



China Evergrande New Energy Vehicle Group Limited

(Incorporated in Hong Kong with limited liability)

(Stock code : 00708)

# INTERIM REPORT 2022





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# Board of Directors and Committees

## EXECUTIVE DIRECTORS

Mr. Siu Shawn (*Chairman*)  
Mr. Liu Yongzhuo (*Vice Chairman*)  
Mr. Qin Liyong

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chau Shing Yim, David  
Mr. Guo Jianwen  
Mr. Xie Wu

## AUDIT COMMITTEE

Mr. Chau Shing Yim, David (*Chairman*)  
Mr. Guo Jianwen  
Mr. Xie Wu

## REMUNERATION COMMITTEE

Mr. Chau Shing Yim, David (*Chairman*)  
Mr. Siu Shawn  
Mr. Guo Jianwen

## NOMINATION COMMITTEE

Mr. Siu Shawn (*Chairman*)  
Mr. Chau Shing Yim, David  
Mr. Guo Jianwen

## CORPORATE GOVERNANCE COMMITTEE

Mr. Chau Shing Yim, David (*Chairman*)  
Mr. Siu Shawn  
Mr. Guo Jianwen

## AUTHORISED REPRESENTATIVES

Mr. Siu Shawn  
Mr. Fong Kar Chun, Jimmy

# Corporate and Shareholder Information

## Head Office

28th Floor, Evergrande International Center  
No. 78 Huangpu Avenue West  
Guangzhou  
Guangdong Province  
The PRC  
Postal code: 510620

## Registered Office and Place of Business In Hong Kong

15th Floor, YF Life Centre  
38 Gloucester Road, Wanchai, Hong Kong

## Website

<https://www.irasia.com/listco/hk/evergrandevehicle/>

## Company Secretary

Mr. Fong Kar Chun, Jimmy

## Auditor

PricewaterhouseCoopers  
*(resigned with effect from 16 January 2023)*  
Certified Public Accountants and Registered PIE Auditor

Prism Hong Kong and Shanghai Limited  
*(appointed with effect from 16 January 2023)*  
Certified Public Accountants and Registered PIE Auditor

## Shareholder Information

### Listing Information

The shares of the Company are listed on  
The Stock Exchange of Hong Kong Limited  
(the “**Stock Exchange**”)

## Stock Code

Hong Kong Stock Exchange: 0708.HK

## Share Registrar

Tricor Secretaries Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## Investor Relation

For enquiries, please contact:  
Mr. Fong Kar Chun, Jimmy  
Investor Relation Department  
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## Financial Calendar

Announcement of interim results: 26 July 2023

# Director's Report

## Overview

The principal business activities of China Evergrande New Energy Vehicle Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) include the technology research and development (“**R&D**”) and manufacturing of, and sales services in respect of new energy vehicles (collectively, the “**New Energy Vehicle Segment**”), as well as health management businesses including “Internet+” community health management, international hospitals, elderly care and rehabilitation (collectively, the “**Health Management Segment**”).

## New Energy Vehicle Segment

The Group actively responds to the national strategy of building a strong country through science and technology, and forayed into the new energy automobile industry with a huge market scale by forward planning. Through the closed loop of technology and data, the Group aims to create an intelligently connected mobile space of “car and home integration”, and establish Hengchi as a world-renowned Chinese automobile brand.

Dedicated to the global R&D and promotion of new energy vehicles applications, the Group adheres to its core technology vision of “achieving world-class core technology and proprietary intellectual property rights”, and its quality goal of “achieving world-class product quality”, and has established a full industry chain of new energy vehicles covering automobile manufacturing, electric motor control, power batteries, vehicle sales, smart charging and other aspects.

The New Energy Vehicle Segment of the Group achieved promising progress for the six months ended 30 June 2022 (the “**Reporting Period**”), especially in relation to the completion of the relevant development and testing work on the Hengchi 5 model, paving the Group’s way forward to beginning mass production.

## Health Management Segment

During the Reporting Period, the Group continued to uphold the innovative service concept of integrating medical insurance with health management, medical care, rehabilitation and elderly care. It provided, through a membership platform, a full cycle of high quality and multi-dimensional health services to its members. It has also developed and formulated an all-rounded and all-age healthcare service standard, and proceeded with the development of Evergrande Elderly Care Valley. However, due to strategic considerations of the Group, it was decided that this business segment would be phased out from the Group, and resources shall be focused on the development of the Group’s New Energy Vehicle Segment moving forward.

## Business Review

### New Energy Vehicle Segment

According to the data published by the China Association of Automobile Manufacturers, in the first half of 2022, the global production and sales volume of new energy vehicles were 2.661 million vehicles and 2.60 million vehicles respectively, representing both an increase of 120% and a market share of 21.6%.

In terms of government policies launched in support of the industry, in 2022, the government departments issued the “Notice on Improving the Financial Subsidy Policy for the Promotion and Application of New Energy Vehicles by Ministry of Finance, Ministry of Industry and Information Technology, Ministry of Science and Technology, Development and Reform Commission” (《財政部工業和信息化部科技部發展改革委關於完善新能源汽車推廣應用財政補貼政策的通知》) and the “Development Plan for Modern Comprehensive Transportation System in 14th Five-Year Plan Period” (《「十四五」現代綜合交通運輸體系發展規劃》), to support industry development of new energy vehicles.

## Director's Report

Considering the market potential and the support received from both the industry and government policies, the Group will strive to seize the once-in-a-century industry development opportunities, strengthen its technology R&D and innovation, further improve product layout and fully promote the continuous development and growth of the New Energy Vehicle Segment.

### R&D aspects:

During the Reporting Period, the Group further focused on R&D, fully ensured the software development of the first mass-produced model Hengchi 5, promoted the development and testing of subsequent models, and continuously optimized operation platforms such as software management, the Internet of vehicles, smart charging, etc., which gradually formed Hengchi big data platform. During the Reporting Period, the Group had 952 scientific research personnel.

In terms of Smart Internet and In-Vehicle Software design, during the Reporting Period, the Group completed the development of the first model Hengchi 5, as well as various tests and calibrations, and entered the stage of performance optimization and experience improvement before mass production.

In terms of intelligent cabin and intelligent driving, the Group completed the development of the main functions in H-Smart 1.0, including cabin domain control software, cabin ecosystem, 5G Internet of vehicles software, etc., and continued to improve functions; completed the development of the Telematics Service Provider (TSP) cloud platform for Internet of vehicles management, and continued with the test and verification stages of remote vehicle control and data upload; completed the function development and calibration of the H-Pilot 1.0 parking and driving system.

The Group also cooperated with world-renowned parts companies such as Aptiv (安波福), Bosch (博世) and United Automotive Electronic (聯合汽車電子) to complete the software and hardware development of various electronic control parts. At the same time, the Group also cooperated with wellknown domestic testing service providers Jingwei Hirain (經緯恒潤) and China Automotive Technology & Research Center (中汽研) to complete the vehicle functional safety test and information security test, completing the necessary preparations for the mass production of the first model in the second half of the year.

### Manufacturing aspects:

In the first half of 2022, the Tianjin manufacturing base mainly carried out the craft trial production of Hengchi 5 and preparations for mass production of the production line.

Both the Shanghai manufacturing base and the Guangzhou manufacturing base had formulated an equipment management plan based on the downtime management system. The equipment in each workshop should be turned on once a quarter for dynamic test runs and equipment maintenance.

In terms of power batteries, according to the Group's capital position, during the Reporting Period, the Group focused more on the development of complete vehicles and mass production work, and the investment in R&D and base construction for power batteries gradually slowed down.

### Sales of new energy vehicles:

The Group adopts the direct + authorised agent model to build the sales channel network of Hengchi, with sales shops set up in key cities such as Shanghai, Guangzhou, Tianjin, Beijing, Shenzhen and Hangzhou. At the same time, it has signed strategic cooperation agreements with Huasheng and Bosch automobile maintenance chain brands to lay out after-sales service outlets nationwide.

## Director's Report

### Charging Services:

By connecting to the Xingluo (星絡) charging platform, Hengchi APP has access to the State Grid, Southern Power Grid, Teld (特來電) and Star Charging (星星充電), etc., providing customers with intelligent functions such as one-click charging station enquiry, guidance for staggered charging, route navigation and charging reservation.

### Sales of vehicle living projects:

Under the New Energy Vehicle Segment, as a continuation of the previous year's operations, the Group also conducted the sales of vehicle living projects during the Reporting Period. The Group had operated 23 vehicle living projects and achieved a sales volume of 78 units, representing a gross floor area of 6,000 sq.m.. The types of properties sold include residential, apartment, commercial and parking spaces. Among them, residential properties accounted for the largest proportion of sales, with 43 units sold, representing a gross floor area of 6,000 sq.m.. The average discount given to purchasers was 30%, which was on par with 2021.

### Health Management Segment

As it was decided that the Group will divest its operations in the Health Management Segment, business expansion and further development of this segment had not been the priority of the Group. This segment, during the Reporting Period, operated a total of 26 projects, achieving a sales volume of 486 units, representing a gross floor area of 33,000 sq.m.. There were certain plans to develop and construct the Four Major Parks around the living projects in order to enhance the experience of residents in the development. During the Reporting Period, an aggregate gross floor area of 427,200 sq.m. or 624 single buildings were under construction, of which 291 buildings had been decorated, 196 buildings had completed facade construction, 39 buildings had constructed a main body, eight buildings had pile foundations constructed, 90 buildings were undergoing facade and decoration construction; and a gross floor area of 18,300 sq.m. or 26 single buildings had not yet started any construction. During the Reporting Period, the Health Management Segment also provided medical cosmetology and health management to customers, which also included out-patient services provided to patients at the Group's hospitals, most notably the Evergrande International Hospital, and health institutions.

## Outlook

### New Energy Vehicle Segment

At present, the Group's New Energy Vehicle Segment is progressing steadily. In the future, the Group will make every effort to promote the mass production and delivery of Hengchi 5. The Group will continue to consolidate R&D foundation. While accelerating the R&D of core technologies to lead the technology innovation and development of smart electric vehicles, the Group will also stay focused on the R&D of new models, so as to provide users with more forward-looking smart electric vehicle products integrating technological aesthetics. At the same time, the Group will strive to upgrade the manufacturing level and improve the quality system in the Tianjian manufacturing base to ensure quality production and delivery. In the area of sales, sales channels will be further expanded, and the sales and after-sales service system will be improved.

# Director's Report

## Forward Looking Statements

There can be no assurance that any forward-looking statements regarding the Group set out in this report or any of the matters set out therein are attainable, will actually occur or be realized or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place undue reliance on the information disclosed herein. Any holder of securities or potential investor of the Company who is in doubt is advised to seek advice from professional advisors.

## Appreciation

The Board would like to express its sincere gratitude to the Company's shareholders, investors, employees and business partners for their continuous support.

By Order of the Board

**China Evergrande New Energy Vehicle Group Limited**

**SIU Shawn**

*Chairman*

Hong Kong, 26 July 2023

*As at the date of this report, 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.*

# Management Discussion and Analysis

## Financial Review

### I. Liabilities

The total liabilities as at 30 June 2022 were RMB184,466.21 million, and the liabilities after excluding the receipts in advance of RMB55,927.76 million were RMB128,538.45 million, representing an increase of RMB10,879.73 million compared to RMB117,658.72 million, the liabilities after excluding receipts in advance as at 31 December 2021. Among which:

#### 1. Borrowings

As at 30 June 2022, the Group's borrowings amounted to RMB40,662.75 million, representing a decrease of RMB2.16 million compared to RMB40,664.91 million as at 31 December 2021.

Part of the borrowings is secured by the property and equipment, land use rights, investment properties, properties under development, completed properties held for sale and equity interests of several subsidiaries within the Group. As at 30 June 2022, the average annual interest rate of the borrowings was 7.99% (31 December 2021: 8.56%).

