borrower on demand of the relevant lender during the term of the relevant Loan to CEG Group.					
Interest and Security:	The Loans to CEG were interest-free and unsecured.					

REASONS FOR AND BENEFITS OF ADVANCE TO THE CONNECTED LOANS RECEIVABLE

Loans to Disposed Group

The Group's treasury function, which involved the management of monetary resources and financial risks, was centralized. Its priority was to ensure that each business and operating unit in the Group, including the Disposed Group prior to the completion of the Disposal, had the necessary financial resources to manage its day-to-day business obligations, while also helping the Group develop its long-term financial strategy and policies. The objective of having a centralized treasury system is for each business and operating unit to share the benefits of flexibility in funding, cost efficiency in terms of low interest, and less administrative work.

Following the completion of the Disposal, the Disposed Group became fellow subsidiaries, and certain receivable balances, which would have been reflected in the current accounts within the Group as intra-company balances, became amounts due to related parties. To clear the amounts due to related parties, the Group would try to make arrangements with the fellow subsidiaries to offset the respective receivable and payable balances to the extent practicable and legally permitted.

In view of the above, the Directors (excluding Mr. Siu Shawn who is also a director of CEG (In Liquidation), and Mr. Xie Wu, Mr. Vincent Gar-Gene Leung and Ms. Carina Man Yee Foo whose opinion will be provided after reviewing the advice of the Independent Financial Adviser (as defined below)) consider that the terms of the Loans to Disposed Group were fair and reasonable, and all such transactions, though not being carried out in the ordinary business of the Group, were on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Loans to CEG Group

As the automobile business of the Group requires a large amount of funds in the early stage of development, CEG and its subsidiaries provided financial support to the Group. As at 28 February 2025, the amount payable by the Group to CEG and its subsidiaries amounting to approximately RMB15,032 million (unaudited) far exceeds the Loans to CEG Group, which amounts to approximately RMB2,050 million (unaudited) as at 28 February 2025.

In view of the above, the Directors (excluding Mr. Siu Shawn who is also a director of CEG (In Liquidation), and Mr. Xie Wu, Mr. Vincent Gar-Gene Leung and Ms. Carina Man Yee Foo whose opinion will be provided after reviewing the advice of the Independent Financial Adviser (as defined below)) consider that the terms of the Loans to CEG Group were fair and reasonable, and all such transactions, though not being carried out in the ordinary business of the Group, were on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CEG was a controlling shareholder of the company (holding 6,255,653,500 Shares representing approximately 57.69% of the total number of issued Shares as at the date of this announcement) and thus a connected person of the Company.

Loans to Disposed Group

Since the companies in the Disposed Group also became connected persons of the Company by virtue of becoming subsidiaries of CEG as a result of the Disposal, the financial assistance given in connection with the Pre-Disposal Loans became continuing connected transactions of the Company upon completion of the Disposal. Therefore, the Company should have complied with the announcement and annual review requirement under Rule 14A.60 of the Listing Rules.

In light of the aforesaid relationship between the Disposed Group and the Company, the Post-Disposal Loans constituted continuing connected transactions of the Company. Whilst the highest applicable percentage ratios in respect of each of the Post-Disposal Loans is less than 0.1% on a standalone basis, when aggregated with the outstanding principal amount of the Pre-Disposal Loans, the highest applicable percentage ratios in respect of the Post-Disposal Loans exceeded 5%, and the Post-Disposal Loans were subject to the announcement, circular, annual review and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

In addition, as one of the applicable percentage ratios respectively for the Post-Disposal Loans (when aggregated with the outstanding principal amount of the Pre-Disposal Loans) exceeded 25%, the Post-Disposal Loans constituted a major transaction for the Company and were also subject to announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, given the Loans to Disposed Group exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, the Company should have announced the information required in Rule 13.15 of the Listing Rules as soon as practicable after the companies in the Disposed Group ceases to be subsidiaries of the Company.

Loans to CEG Group

The Loans to CEG Group constituted continuing connected transactions. As the highest applicable percentage ratio in respect of the Loans to CEG Group (i) first exceeded 0.1% and less than 5% for the year ended 31 December 2019 and 31 December 2020, the Loans to CEG Group was subject to the announcement requirement but is exempt from the circular and independent shareholders' approval requirements under the Listing Rules back in 2019 and 2020; and (ii) has been more than 5% since the year ended 31 December 2021, the Loans to CEG Group were subject to the announcement, circular, annual review and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules back in 2021.

In addition, as the highest applicable percentage ratios in respect of the Loans to CEG Group exceeded 25%, the Loans to CEG Group constituted a major transaction for the Company and were also subject to announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, given the Loans to CEG Group exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, the Company should have announced the information required in Rule 13.15 of the Listing Rules as soon as practicable after the relevant advance was made.

Ratification

Given the Post-Disposal Loans and the Loans to CEG Group have already been provided by the Group, the Company will seek the ratification of such transactions from the shareholders of the Company, other than those required to abstain from voting on the resolution(s) relating to the ratification of the Post-Disposal Loan, at the general meeting of the Company (the "GM") under the Listing Rules. The Group has no intention of granting any further loans to CEG and its subsidiaries (including the Disposed Group), associates and/or joint ventures.