#### 2. Trade and Other Payables

As at 30 June 2022, the Group's trade and other payables amounted to RMB83,214.34 million, representing an increase of RMB11,472.48 million compared to RMB71,741.86 million as at 31 December 2021.

#### 3. Other Liabilities

As at 30 June 2022, the Group's other liabilities amounted to RMB4,661.36 million.

### II. Operating Loss during the Reporting Period

#### Revenue

During the Reporting Period, the Group's turnover amounted to RMB1,509.83 million, representing a sharp increase of 84.72% as compared to RMB817.35 million in the six months ended 30 June 2021. The increase in turnover was mainly attributable to the increase in revenue generated by the Health Management Segment. The revenue of such segment had increased by 90.39% from RMB 780.37 million in the six months ended 30 June 2021 to RMB1,485.73 million in the six months ended 30 June 2022, primarily due to the increase in revenue from sales of health and living projects from RMB759.30 million to RMB1,377.89 million and the increase in revenue from medical cosmetology and health management from RMB18.15 million to RMB84.60 million.

During the Reporting Period, there was a decrease in the revenue generated by the New Energy Vehicle Segment of the Group, by 34.81% from RMB36.98 million in the six months ended 30 June 2021 to RMB24.11 million in the six months ended 30 June 2022, mainly because new battery products are expected to be in the process of further modification and upgrade, and the Group aimed to clear out the remaining small amount of existing battery stock and raw materials. On the other hand, the revenue generated from the provision of technical services was RMB22.98 million, mainly for services provided to NEVS.

#### Gross profit

The gross profit of the Group increased by 158.71% from a loss of RMB391.04 million in the six months ended 30 June 2021 to a profit of RMB229.57 million in the six months ended 30 June 2022.

## Management Discussion and Analysis

### Other income (costs), net

Other income during the Reporting Period was RMB556.88 million.

### Sales and marketing expenses

Sales and marketing expenses decreased by 82.22% from RMB1,451.97 million in the six months ended 30 June 2021 to RMB258.09 million in the six months ended 30 June 2022, which was due to a reduction in brand promotion expenses for the New Energy Vehicle Segment and a drop in sales commissions from the Health Management Segment.

### Administrative expenses

Administrative expenses decreased by 41.26% from RMB2,088.04 million in the six months ended 30 June 2021 to RMB1,226.59 million in the six months ended 30 June 2022, which was due to decreases in headcount and salary reductions for some of the employees.

### Finance costs

The finance cost, net of the Group during the Reporting Period was RMB1,515.04 million.

### Operating losses

In summary, the operating loss during the Reporting Period was RMB2,213.27 million.

## III. Non-operating Loss during the Reporting Period

### Other losses

Other losses during the Reporting Period were RMB7,848.49 million, due to losses related to the recovery of land, losses from joint investments, provisions for liquidated damages and other losses.

### Impairment loss on completed properties for sale and properties under development

During the Reporting Period, the provision for impairment of inventory was RMB1,162.87 million, which was mainly due to the overall downward market environment. The Group will regularly update the valuation of inventory. If the market recovers, the corresponding valuation may rebound.

### Impairment loss on property, plant and equipment and intangible assets

During the Reporting Period, the Group's impairment losses on property, plant and equipment, intangible assets were RMB500.81 million.

### Impairment losses on financial assets

The impairment losses on financial assets during the Reporting Period were RMB102.28 million, which was mainly due to the Group's corresponding provisions for other receivables and prepayments of associates, joint ventures and third parties.

In summary, the non-operating loss for the Reporting Period was RMB9,614.45 million.

During the Reporting Period, the Group recorded a loss of RMB13,364.91 million, representing an increase of over 140.86% as compared to the loss made in the first half of 2021, which was mainly due to the decline in the gross profit of the Health Management Segment and the increase in expenses, and the accrual of inventory, plant and equipment and intangible assets based on the principle of prudence.

## IV. Liquidity and Financial Resources

As at 30 June 2022, the total amount of cash, cash equivalents and restricted cash of the Group was RMB2,788.27 million.

## Management Discussion and Analysis

### Other Analysis

#### Capital Institutions, Liquidity and Financial Resources

The Group financed its operations by borrowings, shareholders' equity and cash generated from operations.

As at 30 June 2022, the Group had borrowings and lease liabilities (collectively "**total borrowings**") amounting to RMB41,560.59 million (as at 31 December 2021: RMB41,678.64 million).

As at 30 June 2022, the Group's gearing ratio was 31.76% (as at 31 December 2021: 29.03%). Gearing ratio was calculated as total borrowings divided by total assets.

#### Capital Commitments, Significant Investments, Pledge of Assets

As at 30 June 2022, the Group had capital commitments of RMB16.646 billion for the construction of the Group's bases and the purchase of fixed assets in Tianjin, Shanghai, Guangzhou and other regions across the country.

During the Reporting Period, the Group had no significant investments.

As at 30 June 2022, the Group's borrowings of RMB16.441 billion were secured by pledge of the Group's property, plant and equipment, right-of-use assets, properties under development, completed properties held for sale, and equity interests of certain subsidiaries, totalling at RMB26.164 billion.

#### Material Litigation

As at 30 June 2022, the Group had a total of 23 pending litigation cases which involved more than RMB30 million each, and the total amount involved was approximately RMB6,022 million.

#### Failure to Repay Debts Due

As at 30 June 2022, the Group's unpaid debts due amounted to approximately RMB8,769 million. In addition, as at 30 June 2022, the Group's overdue commercial bills amounted to approximately RMB17,936 million.

#### Placing of Shares under General Mandate and the Use of Proceeds

On 19 November 2021, the Company entered into a placing and subscription agreement. On 24 November 2021, 900,000,000 ordinary shares of the Company were successfully placed at a price of HK\$3.00 per share of the Company, raising gross proceeds of approximately HK\$2,700 million.

The placing price was HK\$3.00 per share of the Company and represented: (i) a discount of approximately 15.01% to the closing price of HK\$3.53 per share of the Company as quoted on the Hong Kong Stock Exchange on 19 November 2021, being the last trading day prior to the signing of the placing and subscription agreement; and (ii) a discount of approximately 19.96% to the average closing price of HK\$3.748 per share of the Company as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days immediately prior to 19 November 2021.

The net proceeds from the placing were approximately HK\$2,635 million after deduction of commission and other related expenses of the placing from the gross proceeds of approximately HK\$2,700 million. The net price per share of the Company was approximately HK\$2.93 per share of the Company.

As of 30 June 2022, the Company has fully utilized such net proceeds from the placing for the research and development and production of the Company's new energy vehicles, paving the groundwork for putting Hengchi new energy vehicles into production. For further details of the aforesaid top-up placing by the Company, please refer to the announcement of the Company dated 19 November 2021.

## Management Discussion and Analysis

### Employee and Share Option Scheme

As at 30 June 2022, the Group had a total of 5,292 employees, and staff with a bachelors' degree or above accounted for approximately 88%. It incurred a total staff cost (including Directors' remuneration) of approximately RMB937.98 million during the Reporting Period (the first half of 2021: RMB2,636.12 million).

The employees were remunerated in accordance with the Group's remuneration and welfare policies with reference to the positions of employees, performance, profitability of the Company, industry level and market environment.

To provide incentives or rewards to the staff and the Directors of the Company, the Company adopted a share option scheme (the "**Share Option Scheme**") on 6 June 2018. Since its adoption and up to 30 June 2022 and save as disclosed in the announcements of the Company published on 6 November 2020, 15 June 2021 and 21 September 2021 regarding the respective grants of share options, the Company has not granted any other new share option under such Share Option Scheme or adopted any other share option scheme.

As at 30 June 2022, a total of 752,200,000 share options were granted under the Share Option Scheme, amongst which: (i) a total of 452,610,000 share options granted under the Share Option Scheme had not been exercised; (ii) a total of 299,590,000 share options granted under the Share Option Scheme had lapsed; and (iii) no share option granted under the Share Option Scheme had been cancelled.

### Significant Investments, Material Acquisition and Disposal

Save for those disclosed in this report, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period. As at 30 June 2022, the Group did not hold any significant investments and there was no future plan authorised by the Board for other material investments or additions of capital assets.

### Foreign Exchange Risk

The Company mainly operates in China and collects revenues and pays costs/fees in RMB; therefore, exchange rate fluctuations have certain influence on the foreign currency reserve. The Group has currently not entered into any hedging arrangement against foreign exchange exposure. Please refer to note 4 to the condensed consolidated interim financial information in this report for details.

### Contingent Liabilities

As at 30 June 2022, the Group did not have any material contingent liabilities (as at 30 June 2021: Nil).

### Interim Dividend

The Directors do not recommend the payment of interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

# Management Discussion and Analysis

## Interim Results Review

The condensed consolidated financial information of the Group for the six months ended 30 June 2022 has been reviewed by the audit committee of the Company (the “**Audit Committee**”), which comprises three independent non-executive Directors of the Company.

## Subsequent Events After the Reporting Date

### Very Substantial Disposal and Connected Transaction in relation to the Disposal of Subsidiaries

On 24 April 2023, the Company entered into a sale and purchase agreement with Anxin Holding Limited (the “**Purchaser**”) and China Evergrande Group, pursuant to which the Purchaser conditionally agreed to purchase, and the Company conditionally agreed to sell as the beneficial owner, one issued share of each of Assemble Guard Limited (“**Assemble Guard**”) and Flaming Ace Limited (“**Flaming Ace**”), representing the entire issued share capital of Assemble Guard and Flaming Ace respectively, at the consideration of RMB2 (the “**Disposal**”). The Disposal was completed on 12 May 2023 (after the general meeting held on the same day). For further details of the Disposal, please refer to the announcements of the Company dated 24 April 2023, 25 April 2023, 10 May 2023 and 12 May 2023 and the circular of the Company dated 25 April 2023.

**Save as disclosed above, up to the date of this report, no significant events occurred after the Reporting Period.**

# Corporate Governance and Other Information

## Disclosure of Directors' Information Under Rule 13.51B(1) of the Listing Rules

### Directors

During the Reporting Period and up to the date of this report, the directors of the Company are as follows:

#### Executive Directors

Mr. Siu Shawn (*Chairman of the Board*)

Mr. Liu Yongzhuo (*Vice Chairman of the Board*)

Mr. Qin Liyong

#### Independent Non-executive Directors

Mr. Chau Shing Yim, David

Mr. Guo Jianwen

Mr. Xie Wu

During the Reporting Period, there has been no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Specified Undertaking of the Company or any Other Associated Corporation

At no time during the Reporting Period was the Company, its subsidiaries, its fellow subsidiaries, its parent companies or its other associated corporations a party to any arrangement to enable the Directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporation.

## Corporate Governance and Other Information

The following table discloses movements in the Company's share options outstanding during the Reporting Period:

Grantees	Date of grant (Note 1)	Exercise price (HK\$)	Closing price of the Company's listed shares immediately before the grant date of options (HK\$)	The weighted average closing price of the Company's listed shares for the five business days immediately preceding the date of grant (HK\$)	Exercise Period	Number of share options				
						Outstanding as at 1 January 2022	Granted during the period	Exercised during the period	Cancelled and Lapsed during the period	Outstanding as at 30 June 2022
Siu Shawn, an executive Director	6 November 2020	HK\$23.05	HK\$23.05	HK\$21.98	6 November 2020 to 5 November 2030	20,000,000	N/A	0	0	20,000,000
Liu Yongzhuo, an executive Director	6 November 2020	HK\$23.05	HK\$23.05	HK\$21.98	6 November 2020 to 5 November 2030	20,000,000	N/A	0	0	20,000,000
Qin Liyong, an executive Director	6 November 2020	HK\$23.05	HK\$23.05	HK\$21.98	6 November 2020 to 5 November 2030	2,000,000	N/A	0	0	2,000,000
Chau Shing Yim, David, an independent non-executive Director	20 September 2021	HK\$3.90	HK\$2.90	HK\$3.90	20 September 2021 to 19 September 2028	300,000	N/A	0	0	300,000
Guo Jianwen, an independent non-executive Director	20 September 2021	HK\$3.90	HK\$2.90	HK\$3.90	20 September 2021 to 19 September 2028	300,000	N/A	0	0	300,000
Xie Wu, an independent non-executive Director	20 September 2021	HK\$3.90	HK\$2.90	HK\$3.90	20 September 2021 to 19 September 2028	300,000	N/A	0	0	300,000
Employees of the Group	6 November 2020	HK\$23.05	HK\$23.05	HK\$21.98	6 November 2020 to 5 November 2030	179,530,000	N/A	0	22,230,000	157,300,000
	15 June 2021	HK\$32.82	HK\$31.35	HK\$32.82	15 June 2021 to 14 June 2031	69,770,000	N/A	0	18,940,000	50,830,000
	20 September 2021	HK\$3.90	HK\$2.90	HK\$3.90	20 September 2021 to 19 September 2028	250,850,000	N/A	0	49,270,000	201,580,000
<b>Total</b>						<b>543,050,000</b>	<b>N/A</b>	<b>0</b>	<b>90,440,000</b>	<b>452,610,000</b>

Note 1: The vesting period of the share options is from the date of grant until the commencement of the exercise period.

## Corporate Governance and Other Information

### Interests and Short Positions of Directors in the Shares, Underlying Shares or Debentures

As at 30 June 2022, the interest and short position of the Directors of the Company in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance Cap. 571 of the Laws of Hong Kong) (“SFO”), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 (“Model Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), were as follows:

#### Interests of shares in the Company

Name of Director	Nature of interest	Number of Shares interested	Approximate percentage of shareholding
Liu Yongzhuo	Beneficial owner <sup>(Note 1)</sup>	21,653,500	0.22%
Qin Liyong	Beneficial owner <sup>(Note 2)</sup>	3,386,000	0.03%
Siu Shawn	Beneficial owner <sup>(Note 3)</sup>	24,600,000	0.25%
Chau Shing Yim, David	Beneficial owner <sup>(Note 4)</sup>	300,000	0.00%
Guo Jianwen	Beneficial owner <sup>(Note 4)</sup>	300,000	0.00%
Xie Wu	Beneficial owner <sup>(Note 4)</sup>	300,000	0.00%

Notes:

As at 30 June 2022:

- (1) Mr. Liu Yongzhuo was interested in 21,653,500 Shares, of which 1,653,500 Shares were directly held by Mr. Liu and 20,000,000 Shares were represented by share options.
- (2) Mr. Qin Liyong was interested in 3,386,000 Shares, of which 1,386,000 Shares were directly held by Mr. Qin and 2,000,000 Shares were represented by share options.
- (3) Mr. Siu Shawn was interested in 24,600,000 Shares, of which 4,600,000 Shares were directly held by Mr. Siu and 20,000,000 Shares were represented by share options.
- (4) Each of Mr. Chau Shing Yim, David, Mr. Guo Jianwen and Mr. Xie Wu was interested in 300,000 Shares which were represented by share options.

## Corporate Governance and Other Information

### Interests of shares in the associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest	Number of Shares interested	Approximate percentage of shareholding
Liu Yongzhuo	CEG	Beneficial owner	20,600,000 <sup>(Note 2)</sup>	0.16%
	Evergrande Property Services Group Limited <sup>(Note 1)</sup>	Beneficial owner	548,500	0.00%
Qin Liyong	CEG	Beneficial owner	4,136,000 <sup>(Note 3)</sup>	0.03%
Chau Shing Yim, David	CEG	Beneficial owner	1,000,000 <sup>(Note 4)</sup>	0.01%
Siu Shawn	CEG	Beneficial owner	20,600,000 <sup>(Note 5)</sup>	0.16%

Notes:

As at 30 June 2022:

- (1) Evergrande Property Services Group Limited was a subsidiary of CEG.
- (2) Mr. Liu Yongzhuo was interested in 20,600,000 shares of CEG, which were represented by share options; Mr. Liu was also interested in 548,500 shares of Evergrande Property Services Group Limited, all of which were directly held by Mr. Liu.
- (3) Mr. Qin Liyong was interested in 4,136,000 shares of CEG, of which 2,936,000 shares were directly held by Mr. Qin and 1,200,000 shares were represented by share options.
- (4) Mr. Chau Shing Yim, David directly held 1,000,000 shares of CEG.
- (5) Mr. Siu Shawn was interested in 20,600,000 shares of CEG, which were represented by share options.

Save as disclosed above, as at 30 June 2022, none of the Directors had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations that were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Corporate Governance and Other Information

### Substantial Shareholders' Interests and Short Positions

As at 30 June 2022, so far as was known to any Director or the chief executives of the Company, other than a director or the chief executive of the Company, the following person(s) had interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which were notified to the Company:

Name of Shareholder	Nature of interest held	Interest in the Shares	Approximate Percentage of Shareholding <sup>(Note)</sup>
CEG	Beneficial owner; and interest of corporation controlled by the substantial shareholder	6,347,948,000	58.54%

Note: Of the 6,347,948,000 Shares held, 128,398,000 were held in the capacity of beneficial owner, 6,219,500,000 Shares were held by Evergrande Health Industry Holdings Limited and 50,000 Shares were held by Acelin Global Limited, both being wholly-owned by CEG.

## Corporate Governance

### Corporate Governance Code

The Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the Reporting Period, except as disclosed below.

Code Provision B.2.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. No annual general meeting of the Company had been held since 18 June 2021. Therefore, no Directors have been subject to retirement and re-election by the Shareholders at the annual general meeting. An annual general meeting of the Company will be arranged in due course, for the retirement and re-election of Directors.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Reporting Period, since the Company did not have any officer with the title of Chief Executive Officer, during such period, the overall responsibility of supervising and ensuring that the Group functions in line with the order of the Board in terms of day-to-day operation and execution was vested in the Board itself.

Code provisions C.5.1 and C.5.2 stipulate that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals and arrangements should be in place to ensure that all directors are given an opportunity to include matters in the agenda for regular board meetings. There were no regular Board meetings held for approving the annual and interim results of the Group during the six months ended 30 June 2022.

## Corporate Governance and Other Information

Code provision F.2.2 stipulates that the chairman of the Board should attend the annual general meeting, and invite the chairmen of the audit committee, remuneration committee, nomination committee and any other committees (as appropriate) to attend. No annual general meeting of the Company had been held since 18 June 2021. An annual general meeting of the Company will be arranged in due course.

### Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the Reporting Period.

### Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### Publication of the Unaudited Interim Results and Reports of the Company

The Company's interim results announcement is published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at <https://www.irasia.com/listco/hk/evergrandevehicle/>. The interim report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

# Independent Auditor's Report



**To the Board of Directors of China Evergrande New Energy Vehicle Group Limited**  
(Incorporated in Hong Kong with limited liability)

The following is the extract of the independent auditor's report from the external auditor of the Company:

## Disclaimer of Conclusion

We were engaged to review the interim financial information, which comprises the interim condensed consolidated balance sheet of China Evergrande New Energy Vehicle Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") as of 30 June 2022 and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes (the "**interim financial information**"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 Interim Financial Reporting ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The directors of the Company are responsible for the preparation and presentation of the interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the interim financial information described in the "Basis for Disclaimer of Conclusion" section of our report, it is not possible for us to express a conclusion on the interim financial information.

Because of the potential interaction of the multiple uncertainties related to going concern, opening balance, comparative information and their possible cumulative effect on these interim condensed consolidated financial statements described in the "Basis for Disclaimer of Conclusion" section of our report, we do not express a conclusion on the interim financial information.

## Basis for Disclaimer of Conclusion

### 1. Multiple Uncertainties Relating to Going Concern

As disclosed in note 2(d) to the interim financial information, the Group incurred a net loss of approximately RMB13,365 million for the six months ended 30 June 2022 and, as at 30 June 2022, the Group had net current liabilities of approximately RMB70,614 million. The Group's current and non-current borrowings amounted to approximately RMB28,798 million and approximately RMB11,865 million as at 30 June 2022 respectively, while the Group had total cash (including cash and cash equivalents and restricted cash) amounting to approximately RMB2,788 million only. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

## Independent Auditor's Report

Nevertheless, the interim financial information have been prepared on a going concern basis. The Company has been undertaking a number of plans and measures to improve the Group's liquidity and financial position, and have developed debt solutions which are set out in note 2(d) to the interim financial information. The interim condensed consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to material uncertainties. We are unable to determine whether the use of the going concern assumption in the preparation of the interim condensed consolidated financial statements is appropriate.

Should the going concern assumption be inappropriate, adjustments would have to be made to reclassify all non-current assets and liabilities as current assets and liabilities, to write down the values of assets to their recoverable amounts and to provide for any further liabilities which may arise. The interim condensed consolidated financial statements do not include any such adjustments. However, material uncertainties exist in relation to the Group's ability to continue as a going concern in view of the Group's future cash flow. We consider that appropriate disclosures have been made in the interim condensed consolidated financial statements concerning this situation but we have not obtained sufficient appropriate audit evidence regarding the Group's ability to meet its financial obligations as and when they fall due and we consider the potential cumulative effect on the interim condensed consolidated financial statements of this material uncertainty relating to going concern to be so significant that we have disclaimed our opinion.

### 2. Opening Balances and Comparative Information

In relation to the consolidated financial statements for the year ended 31 December 2021 (the basis of the comparative amounts presented in the interim condensed consolidated financial statements for the period ended 30 June 2022), we expressed a disclaimer of opinion on the Group's results and cash flows due to staff departure of the Group and our inability to obtain sufficient appropriate audit evidence in respect of changes in accounting treatment which formed the basis for the disclaimer of opinion on the consolidated financial statements for the year ended 31 December 2021 but the scope limitations no longer affect the current period figures in the interim condensed consolidated statements for the period ended 30 June 2022. However, the comparative figures presented in the interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows may contain material misstatements and therefore may not be comparable with the current year figures.

Due to the lack of sufficient financial information as aforementioned, we disclaim our opinion on the accompanying interim condensed consolidated financial statements of the Group.

#### **Prism Hong Kong and Shanghai Limited**

*Certified Public Accountants*

#### **Lee Kwok Lun**

Practising Certificate Number: P06294

26 July 2023, Hong Kong

## Interim Condensed Consolidated Balance Sheet

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	21,450,123	20,988,979
Right-of-use assets	7	3,466,484	3,910,322
Investment properties	8	614,670	614,670
Intangible assets	9	6,852,569	6,524,103
Goodwill	10	—	—
Prepayments	12	271,691	774,557
Investments accounted for using the equity method	15	7,003	258,475
Financial assets at fair value through profit or loss	16	486,627	501,493
Deferred income tax assets		122,611	151,035
		<b>33,271,778</b>	33,723,634
<b>Current assets</b>			
Contract acquisition costs	5(e)	733,519	796,086
Trade and other receivables and prepaid taxes	11	17,767,305	18,812,867
Prepayments	12	2,397,145	2,570,889
Properties under development	13(a)	63,232,258	73,355,683
Completed properties held for sales	13(b)	8,513,355	6,593,100
Inventories		982,873	200,496
Financial assets at fair value through profit or loss	16	1,160,298	2,255,396
Restricted cash	14(a)	1,178,859	2,808,700
Cash and cash equivalents	14(b)	1,609,415	2,452,523
		<b>97,575,027</b>	109,845,740
<b>Total assets</b>		<b>130,846,805</b>	143,569,374
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital and share premium	17	28,124,101	28,124,101
Reserves	19	2,908,165	3,825,320
Accumulated losses		(84,603,102)	(71,241,322)
		<b>(53,570,836)</b>	(39,291,901)
<b>Non-controlling interests</b>	32	<b>(48,565)</b>	(47,081)
<b>Total deficit</b>		<b>(53,619,401)</b>	(39,338,982)

## Interim Condensed Consolidated Balance Sheet

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	7	650,640	694,914
Deferred income	21	2,821,150	2,821,150
Borrowings	22	11,864,517	11,271,059
Deferred income tax liabilities		941,170	1,024,395
		<b>16,277,477</b>	15,811,518
<b>Current liabilities</b>			
Contract liabilities	5(e)	55,927,762	65,249,638
Lease liabilities	7	247,200	318,818
Trade and other payables	20	83,214,335	71,741,863
Borrowings	22	28,798,232	29,393,849
Current income tax liabilities		1,200	392,670
		<b>168,188,729</b>	167,096,838
<b>Total liabilities</b>		<b>184,466,206</b>	182,908,356
<b>Total deficit and liabilities</b>		<b>130,846,805</b>	143,569,374

The above condensed consolidated balance sheet should be read in conjunction with the accompanying note.