Mr. Siu Shawn, an executive Director and the chairman of the Company, who is also an executive Director and the chief executive officer of CEG (In Liquidation), has abstained from voting on the relevant resolutions of the Board approving, confirming and/or ratifying the Post-Disposal Loans and the Loans to CEG Group since he has material interests in such transactions. Save as disclosed above, none of the other Directors has a material interest in the transactions above and therefore no other Director has abstained from voting on the relevant Board resolutions in relation to the transactions above.

NON-COMPLIANCE AND REMEDIAL ACTIONS

Due to an inadvertent omission by the management of the Company, the continuation of the Pre-Disposal Loans and the advance of the Post-Disposal Loans and the Loans to CEG Group had not been notified, announced and reviewed annually by the Company and/or approved by independent shareholders of the Company in a timely manner in accordance with the Listing Rules which constituted a breach of Chapters 13, 14 and 14A of the Listing Rules at the material time.

After the Company discovered the non-compliance, it sought advice from professional advisers and publishes this announcement to provide details of the Connected Loans Receivable. The Company is committed to taking remedial actions to tighten its internal control procedures with a view to preventing a recurrence of similar non-compliance events in the future. The Company will take measures to strengthen its internal control, including:

- (i). the Company will regularly update a list of the connected persons of the Company to identify all the connected transactions at the Company and subsidiaries level;
- (ii). the Company will provide regular trainings on regulatory and legal topics to the employees of the Group including but not limited to compliance with connected transaction requirements under the Listing Rules;
- (iii). the Company will review its internal control system and existing policies and procedures in monitoring connected transactions of the Group under the Listing Rules and will adopt a new connected transaction management policy;
- (iv). the Company will strengthen the coordination and reporting arrangements for connected transactions within the Group; and
- (v). the Company will (by its own staff or its advisers) consult the Stock Exchange, if any percentage ratio in respect of any proposed transaction produces an anomalous result or if the Company has any doubt on any procedure or requirement under the Listing Rules.

INFORMATION ON THE COMPANY AND THE PARTIES

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 (“NEV”).

CEG (In Liquidation)

CEG (In Liquidation) is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange. CEG (In Liquidation) was a conglomerate and was principally engaged in the property development, property investment, property management, NEV development and production, and cultural tourism business in the People’s Republic of China before it was ordered to be wound up by the High Court of Hong Kong on 29 January 2024.

GENERAL

The Company will convene a GM to consider and, if thought fit, approve the ratification of the Post-Disposal Loans and the Loans to CEG Group. As CEG (In Liquidation) and its associate(s) have material interests in the Post-Disposal Loans and the Loans to CEG Group, CEG (In Liquidation) and its associate(s) will abstain from voting on the resolution(s) proposed for approval on the aforementioned matters at the GM.

An independent board committee comprising all the independent non-executive Directors (the “**Independent Board Committee**”) has been established by the Company to consider the ratification of the Post-Disposal Loans and the Loans to CEG Group, and to advise the independent shareholders as to whether the terms of the Post-Disposal Loans and the Loans to CEG Group were fair and reasonable and whether the Post-Disposal Loans and the Loans to CEG Group were on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole. The Company has appointed 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) (the “**Independent Financial Adviser**”), to advise the Independent Board Committee and the independent shareholders in this regard.

A circular containing, amongst other things, (i) further details of the Post-Disposal Loans and the Loans to CEG Group; (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 to convene the GM, is expected to be despatched to the shareholders of the Company on or before Wednesday, 9 April 2025.

(2) UPDATES ON CONTINUING CONNECTED TRANSACTIONS IN RELATION TO GREEN LANDSCAPING SERVICES, MATERIAL PROCUREMENT AND SALES OF NEV

As disclosed in the Historical CCT Announcements, the Company will seek the ratification of the transactions for the Sales of NEV for the year ended 31 December 2023, the Green Landscaping Services for the year ended 31 December 2023 and the Material Procurement for the year ended 31 December 2023 from the shareholders of the Company, other than those required to abstain from voting on the resolution(s) relating to the ratification of such transactions, at the GM under the Listing Rules.

The Company sets out below the expected timetable for the ratification of (i) the Post-Disposal Loans, (ii) the Loans to CEG Group, (iii) the Sales of NEV; (iv) Green Landscaping Services, and (v) the Material Procurement.

Event	Expected time and date
Despatch of circular	Wednesday, 9 April 2025
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the GM	4:30 p.m. Friday, 25 April 2025
Closure of the register of members of the Company for determining the entitlement to attend and vote at the GM (both days inclusive)	Monday, 28 April 2025
Record date for determining the entitlement to attend and vote at the GM	Monday, 28 April 2025
Latest date and time for lodging proxy forms for the GM	4:30 p.m. Saturday, 26 April 2025
Expected date and time of the GM	4:30 p.m. Monday, 28 April 2025
Publication of announcement of poll results of GM	Monday, 28 April 2025

The expected timetable is indicative only and is subject to change. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

For and on behalf of
China Evergrande New Energy Vehicle Group Limited
SIU Shawn
Chairman

Hong Kong, 26 March 2025

As at the date of this announcement, the executive Directors are Mr. SIU Shawn and Mr. CHOI Wai Hong Clifford; and the independent non-executive Directors are Mr. XIE Wu, Mr. Vincent Gar-Gene LEUNG and Ms. Carina Man Yee Foo.