The condensed consolidated interim financial information on pages 21 to 66 were approved by the Board of Directors on 26 July 2023 and were signed on its behalf by:

**SIU SHAWN**  
Director

**LIU YONGZHUO**  
Director

# Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
<b>Revenue</b>	5(a)	<b>1,509,833</b>	817,351
Cost of sales		<b>(1,280,259)</b>	(1,208,389)
<b>Gross profit (loss)</b>		<b>229,574</b>	(391,038)
Other income/(costs), net		<b>556,884</b>	(1,512)
Other losses, net	24	<b>(6,643,964)</b>	(658,515)
Selling and marketing expenses	23	<b>(258,088)</b>	(1,451,965)
Administrative expenses	23	<b>(1,226,589)</b>	(2,088,035)
Net impairment losses on financial assets		<b>(102,281)</b>	(51,721)
Fair value losses on investment properties		—	(29,300)
Net impairment losses on property, plant and equipment, intangible assets and goodwill		<b>(500,814)</b>	—
Net impairment losses on properties under development, completed properties held for sale and inventories		<b>(1,162,872)</b>	—
<b>Operating loss</b>		<b>(9,108,150)</b>	(4,672,086)
Finance income	25	<b>13,177</b>	58,385
Finance costs	25	<b>(1,528,213)</b>	(1,049,762)
Finance costs, net	25	<b>(1,515,036)</b>	(991,377)
Share of net losses of investments accounted for using the equity method		<b>(19,950)</b>	(412,376)
Fair value (losses)/gains on financial assets at fair value through profit or loss		<b>(1,184,577)</b>	946,674
Fair value losses on derivative financial liabilities		—	(301,066)
<b>Loss before income tax</b>		<b>(11,827,713)</b>	(5,430,231)
Income tax expenses	26	<b>(1,537,200)</b>	(118,575)
<b>Loss for the period</b>		<b>(13,364,913)</b>	(5,548,806)
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		<b>(1,407,980)</b>	(336,614)
<b>Total comprehensive loss for the period</b>		<b>(14,772,893)</b>	(5,885,420)

## Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
<b>Loss attributable to:</b>			
Owners of the Company		(13,361,778)	(5,486,628)
Non-controlling interests		(3,135)	(62,178)
Loss for the period		(13,364,913)	(5,548,806)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(14,769,758)	(5,823,242)
Non-controlling interests		(3,135)	(62,178)
<b>Total comprehensive loss for the period</b>		<b>(14,772,893)</b>	(5,885,420)
<b>Loss per share for loss attributable to owners of the Company</b> (expressed in RMB cents per share)			
— Basic loss per share	28	(123.221)	(58.810)
— Diluted loss per share	28	(123.221)	(58.810)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying note.

# Interim Condensed Consolidated Statement of Changes In Equity

	Attributable to owners of the Company					Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000		
<b>Balance at 1 January 2022</b>	<b>250,936</b>	<b>27,873,165</b>	<b>3,825,320</b>	<b>(71,241,322)</b>	<b>(39,291,901)</b>	<b>(47,081)</b>	<b>(39,338,982)</b>
<b>Comprehensive loss</b>	—	—	—	—	—	—	—
Loss for the period	—	—	—	(13,361,778)	(13,361,778)	(3,135)	(13,364,913)
Other comprehensive loss	—	—	(1,407,980)	—	(1,407,980)	—	(1,407,980)
<b>Total comprehensive loss</b>	<b>—</b>	<b>—</b>	<b>(1,407,980)</b>	<b>(13,361,778)</b>	<b>(14,769,758)</b>	<b>(3,135)</b>	<b>(14,772,893)</b>
<b>Transactions with owners in their capacity as owners</b>							
Transfer to statutory reserve	—	—	2	(2)	—	—	—
Issuance of ordinary shares in connection with private placement (note 17)	—	—	—	—	—	—	—
Share-based compensation (note 18)	—	—	431,384	—	431,384	—	431,384
Capital injection from non-controlling interests (note 32)	—	—	—	—	—	92,611	92,611
Changes in ownership interests in subsidiaries without change of control (note 32)	—	—	59,439	—	59,439	(90,960)	(31,521)
<b>Total transactions with owners in their capacity as owners</b>	<b>—</b>	<b>—</b>	<b>490,825</b>	<b>(2)</b>	<b>490,823</b>	<b>1,651</b>	<b>492,474</b>
<b>Balance at 30 June 2022</b>	<b>250,936</b>	<b>27,873,165</b>	<b>2,908,165</b>	<b>(84,603,102)</b>	<b>(53,570,836)</b>	<b>(48,565)</b>	<b>(53,619,401)</b>

## Interim Condensed Consolidated Statement of Changes In Equity

	Attributable to owners of the Company				Total RMB'000	Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Reserves RMB'000	Accumulated losses RMB'000			
<b>Balance as at 1 January 2021</b>	250,936	3,508,474	3,187,047	(12,997,113)	(6,050,656)	212,134	(5,838,522)
Adjustment for change in accounting treatment	—	—	—	(1,921,118)	(1,921,118)	(39,081)	(1,960,199)
Restated balance as at 1 January 2021	250,936	3,508,474	3,187,047	(14,918,231)	(7,971,774)	173,053	(7,798,721)
<b>Comprehensive loss</b>							
Loss for the period	—	—	—	(5,486,628)	(5,486,628)	(62,178)	(5,548,806)
Other comprehensive loss	—	—	(336,614)	—	(336,614)	—	(336,614)
<b>Total comprehensive loss</b>	—	—	(336,614)	(5,486,628)	(5,823,242)	(62,178)	(5,885,420)
<b>Transactions with owners in their capacity as owners</b>							
Transfer to statutory reserve	—	—	2	—	2	—	2
Issuance of ordinary shares in connection with private placement (note 17)	—	21,803,012	—	—	21,803,012	—	21,803,012
Share-based compensation (note 18)	—	—	451,387	—	451,387	—	451,387
Capital injection from non-controlling interests (note 32)	—	—	—	—	—	818,029	818,029
Total transactions with owners in their capacity as owners	—	21,803,012	451,389	—	22,254,401	818,029	23,072,430
Balance at 30 June 2021	250,936	25,311,486	3,301,822	(20,404,859)	8,459,385	928,904	9,388,289

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying note.

# Interim Condensed Consolidated Statement of Cash Flow

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
<b>Cash flows of operating activities</b>		
Cash generated from operations	5,446,746	4,818,805
Interest paid	(1,596,733)	(1,690,291)
Income tax paid	(1,983,471)	(347,635)
<b>Net cash generated from operating activities</b>	<b>1,866,542</b>	2,780,879
<b>Cash flows of investing activities</b>		
Purchases of property, plant and equipment and construction in progress	(1,120,935)	(3,014,318)
Purchases of intangible assets	(1,246,411)	(1,708,897)
Purchases of right-of-use assets	(1,158,780)	(855,426)
Purchases of investment accounted for using the equity method	—	(64,000)
Purchases of investment in financial assets at fair value through profit and loss	—	(51,516)
Proceeds from governments grant for construction	—	1,175,510
Repayments from related parties	—	293,566
Interest received	13,177	58,385
Proceeds from disposal of property, plant and equipment	399,063	8,066
Proceeds from disposal of intangible assets	343,141	—
Proceeds from disposal of investment accounted for using the equity method	271,422	—
<b>Net cash flows used in investing activities</b>	<b>(2,499,323)</b>	(4,158,630)
<b>Cash flows of financing activities</b>		
Proceeds from borrowings	3,017,334	3,739,000
Repayments of borrowings	(3,019,493)	(40,536,196)
Issuance of ordinary shares in connection with private placement	—	21,961,563
Capital injection from non-controlling interests	92,611	818,029
Proceeds from related parties	—	14,632,288
Acquisition of interests in subsidiaries without change of control	(31,521)	—
Prepayment of lease payment	(148,538)	(65,017)
<b>Net cash (used in)/from financing activities</b>	<b>(89,607)</b>	549,667
<b>Net decrease in cash and cash equivalents</b>	<b>(722,388)</b>	(828,084)
Cash and cash equivalents at beginning of the period	2,452,523	10,476,239
Effect of exchange difference on cash and cash equivalents	(120,720)	(71,055)
<b>Cash and cash equivalents at end of the period</b>	<b>1,609,415</b>	9,577,100

The above condensed consolidated statement of cash flow should be read in conjunction with the accompanying note.

# Notes to the Condensed Consolidated Interim Financial Information

## 1. General Information

China Evergrande New Energy Vehicle Group Limited (the “Company”) and its subsidiaries (together, the “Group”) are engaged in technology research and development, production and sales of new energy vehicles in the People’s Republic of China (the “PRC”) and in other countries (collectively, the “New Energy Vehicle Segment”), as well as the “Internet+” community health management, international hospitals, and elderly care and rehabilitation (collectively, the “Health Management Segment”) in the PRC.

The Company is incorporated in Hong Kong as a limited liability company under the Hong Kong Companies Ordinance. The address of its registered office is 15th Floor, YF Life Centre, 38 Gloucester Road, Wan Chai, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial information is presented in Renminbi (“RMB”) thousands, unless otherwise stated.

This condensed consolidated interim financial information has not been audited.

## 2. Basis of Preparation

This condensed consolidated interim financial information for the six months ended 30 June 2022 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, the Interim Financial Information is to be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2022 and any public announcements made by the Group during the interim reporting period.

The financial information relating to the year ended 31 December 2021 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2022 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements.

The Company will deliver the consolidated financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor reported on these financial statements. In the auditor’s report, the independent auditor expressed a disclaimer of opinion. In the auditor’s report, it did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

## Notes to the Condensed Consolidated Interim Financial Information

### 2. Basis of Preparation (Continued)

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2021, as described in those annual consolidated financial statements.

#### Amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the financial year beginning on 1 January 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16 and HKAS 41
Revised Accounting Guideline 5	Merger Accounting for Common Control Combination

The adoption of the amended standards does not have significant impact on the interim condensed consolidated financial information.

#### New standards, amendments, interpretation and accounting guideline not yet adopted

		<b>Effective for annual periods beginning on or after</b>
Amendment to HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKAS 1	Presentation of financial statements' on classification of liabilities	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
Amendments to HKAS 1, HKFRS Practice Statement 2 and HKAS 8	Disclosure of Accounting Policies	1 January 2023
Amendment to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the Group, no significant impact on the financial performance and position of the Group is expected when they become effective.

## Notes to the Condensed Consolidated Interim Financial Information

### 2. Basis of Preparation (Continued)

#### Change in accounting treatment for timing of revenue recognition

Prior to 2021, the Group considered that the revenue is recognised when the earlier of the acceptance of the property by the customer or according to the sales contract, the property was deemed to have been accepted by the customer. However, since 2021, due to the Group gradually facing liquidity difficulties, the Group believes that including the requirement for obtaining project completion certificates or owner use as an additional condition for revenue recognition would better reflect the Group's situation and have practical operability.

#### (i) Cumulative Impact

According to HKAS 8, a change in accounting policy should be applied retrospectively to historical financial statements. However, after the company experienced liquidity problems, a large number of financial and engineering staff left and the Group was unable to identify or estimate the effect of implementing the change in accounting treatment for revenue recognition on historical financial statements. Therefore, the Group decided to make the change in revenue recognition treatment effective from 1 January 2021 and apply the new treatment from this financial year onwards. At the same time, the Group will reassess revenue as of 1 January 2021 to confirm whether the new revenue recognition criteria have been met.

According to the new accounting treatment, as at 1 January 2021, included in contract liabilities, balance exclusive of value-added tax amounting to RMB18,433 million had not been recognised as revenue, and will be recognised as revenue in the reporting periods when the corresponding conditions are met. The management of the Group believes that this change in accounting treatment can better reflect the operating performance and financial condition of the Group.

The following is the impact of the change in accounting treatment:

<b>Consolidated balance sheet</b>	RMB'000
<b>Assets</b>	
— Trade and other receivables	(155,513)
— Prepayment	371,506
— Properties under development and completed properties held for sales	4,188,231
	4,404,224
<b>Liabilities</b>	
— Income tax payable	(1,388,353)
— Trade and other payables	(12,338,168)
— Contract liabilities	20,090,944
	6,364,423
Net liabilities	(1,960,199)
<b>Equity</b>	
— Non-controlling interests	(39,081)
— Accumulated losses	(1,921,118)
	(1,960,199)

# Notes to the Condensed Consolidated Interim Financial Information

## 2. Basis of Preparation (Continued)

### Liquidity and going concern

The Group incurred loss of RMB13.4 billion for the six months ended 30 June 2022. As at 30 June 2022, the accumulated losses and the net current liabilities of the Group amounted to RMB84.6 billion and RMB70.6 billion, respectively. Cash and cash equivalents as at 30 June 2022 were RMB1.6 billion.

The above matters indicated that the Group will need to secure a substantial amount of funds in the foreseeable future to finance these financial obligations and capital expenditures under various contractual and other arrangements.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write-down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect to these adjustments has not been reflected in the consolidated financial statements.

The above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but are not limited to, the following:

- (i) The Group continues to take active plans and measures to control operation and administrative costs through various channels, including but not limited to (i) having production and human resources optimisation and adjustments, (ii) reorganising the structure to each segment and maintaining close communication with suppliers, customers and banks, etc., (iii) committing to soliciting for new customers and exploring overseas markets to support the sustainable development of principle business of the Group; and (iv) containment of capital expenditures etc. (the "Business and Operation Restructuring Plan"); and
- (ii) The Group is still actively in the process of negotiating with various bank, other financial institutions, third parties and related parties to renew its existing borrowings and corporate bonds which will be matured within twelve months after 30 June 2022 and to raise short-term and/or long-term financing to the Group so that the Group will be able to meet all financial obligations as and when they fall due in the coming twelve months from 30 June 2022 (the "Financing Plan").

The Directors have reviewed the Group's cash flow projections prepared by the management of the Company. The cash flow projections cover a period of not less than twelve months from 30 June 2022. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2022. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

# Notes to the Condensed Consolidated Interim Financial Information

## 2. Basis of Preparation (Continued)

### Liquidity and going concern (Continued)

Notwithstanding the above, significant uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- (i) Successful execution and completion of the Business and Operation Restructuring Plan;
- (ii) Successful execution and completion of the Financing Plan; and
- (iii) Successful generation of operating cash flows and in obtaining of additional sources of financing to finance the settlement of its existing financial obligations, commitments and future operating and capital expenditure, as well as to maintain sufficient cash flows of the Group's operations.

Should the Group fail to achieve the abovementioned plans and measures, it might not be able to continue operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

## 3. Estimates

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

## 4. Financial Risk Management

### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's major financial instruments include cash and bank deposits, financial assets at fair value through profit or loss, trade and other receivables, trade and other payables, derivative financial liabilities and borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

# Notes to the Condensed Consolidated Interim Financial Information

## 4. Financial Risk Management (Continued)

### (a) Financial risk factors (Continued)

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021.

There have been no changes in the risk management department or in any risk management policies since the year ended 31 December 2021.

#### (i) Foreign exchange risk

The Group mainly operates in the PRC and Hong Kong and is exposed to foreign exchange risk arising from cash and cash equivalents, bank borrowings, loans from holding company and other recognised assets and liabilities that are denominated in currencies other than the functional currency of the relevant entities. The revenue, expenses and borrowings of the foreign operations are denominated in functional currencies of those operations. The Group does not have a foreign currency hedging policy and has not entered into forward exchange contract to hedge its exposure to foreign exchange risk. However, the directors monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the period-end for a 5% change in foreign currency rates. If there is a 5% increase/decrease in RMB against the relevant currencies, the effect of increase/(decrease) in the profit for the period/year is as follows:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
5% appreciation in RMB against US dollar (US\$)	<b>(650,681)</b>	(618,040)
5% depreciation in RMB against US\$	<b>650,681</b>	618,040
5% appreciation in RMB against Eurodollar (EUR)	<b>(29,189)</b>	(11,445)
5% depreciation in RMB against EUR	<b>29,189</b>	11,445

#### (ii) Liquidity risk

For detailed introduction on liquidity, please refer to liquidity and going concern in note 2.

## Notes to the Condensed Consolidated Interim Financial Information

### 4. Financial Risk Management (Continued)

#### (b) Fair value estimation

##### Financial assets and liabilities

##### (i) Fair value hierarchy

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
<b>Level 1 Assets</b>		
Financial assets at fair value through profit or loss — listed equity securities	<b>1,160,298</b>	2,255,396
<b>Level 3 Assets</b>		
Financial assets at fair value through profit or loss	<b>486,627</b>	501,493

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2022.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

##### (ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for similar instruments.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

# Notes to the Condensed Consolidated Interim Financial Information

## 4. Financial Risk Management (Continued)

### (b) Fair value estimation (Continued)

#### Financial assets and liabilities (Continued)

##### (iii) Fair value measurements using significant unobservable inputs (level 3)

The Group measures its investment properties at fair value.

#### Valuation techniques

Valuations were based on either:

- Direct comparison approach is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.
- Income approach takes into account the current rents of the property interests and the reversionary potentials of the tenancies, term yield and reversionary yield are then applied respectively to derive the market value of the property.
- Residual method of valuation which is commonly used in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees, contingency, marketing and legal cost, and interest payments to be incurred, anticipated developer's profits, as well as land acquisition costs.

There were no changes to the valuation techniques during the six months ended 30 June 2022.

The investment properties are included in level 3 as the quantitative information about fair value measurements are using below significant unobservable inputs.

- Terminal yield, reversionary yield, expected vacancy rate, market rental and
- market price

For completed investment properties, increase in terminal yield, reversionary yield and expected vacancy rate may result in decrease of fair value. Decrease in market rent and market price may result in decrease of fair value.

- Market price, budgeted construction costs to be incurred, estimated percentage to completion and developer's profit margin.

For investment properties under construction, decrease in market price may result in decrease in fair value. Increase in budgeted construction costs to be incurred, estimated outstanding percentage to completion and developer's profit margin may result in decrease in fair value.

## Notes to the Condensed Consolidated Interim Financial Information

### 5. Segment Information

The chief operating decision-maker (“CODM”) of the Group has been identified as the executive directors of the Company who are responsible for reviewing the Group’s internal reporting in order to assess the performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into two segments: Health Management and New Energy Vehicle. Health Management Segment includes “Internet+” community health management, international hospitals, elderly care and rehabilitation, medical cosmetology, anti-aging and sales of health and living projects in the PRC. New Energy Vehicle Segment includes Technology research and development, production and sales of new energy vehicles, development and sales of vehicle living projects in the PRC and in other countries.

Management has identified the reportable segments based on the Group’s business model and assesses the performance of the operating segments based on profit before tax. Corporate expenses and income tax expenses are not included in segment results.

#### (a) Revenue by type

Revenue represents the net amounts received and receivable from customers during the period. An analysis of the Group’s revenue by type for the period is as follows:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
		(Restated)
<b>Health Management:</b>		
Sales of health and living projects (i)	<b>1,377,893</b>	759,301
Income from medical cosmetology and health management (ii)	<b>84,602</b>	18,145
Rental income	<b>23,232</b>	2,921
	<b>1,485,727</b>	780,367
<b>New Energy Vehicle:</b>		
Provision of technical services (ii)	<b>22,980</b>	5,426
Sales of lithium batteries (i)	<b>841</b>	26,292
Sales of vehicle components (i)	<b>285</b>	5,266
	<b>24,106</b>	36,984
	<b>1,509,833</b>	817,351

(i) Revenue generated from the sales of health and living projects is recognised at the point in time when the property is deemed to be accepted by the customer under a sale contract with a certificate of completion of construction or when the property inventory has been delivered to property owners for use. Revenue from lithium batteries and vehicle components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the assets.

(ii) Revenue generated from medical cosmetology and health management and provision of technical services are recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

## Notes to the Condensed Consolidated Interim Financial Information

### 5. Segment Information (Continued)

#### (b) Geographical information

The Group's revenue from external customers based on the location where the sales occurred and information about its non-current assets (excluding deferred tax assets) by geographical location of the assets are detailed below:

	Revenue from customers		Non-current assets	
	Six months ended 30 June		30 June	31 December
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
— PRC	1,469,959	785,416	32,507,391	32,634,880
— Europe	39,863	31,856	620,427	913,624
— United States	—	—	—	—
— Others	11	79	21,349	24,095
	1,509,833	817,351	33,149,167	33,572,599

## Notes to the Condensed Consolidated Interim Financial Information

### 5. Segment Information (Continued)

#### (c) Segment revenue and results

The segment results and other segment items provided to the CODM for the six months ended 30 June 2022 and 2021 are as follows:

	Six months ended 30 June 2022			
	Health Management RMB'000 (Unaudited)	New Energy Vehicle RMB'000 (Unaudited)	Unallocated RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from contracts with customers	1,462,495	24,106	—	1,486,601
Revenue from other sources	23,232	—	—	23,232
<b>Segment revenue from external customers</b>	<b>1,485,727</b>	<b>24,106</b>	<b>—</b>	<b>1,509,833</b>
Finance costs, net (i)	(599,551)	(915,485)	—	(1,515,036)
Share of net losses of investments accounted for using the equity method	(19,950)	—	—	(19,950)
Fair value losses on financial assets at fair value through profit or loss	—	(1,184,577)	—	(1,184,577)
Other losses, net (note 24)	(6,297,014)	(346,950)	—	(6,643,964)
Segment results	(7,967,685)	(3,643,507)	(216,521)	(11,827,713)
Loss before income tax				(11,827,713)
Income tax expenses				(1,537,200)
<b>Loss for the period</b>				<b>(13,364,913)</b>
<b>Other segment item:</b>				
Depreciation and amortisation recognised in expenses (note 23)	52,957	690,583	—	743,540

## Notes to the Condensed Consolidated Interim Financial Information

### 5. Segment Information (Continued)

#### (c) Segment revenue and results (Continued)

	Six months ended 30 June 2021			Total RMB'000 (Unaudited) (Restated)
	Health Management RMB'000 (Unaudited)	New Energy Vehicle RMB'000 (Unaudited)	Unallocated RMB'000 (Unaudited)	
Revenue from contracts with customers	777,446	36,984	—	814,430
Revenue from other sources	2,921	—	—	2,921
<b>Segment revenue from external customers</b>	<b>780,367</b>	<b>36,984</b>	<b>—</b>	<b>817,351</b>
Finance costs, net (i)	(9,365)	(982,012)	—	(991,377)
Share of net losses of investments accounted for using the equity method	(26,721)	(385,655)	—	(412,376)
Fair value gains on financial assets at fair value through profit or loss	—	946,674	—	946,674
Fair value losses on derivative financial liabilities	—	(301,066)	—	(301,066)
Other losses, net (note 24)	(180,578)	(477,937)	—	(658,515)
Fair value losses on investment properties, net	(29,300)	—	—	(29,300)
Segment results	(1,498,103)	(3,912,537)	(19,591)	(5,430,231)
Loss before income tax				(5,430,231)
Income tax expenses				(118,575)
<b>Loss for the period</b>				<b>(5,548,806)</b>
<b>Other segment item:</b>				
Depreciation and amortisation recognised in expenses (note 23)	99,530	378,352	—	477,882

- (i) The finance costs of New Energy Vehicle Segment included interest expense of RMB471 million (six months ended 30 June 2021: RMB959 million), arising from the borrowings from shareholder for acquisitions of subsidiaries and capital injections.

## Notes to the Condensed Consolidated Interim Financial Information

### 5. Segment Information (Continued)

#### (d) Segment assets and liabilities

The segment assets and liabilities as at 30 June 2022 and 31 December 2021 are as follows:

	<b>Health Management</b> RMB'000	<b>New Energy Vehicle</b> RMB'000	<b>Unallocated</b> RMB'000	<b>Total</b> RMB'000
<b>As at 30 June 2022 (Unaudited)</b>				
Segment assets	86,212,471	44,511,723	122,611	130,846,805
Segment liabilities	125,473,691	58,050,145	942,370	184,466,206
<b>As at 31 December 2021 (Audited)</b>				
Segment assets	95,854,231	47,564,108	151,035	143,569,374
Segment liabilities	124,926,896	56,564,395	1,417,065	182,908,356
<b>Six months ended 30 June 2022 (Unaudited)</b>				
Capital expenditure	642,575	4,102,332	—	4,744,907
<b>Six months ended 30 June 2021 (Unaudited)</b>				
Capital expenditure	412,485	7,749,024	—	8,161,509

Segment assets consist primarily of property, plant and equipment, intangible assets, goodwill, right-of-use assets, properties under development, completed properties held for sale, investments accounted for using the equity method and receivables, prepayments, cash balances and financial assets at fair value through profit or loss. They exclude deferred tax assets.

Segment liabilities consist of operating liabilities and borrowings. Unallocated liabilities comprise taxation.

Capital expenditure comprises additions to property, plant and equipment, right-of-use assets, intangible assets and investment properties.

## Notes to the Condensed Consolidated Interim Financial Information

### 5. Segment Information (Continued)

#### (d) Segment assets and liabilities (Continued)

Reportable segments' assets are reconciled to total assets as follows:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
<b>Segment assets</b>		
Unallocated:		
Deferred income tax assets	<b>130,724,194</b>	143,418,339
	<b>122,611</b>	151,035
Total assets per consolidated balance sheet	<b>130,846,805</b>	143,569,374
<b>Segment liabilities</b>		
Unallocated:		
Current and deferred income tax liabilities	<b>183,523,836</b>	181,491,291
	<b>942,370</b>	1,417,065
Total liabilities per consolidated balance sheet	<b>184,466,206</b>	182,908,356

#### (e) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Current contract acquisition costs	<b>733,519</b>	796,086

The Group has recognised the following revenue-related contract liabilities:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Sales of vehicle living projects	<b>48,489,432</b>	57,931,843
Sales of health and living projects	<b>7,429,096</b>	7,313,223
Others	<b>9,234</b>	4,572
	<b>55,927,762</b>	65,249,638

## Notes to the Condensed Consolidated Interim Financial Information

### 5. Segment Information (Continued)

#### (e) Assets and liabilities related to contracts with customers (Continued)

(i) The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of vehicle living projects and health and living projects.

#### (ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

Revenue recognised that was included in the balance of contract liabilities at the beginning of the period.

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Sales of health and living projects	1,354,523	2,381,458

### 6. Property, Plant and Equipment

	Buildings RMB'000	Leasehold improvements RMB'000	Machinery and equipment RMB'000	Mold RMB'000	Furniture, fixtures and office equipment RMB'000	Construction in progress RMB'000	Total RMB'000 (Unaudited)
<b>Six months ended 30 June 2022</b>							
Opening net book amount at 1 January 2022	2,918,850	201,845	893,182	374,660	193,786	16,406,656	20,988,979
Exchange difference	(10,770)	—	(117)	—	(71)	—	(10,958)
Additions	1,768	31,262	499,530	8	153,396	1,000,267	1,686,231
Transfer from construction in progress/transfer to property, plant and equipment	376,015	—	214,964	—	2,322	(593,301)	—
Disposals	(18,701)	—	(411,187)	(139,764)	(10,044)	—	(579,696)
Impairment	(78,926)	—	(121,463)	—	(28)	(178,933)	(379,350)
Depreciation	(86,192)	(15,377)	(55,035)	(54,647)	(43,832)	—	(255,083)
Closing net book amount at 30 June 2022	3,102,044	217,730	1,019,874	180,257	295,529	16,634,689	21,450,123

## Notes to the Condensed Consolidated Interim Financial Information

### 6. Property, Plant and Equipment (Continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Machinery and equipment RMB'000	Mold RMB'000	Furniture, fixtures and office equipment RMB'000	Construction in progress RMB'000	Total RMB'000 (Unaudited)
<b>Six months ended 30 June 2021</b>							
Opening net book amount at 1 January 2021	3,840,491	254,369	1,263,398	23,683	200,885	11,476,008	17,058,834
Exchange difference	(25,509)	—	(3,578)	(164)	(4,811)	(803)	(34,865)
Additions	305	36,850	248,207	2,956	86,951	4,367,904	4,743,173
Transfer from construction in progress/transfer to property, plant and equipment	5,423	—	10,580	68	6,992	(23,063)	—
Disposals	—	—	(850)	—	(7,216)	—	(8,066)
Impairment	—	—	(39,544)	—	—	(132,294)	(171,838)
Depreciation	(139,034)	(18,602)	(62,920)	(21,646)	(50,959)	—	(293,161)
Closing net book amount at 30 June 2021	3,681,676	272,617	1,415,293	4,897	231,842	15,687,752	21,294,077

## Notes to the Condensed Consolidated Interim Financial Information

### 7. Leases

The balance sheet shows the following amounts relating to leases:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
<b>Right-of-use assets</b>		
Land use rights	<b>2,869,519</b>	3,053,604
Buildings	<b>380,621</b>	565,958
Machinery and equipment	<b>207,248</b>	289,486
Furniture, fixtures and office equipment	<b>9,096</b>	1,274
	<b>3,466,484</b>	3,910,322
<b>Lease liabilities</b>		
Current	<b>247,200</b>	318,818
Non-current	<b>650,640</b>	694,914
	<b>897,840</b>	1,013,732

### 8. Investment Properties

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
<b>Completed investment properties</b>		
Opening net book amount	<b>614,670</b>	938,100
Fair value losses on investment properties	—	(323,430)
Closing net book amount	<b>614,670</b>	614,670

## Notes to the Condensed Consolidated Interim Financial Information

### 9. Intangible Assets

	Computer software RMB'000	Development costs RMB'000	Patent, proprietary technology and franchise rights RMB'000	Total RMB'000 (Unaudited)
<b>Six months ended 30 June 2022</b>				
Cost	268,065	7,420,148	5,339,166	13,027,379
Accumulated depreciation and impairment	(61,063)	(2,535,894)	(3,577,853)	(6,174,810)
Net book amount	207,002	4,884,254	1,761,313	6,852,569
Opening net book amount at 1 January 2022	11,822	4,567,674	1,944,607	6,524,103
Exchange difference	(12)	(1,082)	—	(1,094)
Additions	207,865	408,620	668,341	1,284,826
Disposals	(3,580)	—	(339,561)	(343,141)
Amortisation	(9,093)	(1,686)	(479,882)	(490,661)
Impairment losses	—	(89,272)	(32,192)	(121,464)
Closing net book amount at 30 June 2022	207,002	4,884,254	1,761,313	6,852,569
<b>Six months ended 30 June 2021</b>				
Cost	196,991	9,139,574	5,673,950	15,010,515
Accumulated depreciation and impairment	(38,027)	(802,611)	(2,179,667)	(3,020,305)
Net book amount	158,964	8,336,963	3,494,283	11,990,210
Opening net book amount at 1 January 2021	137,914	6,317,792	3,787,881	10,243,587
Exchange difference	(3)	(219,411)	(19,396)	(238,810)
Additions	29,316	2,406,753	3,019	2,439,088
Amortisation	(8,263)	(168,171)	(277,221)	(453,655)
Closing net book amount at 30 June 2021	158,964	8,336,963	3,494,283	11,990,210

## Notes to the Condensed Consolidated Interim Financial Information

### 10. Goodwill

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Balance as at 1 January	—	6,244,210
Eliminated on disposal of a subsidiary	—	(288,035)
Exchange difference	—	(659,456)
Impairment charge	—	(5,296,719)
	—	—

### 11. Trade and Other Receivables and Prepaid Taxes

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Trade receivables (a)	<b>70,581</b>	112,753
Other receivables (b)	<b>15,316,453</b>	14,292,775
Prepaid taxes	<b>2,380,271</b>	4,407,339
	<b>17,767,305</b>	18,812,867

#### (a) Trade receivables

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Trade receivables — third parties	<b>250,301</b>	275,631
Less: allowance provision for impairment	<b>(179,720)</b>	(162,878)
Trade receivables — net	<b>70,581</b>	112,753

Trade receivables mainly arose from sales of health and living projects. Proceeds in respect of sales of health and living projects are to be received in accordance with the terms of the related sales and purchase agreements.

## Notes to the Condensed Consolidated Interim Financial Information

### 11. Trade and Other Receivables and Prepaid Taxes (Continued)

#### (a) Trade receivables (Continued)

The aging analysis of trade receivables based on revenue recognition date as at the respective balance sheet dates is as follows:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Within 90 days	12,873	39,260
91 days to 180 days	31,559	76,380
181 days to 365 days	67,550	50,493
Over 365 days	138,319	109,498
	<b>250,301</b>	275,631

The maximum exposure to credit risk at each balance sheet date is the carrying value of each class of receivables mentioned above. The Group has retained the legal titles of the properties sold to these customers before the trade receivables are settled.

#### (b) Other receivables

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Other receivables		
— third parties	8,626,385	7,757,332
— related parties (note 31(b))	7,710,548	7,573,890
	<b>16,336,933</b>	15,331,222
Less: allowance provision for impairment	<b>(1,020,480)</b>	(1,038,447)
Other receivables — net	<b>15,316,453</b>	14,292,775

The carrying amounts of other receivables approximate their fair values. The maximum exposure to credit risk of the other receivables at the reporting date was the carrying value of each class of receivables.

The Group's other receivables are mainly denominated in RMB.

## Notes to the Condensed Consolidated Interim Financial Information

### 12. Prepayments

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Prepayments		
— Land use rights	<b>2,399,558</b>	2,549,966
— Property, plant and equipment	<b>3,668</b>	464,234
— Others	<b>265,610</b>	331,246
	<b>2,668,836</b>	3,345,446
Less: non-current portion:		
— Land use rights	<b>(203,210)</b>	(203,210)
— Property, plant and equipment	<b>(3,668)</b>	(464,234)
— Others	<b>(64,813)</b>	(107,113)
	<b>(271,691)</b>	(774,557)
Current portion	<b>2,397,145</b>	2,570,889

### 13. Properties under Development and Completed Properties Held for Sales

#### (a) Properties under development

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Properties under development expected to be completed within one operating cycle included under current assets	<b>63,232,258</b>	73,355,683
Properties under development comprise:		
— Construction costs and capitalised expenditures	<b>31,943,790</b>	32,745,651
— Land use rights	<b>31,288,468</b>	40,610,032
	<b>63,232,258</b>	73,355,683

## Notes to the Condensed Consolidated Interim Financial Information

### 13. Properties under Development and Completed Properties Held for Sales

(Continued)

#### (a) Properties under development (Continued)

Properties under development include costs of acquiring rights to use certain lands, which are located in the PRC, for health and living projects and vehicle living projects development over fixed periods. Land use rights are held on leases of between 40 to 70 years (31 December 2021: 40 to 70 years).

During the six months ended 30 June 2022, a provision of RMB560,288,000 (during the year ended 31 December 2021: RMB15,332,211,000) was made to write down the properties under development.

As at 30 June 2022, write-down of carrying amounts of properties under development amounted to RMB14,441,353,000 (as at 31 December 2021: RMB15,332,211,000).

#### (b) Completed properties held for sales

All completed properties held for sales are located in the PRC, among which RMB8,513,355,000 (as at 31 December 2021: RMB6,593,100,000) were measured at net realisable values.

During the period ended 30 June 2022, a provision of RMB602,584,000 (during the year ended 31 December 2021: RMB1,322,020,000) was made to write down the completed properties held for sale.

As at 30 June 2022, write-down of carrying amounts of properties completed properties held for sale amounted to RMB1,911,834,000 (as at 31 December 2021: RMB1,322,020,000).

### 14. Cash and Bank Balances

#### (a) Restricted cash

As at 30 June 2022, restricted cash of RMB1,178,859,000 (31 December 2021: RMB2,808,700,000) are mainly comprised of guarantee deposits for construction of pre-sale properties and guarantee deposits for bank acceptance notes and loans.

## Notes to the Condensed Consolidated Interim Financial Information

### 14. Cash and Bank Balances (Continued)

#### (b) Cash and cash equivalents

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Cash at banks and on hand		
— Denominated in RMB	<b>1,372,936</b>	2,355,817
— Denominated in US\$	<b>178,188</b>	7,967
— Denominated in other currencies	<b>58,291</b>	88,739
	<b>1,609,415</b>	2,452,523

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

Cash at banks earns interest at floating daily bank deposit rates.

### 15. Investments Accounted for Using the Equity Method

The movements of the investments accounted for using the equity method are as follows:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Balance as at 1 January	<b>258,475</b>	1,460,784
Disposals	<b>(231,522)</b>	(1,097,822)
Share of net losses of associates and joint ventures	<b>(19,950)</b>	(104,487)
	<b>7,003</b>	258,475

## Notes to the Condensed Consolidated Interim Financial Information

### 16. Financial Assets at Fair Value through Profit or Loss

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Listed equity securities (note 4(b)(i))	<b>1,160,298</b>	2,255,396
Other unlisted shares	<b>486,627</b>	501,493
	<b>1,646,925</b>	2,756,889
Less: current portion	<b>(1,160,298)</b>	(2,255,396)
Non-current portion	<b>486,627</b>	501,493

### 17. Share Capital and Share Premium

	<b>Number of shares</b>	<b>Share capital RMB'000</b>	<b>Share premium RMB'000</b>	<b>Total RMB'000 (Unaudited)</b>
At 1 January 2022 and 30 June 2022	10,843,793,000	250,936	27,873,165	28,124,101
At 1 January 2021	8,816,580,000	250,936	3,508,474	3,759,410
Issue of ordinary shares in connection with private placement	952,383,000	—	21,803,012	21,803,012
At 30 June 2021	9,768,963,000	250,936	25,311,486	25,562,422

- (i) On 24 January 2021, the Company has entered into the subscription agreements with six investors to allot and issue 952,383,000 shares of the Company at a price of HK\$27.30 per share, raising approximately HK\$26,000 million.

On 9 November 2021, the Company has entered into top-up placing arrangements to introduce well-known international investors. 174,830,000 shares of the Company were placed at a price of HK\$2.86 per share to these investors, raising approximately HK\$500 million.

On 19 November 2021, the Company has entered into top-up placing arrangements to introduce well-known international investors. 900,000,000 shares of the Company were placed at a price of HK\$3 per share to these investors, raising approximately HK\$2,700 million.

## Notes to the Condensed Consolidated Interim Financial Information

### 18. Share-based Compensation

#### (a) Share options

The Company approved and adopted a share option scheme on 6 June 2018 (the “2018 Share Option Plan”).

On 6 November 2020, the Company granted 298,820,000 share options under 2018 Share Option Plan to certain directors, managements and employees of the Group with an exercise price of HK\$23.05 per share, as rewards for their services. All the options granted will be exercisable within 10 years after vesting. When exercisable, each option is convertible into one ordinary share. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

On 15 June 2021, 129,660,000 share options under 2018 Share Option Plan (the “June 2021 Granted Share Options”) were granted to certain directors, managements and employees of the Group with an exercise price of HK\$32.82 per share, as rewards for their services. All the options granted will be exercisable within 10 years after vesting.

On 20 September 2021, 323,720,000 share options under 2018 Share Option Plan (the “September 2021 Granted Share Options”) were granted to certain directors, managements and employees of the Group with an exercise price of HK\$3.9 share, as rewards for their services. All the options granted will be exercisable within 7 years after vesting.

Movements of share options are as follows:

	<b>30 June 2022 (Unaudited)</b>	31 December 2021 (Audited)
At the beginning of the period	<b>528,050,000</b>	294,880,000
Granted during the period	—	453,380,000
Forfeited during the period	<b>(69,435,000)</b>	(220,210,000)
As at end of the period	<b>458,615,000</b>	528,050,000

None of the outstanding options as at 30 June 2022 was exercisable or expired.

## Notes to the Condensed Consolidated Interim Financial Information

### 18. Share-based Compensation (Continued)

#### (b) Fair value of share options

Based on fair value of the underlying ordinary shares, the Group has used Binomial option-pricing model to determine the fair value of the stock option as of the grant date. Key assumptions are set as below:

##### November 2020 Granted Share Options

Expected expiry date	5 November 2030
Stock price at grant date and exercise price	HK\$23.05 per share
Volatility	45.55%–54.28%
Annual risk-free interest rate	0.27%–0.51%
Dividend yield	0%
Suboptimal factors	2.2–2.8

##### June 2021 Granted Share Options

Expected expiry date	14 June 2031
Stock price at grant date and exercise price	HK\$32.82 per share
Volatility	45.50%–46.91%
Annual risk-free interest rate	0.68%–1.28%
Dividend yield	0%
Suboptimal factors	2.2–2.8

##### September 2021 Granted Share Options

Expected expiry date	19 September 2028
Stock price at grant date and exercise price	HK\$3.90 per share
Volatility	45.39%–47.68%
Annual risk-free interest rate	0.61%–0.81%
Dividend yield	0%
Suboptimal factors	2.2–2.8

Expenses for the share-based payments have been charged to the consolidated statements of comprehensive income as follows:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Administrative expenses and selling and marketing costs	233,245	271,098
Research and development expenses	198,139	180,289
	<b>431,384</b>	451,387

## Notes to the Condensed Consolidated Interim Financial Information

### 19. Reserves

	Special reserve	Capital contribution reserve	Other reserve	Exchange reserve	Statutory reserve	Share-based compensation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 1 January 2022 (Audited)</b>	<b>85,582</b>	<b>796</b>	<b>518,349</b>	<b>2,056,507</b>	<b>302,269</b>	<b>861,817</b>	<b>3,825,320</b>
Other comprehensive loss	—	—	—	(1,407,980)	—	—	(1,407,980)
Transfer to statutory reserve	—	—	—	—	2	—	2
Share-based compensation (note 18)	—	—	—	—	—	431,384	431,384
Changes in ownership interest in subsidiaries without change of control (note 32)	—	—	59,439	—	—	—	59,439
<b>Balance at 30 June 2022 (Unaudited)</b>	<b>85,582</b>	<b>796</b>	<b>577,788</b>	<b>648,527</b>	<b>302,271</b>	<b>1,293,201</b>	<b>2,908,165</b>
<b>At 1 January 2021 (Audited)</b>	<b>85,582</b>	<b>796</b>	<b>410,789</b>	<b>2,293,387</b>	<b>253,718</b>	<b>142,775</b>	<b>3,187,047</b>
Other comprehensive loss	—	—	—	(336,614)	—	—	(336,614)
Transfer to statutory reserve	—	—	—	—	2	—	2
Share-based compensation (note 18)	—	—	—	—	—	451,387	451,387
<b>Balance at 30 June 2021 (Unaudited)</b>	<b>85,582</b>	<b>796</b>	<b>410,789</b>	<b>1,956,773</b>	<b>253,720</b>	<b>594,162</b>	<b>3,301,822</b>

#### (a) Special reserve

The special reserve of the Group represents the differences between the aggregate amount of share capital and share premium of the relevant subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of a group reorganisation scheme.

#### (b) Capital contribution reserve

The amount represents deemed capital contribution and deregistration of a subsidiary in 2006 and 2008, respectively.

#### (c) Other reserve

Other reserve mainly represents the difference between considerations paid and the carrying amount of non-controlling interests acquired at transition date.

#### (d) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of group entities with fluctuation currency other than RMB. The reserve is dealt with in accordance with the accounting policies to the consolidated financial statements.

## Notes to the Condensed Consolidated Interim Financial Information

### 19. Reserves (Continued)

#### (e) Statutory reserves

Pursuant to the relevant rules and regulations concerning foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, those subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of fund reaches 50% of their registered capital. Statutory reserve is non-distributable and the transfers of these funds are determined by the board of directors of the relevant PRC subsidiaries in accordance with the relevant rules and regulations in the PRC.

### 20. Trade and Other Payables

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Trade and notes payables (a)	<b>46,016,549</b>	41,651,892
— third parties	<b>46,007,828</b>	41,606,007
— related parties (note 31(b))	<b>8,721</b>	45,885
Other payables	<b>26,026,347</b>	23,446,067
— third parties	<b>6,398,760</b>	4,115,085
— related parties (note 31(b))	<b>19,627,587</b>	19,330,982
Interest payable	<b>4,890,703</b>	2,201,008
— third parties	<b>3,980,548</b>	1,783,516
— related parties (note 31(b))	<b>910,155</b>	417,492
Other taxes payable	<b>2,798,197</b>	2,038,749
Payroll payable	<b>112,181</b>	206,353
Provisions	<b>3,370,358</b>	2,197,794
Total trade and other payables	<b>83,214,335</b>	71,741,863

(a) The following is an aging analysis of trade payables based on the invoice date:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Within 90 days	<b>12,510,353</b>	13,124,375
91 days to 180 days	<b>2,068,263</b>	6,363,128
Over 180 days and within 365 days	<b>31,437,933</b>	22,164,389
	<b>46,016,549</b>	41,651,892

## Notes to the Condensed Consolidated Interim Financial Information

### 21. Deferred Income

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Balance as at 1 January	<b>2,821,150</b>	2,641,094
Increase in government grants	—	409,958
Credited to property, plant and equipment	—	(210,000)
Amount recognised in profit or loss	—	(19,902)
	<b>2,821,150</b>	2,821,150

### 22. Borrowings

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
Shareholder borrowings (note 31(b))	<b>11,864,517</b>	11,271,059
Borrowings included in current liabilities:		
Bank borrowings	<b>10,293,955</b>	10,489,523
Other borrowings (a)	<b>18,504,277</b>	18,904,326
	<b>28,798,232</b>	29,393,849
	<b>40,662,749</b>	40,664,908

#### (a) Other borrowings

Other borrowings mainly represents the loans from other financial institutions (the "Trustees") and loans from joint ventures and an associate of the Group's holding company. Certain group companies in the PRC which are engaged in development of health and living projects have entered into fund arrangements with the Trustees, pursuant to which the Trustees raised trust funds and injected the funds to the group companies.

## Notes to the Condensed Consolidated Interim Financial Information

### 23. Expense by Nature

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Employee benefit expenses (including directors' emoluments)	622,935	1,381,595
Employee benefit expenditure (including directors' emoluments)	1,391,586	2,636,122
Less: capitalised in properties under development, construction in progress and development costs	(868,651)	(1,254,527)
Depreciation of property, plant and equipment (note 6)	255,083	293,161
Research and development expenses	219,176	223,083
Impairment losses on property, plant and equipment, intangible assets and goodwill	500,814	171,838
Impairment losses on right-of-use assets	—	21,793
Depreciation of right-of-use assets	36,211	169,869
Professional fees	30,642	105,253
Tax and other levies	33,912	79,592
Operating lease rentals for rented premises and machineries	1,753	44,714
Legal expenses	11,003	30,676
Raw materials and consumables used	10,859	15,837
Amortisation of intangible assets	452,246	14,852
Impairment losses on properties under development, completed properties held for sale and inventories	1,162,872	444,080
Changes in inventories of finished goods and work in progress	31,304	5,559

## Notes to the Condensed Consolidated Interim Financial Information

### 24. Other Losses, Net

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Overdue fine	(858,530)	(278,809)
Loss of land withdrawal	(4,116,376)	(159,300)
Litigation expenses	(1,087,799)	—
Written-down of amounts due from deregistered subsidiaries	(441,647)	—
Investment loss from disposal of financial assets at fair value through profit or loss	—	(154,354)
Exchange gains/(losses)	335,580	(45,393)
Government grants	587	20,503
Net loss on disposal of Property, plant and equipment	(180,633)	—
Others	(295,146)	(41,162)
	<b>(6,643,964)</b>	<b>(658,515)</b>

### 25. Finance Costs — Net

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Finance income		
— Interest income	(13,177)	(58,385)
Finance costs		
— Interest expense on bank and other borrowings	1,125,949	1,616,511
— Interest expense on shareholders borrowings	470,680	959,199
— Interest expense on lease liabilities	32,646	49,763
— Less: interest capitalised	(101,062)	(1,575,711)
	<b>1,528,213</b>	<b>1,049,762</b>
Finance costs — net	<b>1,515,036</b>	<b>991,377</b>

## Notes to the Condensed Consolidated Interim Financial Information

### 26. Income Tax Expenses

The amount of income tax charged to the condensed consolidated interim financial information represents:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Current income tax:		
— PRC corporate income tax	1,597,128	258,930
— PRC land appreciation tax	(5,127)	15,769
	<b>1,592,001</b>	274,699
Deferred income tax:		
— PRC corporate income tax	(54,801)	(111,170)
— PRC land appreciation tax	—	(44,954)
	<b>(54,801)</b>	(156,124)
	<b>1,537,200</b>	118,575

#### Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5 % of the estimated assessable profit for the six months ended 30 June 2022 (2021: 16.5%). Hong Kong profits tax has not been provided for as the Group did not have any assessable profits during the six months ended 30 June 2022 (2021: nil).

#### PRC corporate income tax

PRC corporate income tax is calculated at 25% of the estimated assessable profit for the six months ended 30 June 2022 (six months ended 30 June 2021: 25%). The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate of 25% on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

For subsidiaries which meet the inclusive tax reduction policy for small and micro enterprises, according to the existing policy of the PRC, they are entitled to enjoy a preferential corporate income tax rate and of the income tax provision of in respect of operations in the PRC of 20%.

For the subsidiaries which obtained the Certificate of High-Tech Corporation, according to the Corporation Income Tax Law of the PRC, they are entitled to enjoy a preferential corporate income tax rate and of the income tax provision of in respect of operations in the PRC of 15%.

#### PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of health and living projects less deductible including land use rights and all property development expenditures.

## Notes to the Condensed Consolidated Interim Financial Information

### 27. Dividends

The directors do not recommend the payment of an interim dividend for the period (six months ended 30 June 2021: nil).

### 28. Loss Per Share

#### (a) Basic

Basic loss per share are calculated by dividing the loss attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited) (Restated)
Loss attributable to shareholders of the Company (RMB'000)	(13,361,778)	(5,486,628)
Weighted average number of ordinary shares for the purpose of basic loss per share (thousands)	10,843,793	9,329,402
Basic loss per share (RMB cents per share)	(123.221)	(58.810)

#### (b) Diluted

The share options granted by the Company have potential dilutive effect on the loss per share. Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares in issue less shares held for the share option scheme outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company (collectively forming the denominator of computing the diluted loss per share). No adjustment is made to loss (numerator).

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited) (Restated)
Loss attributable to shareholders of the Company (RMB'000)	(13,361,778)	(5,486,628)
Weighted average number of ordinary shares for the purpose of basic loss per share (thousands)	10,843,793	9,329,402
Weighted average number of ordinary shares for diluted loss per share (thousands)	10,843,793	9,329,402
Diluted loss per share (RMB cents per share)	(123.221)	(58.810)

- (i) The 458,615,000 (30 June 2021: 528,050,000) options granted and remained unexercised are not included in the calculation of diluted loss per share because they are antidilutive for the six months ended 30 June 2022. These options could potentially dilute basic loss per share in the future.

## Notes to the Condensed Consolidated Interim Financial Information

### 29. Commitments

#### (a) Non-cancellable operating leases

The investment properties are leased to tenants under operating leases with rentals payable monthly. For details of the leasing arrangements, refer to below:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Minimum lease payments receivable on leases of investment properties are as follows:		
Within one year	<b>5,252</b>	7,829
In the first to second year	<b>8,299</b>	8,440
In the second to third year	<b>8,031</b>	8,145
In the third to fourth year	<b>7,530</b>	7,917
	<b>29,112</b>	32,331

#### (b) Lease commitments

As at 30 June 2022, the group did not have any material short-term lease commitment.

### 30. Financial Guarantee

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Guarantees in respect of mortgage facilities for certain purchasers of the Group's property units	<b>15,119,980</b>	19,107,396

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. The directors consider that the likelihood of default in payments by purchasers is minimal and the financial guarantees measured at fair value is immaterial.

## Notes to the Condensed Consolidated Interim Financial Information

### 31. Related Party Transactions

#### Significant transactions with related parties

##### (a) Transactions with companies related to China Evergrande Group:

During six months ended 30 June 2022 and 2021, the Group had the following significant transactions with related parties, which are carried out in the normal course of the Group's business:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Borrowings guaranteed by intermediate controlling company	17,443,621	19,076,727
Interest charged by intermediate controlling company	470,680	959,199
Payment of integrated insurance procurement to joint venture of the Group's holding company	—	60,738
Interest charged by joint venture of the Group's holding company	64,700	130,929
Interest charged by an associate of the Group's holding company	—	21,423
Sales of materials to joint ventures of the Group	—	41,483
Payment of advertising expenses to a joint venture of the Group's holding company	—	111,178
Payment of property management services to fellow subsidiaries	5,119	94,873
Payment of purchases of materials to fellow subsidiaries	3,990	—
Payment of advertising expenses to fellow subsidiaries	4,847	14,025

## Notes to the Condensed Consolidated Interim Financial Information

### 31. Related Party Transactions (Continued)

#### Significant transactions with related parties (Continued)

##### (b) Balances with companies related to China Evergrande Group:

As at 30 June 2022 and 31 December 2021, the Group had the following significant non-trade balances with related parties:

	<b>30 June 2022 RMB'000 (Unaudited)</b>	31 December 2021 RMB'000 (Audited)
Due from related parties (note 11)		
Intermediate controlling company	<b>3,599,960</b>	3,599,963
Fellow subsidiaries	<b>3,073,525</b>	2,971,141
Parent company	<b>16,524</b>	15,798
Joint ventures	<b>289,557</b>	186,231
Joint venture of the Group's holding company	<b>12,270</b>	77,439
Associate	<b>721,712</b>	721,712
An associate of the Group's holding company	<b>—</b>	1,606
	<b>7,710,548</b>	7,573,890
Cash deposits in associate of the Group's holding company	<b>665,843</b>	743,599
Due to related parties (note 20)		
Intermediate controlling company	<b>12,222,347</b>	12,460,940
Fellow subsidiaries	<b>4,655,182</b>	4,147,253
Joint ventures	<b>2,036,727</b>	1,846,627
Joint venture of the Group's holding company	<b>49</b>	60,693
Associate	<b>713,283</b>	814,154
An associate of the Group's holding company	<b>—</b>	1,315
	<b>19,627,587</b>	19,330,982
Trade and notes payable (note 20):		
A Joint venture of the Group's holding company	<b>8,721</b>	45,885
	<b>8,721</b>	45,885

## Notes to the Condensed Consolidated Interim Financial Information

### 31. Related Party Transactions (Continued)

#### Significant transactions with related parties (Continued)

##### (b) Balances with companies related to China Evergrande Group: (Continued)

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Loans from related parties:		
Intermediate controlling company (note 22)	<b>11,864,517</b>	11,271,059
Joint ventures of the Group's holding company	<b>810,000</b>	270,000
An associate of the Group's holding company	—	500,000
The ultimate controlling party	<b>2,907,646</b>	1,635,200
Company controlled by the ultimate controlling party	<b>555,874</b>	490,560
The ultimate controlling company	<b>513,114</b>	531,440
	<b>16,654,151</b>	14,698,259
Interest payable to related parties (note 20)		
Intermediate controlling company	<b>910,155</b>	417,492
	<b>910,155</b>	417,492

The receivables mainly arose from cash advance to fellow subsidiaries and joint ventures for daily operation purpose. The receivables were unsecured interest free and repayable on demand. No provision was held against receivables from related parties (31 December 2021: nil).

The payables mainly arose from cash advance from fellow subsidiaries. The payables beared no interest (31 December 2021: nil).

## Notes to the Condensed Consolidated Interim Financial Information

### 31. Related Party Transactions (Continued)

#### Key management compensation

Key management includes directors and heads of major operational departments. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Short-term benefits	1,982	23,691
Contribution to a retirement benefit scheme	139	140
Share-based compensation	89,942	67,575
	92,063	91,406

### 32. Non-controlling Interests

The movements of non-controlling interests were as follows:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Balance as at 1 January	(47,081)	173,053
Loss for the period	(3,135)	(62,178)
Capital injection (note (i))	92,611	818,029
Changes in ownership interests in subsidiaries without change of control	(90,960)	—
	(48,565)	928,904

#### (i) Capital injection

During the six months ended 30 June 2022, the Group has received capital injections from non-controlling interests totaling RMB92,611,000.

## Notes to the Condensed Consolidated Interim Financial Information

### 33. Subsequent event

In December 2022, the management of the Company resolved to dispose the Group's Health Management Segment (the "Disposal Group") to its holding company. The assets and liabilities attributable to the subsidiaries, which are expected to be sold within twelve months, have been classified as a disposal group held for sale in accordance with HKFRS 5, and are presented separately in the statement of financial position as at 31 December 2022.

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or annual improvements.

On 24 April 2023, the Company entered into a sale and purchase agreement with Anxin Holding Limited (the "**Purchaser**") and China Evergrande Group, pursuant to which the Purchaser conditionally agreed to purchase, and the Company conditionally agreed to sell as the beneficial owner, one issued share of each of Assemble Guard Limited ("**Assemble Guard**") and Flaming Ace Limited ("**Flaming Ace**"), representing the entire issued share capital of Assemble Guard and Flaming Ace respectively, at the consideration of RMB2 (the "**Disposal**"). The Disposal was completed on 12 May 2023 (after the general meeting held on the same day). For further details of the Disposal, please refer to the announcements of the Company dated 24 April 2023, 25 April 2023, 10 May 2023 and 12 May 2023 and the circular of the Company dated 25 April 2023.

Save as disclosed above, up to the date of this report, no significant events occurred after the Reporting Period.