

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA EVERGRANDE NEW ENERGY VEHICLE GROUP LIMITED

中國恒大新能源汽車集團有限公司

(a company incorporated in Hong Kong with limited liability)

(Stock Code: 708)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND INSIDE INFORMATION PROVISIONS UNDER THE SECURITIES AND FUTURES ORDINANCE

THE ENTERING INTO OF NON BINDING TERM SHEET IN RELATION TO POTENTIAL SHARE TRANSFER AND RESUMPTION OF TRADING

This announcement is made by China Evergrande New Energy Vehicle Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”).

The Company has been informed that on 16 May 2024, the joint and several liquidators for and on behalf of China Evergrande Group (in liquidation), Evergrande Health Industry Holdings Limited, Acelin Global Limited (collectively, the “**Potential Sellers**”) and a third party purchaser (the “**Potential Purchaser**”) (which is a party independent of the Company and its connected persons (as defined in the Listing Rules) to the best of the knowledge, information and belief of the directors of the Company (the “**Directors**”) after having made all reasonable enquiries) entered into a term sheet (the “**Term Sheet**”), pursuant to which the Potential Sellers and the Potential Purchaser may enter into a definitive sale and purchase agreement (the “**SPA**”) in relation to the sale and purchase of the shares in the Company (“**Shares**”) held by the Potential Sellers. As at the date of this announcement, the Potential Sellers collectively hold 6,347,948,000 Shares (representing approximately 58.5% of all the issued Shares) (the “**Potential Sale Shares**”). It is intended that subject to the entering into and the terms and conditions of the SPA, (i) 3,144,699,970 Potential Sale Shares (representing approximately

29.0% of all issued Shares as at the date of this announcement) would be acquired immediately, and (ii) 3,203,248,030 Potential Sale Shares (representing approximately 29.5% of all issued Shares as at the date of this announcement) would be the subject of an option exercisable by the Potential Purchaser during a certain period after the date of the SPA.

The Company has also been informed that the Term Sheet mentioned the entry into of a facility agreement (the “**Facility Agreement**”) pursuant to which the Potential Purchaser (or another party designated by it with consent of the Company) would provide a line of credit to the Company for the purpose of financing the Group’s continuing operation and the development of the Group’s electric vehicle business. Currently, the Group is in severe shortage of funds. The Tianjin factory of the Group has ceased production since the beginning of this year. As at the date of this announcement, the Tianjin factory of the Group has not resumed production.

Save for certain provisions regarding confidentiality, dealing restrictions, governing law and jurisdiction, the Term Sheet is not legally binding. The SPA and Facility Agreement are subject to further negotiations between the parties and have yet to be finalized, and the final terms of the SPA and Facility Agreement may therefore be different from those set out in the Term Sheet.

The board of Directors of the Company (the “**Board**”) is of the view that there is currently no other inside information in relation to the Company that needs to be announced.

COMMENCEMENT OF THE OFFER PERIOD

An obligation to make a mandatory general offer may be triggered under Note 7 to Rule 26.1 of the Takeovers Code upon the execution of the SPA. For the purposes of the Takeovers Code, the offer period commenced on the date of this announcement.

MONTHLY UPDATE

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the potential sale and purchase of the Potential Sale Shares (the “**Potential Share Transfer**”) will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made.

Further announcement(s) will be made by the Company and/or the Potential Purchaser as and when appropriate or required in accordance with the Listing Rules or the Takeovers Code (as the case may be).

RELEVANT SECURITIES OF THE COMPANY

In accordance with Rule 3.8 of the Takeovers Code, as at the date of this announcement, the Company has: (i) a total of 10,843,793,000 Shares in issue; and (ii) 191,085,000 outstanding share options granted under the share option scheme. Save as disclosed above, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

DISCLOSURE OF DEALINGS

As required under Rule 3.8 of the Takeovers Code, associates (as defined in the Takeovers Code) of the Company (including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) are reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

For this purpose, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

WARNING

The Company wishes to emphasise that as the Potential Share Transfer and the potential facility (the “Potential Facility”, together with the Potential Share Transfer, the “Potential Transactions”) are subject to further due diligence (including but not limited to the funding proof of the Potential Purchaser and the due diligence on the assets, liabilities, business, financial and legal matters relating to the Group), and the signing and terms and conditions of the SPA and Facility Agreement, the Potential Transactions may or may not proceed and the discussion of the Proposed Transactions may or may not lead to a general offer under Rule 26.1 of the Takeovers Code. As at the date of this announcement, the Company has yet to receive any proof of funding and financial strength from the Purchaser. Shareholders and potential investors are strongly advised to exercise particular caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) has been suspended with effect from 10:56 a.m. on 17 May 2024. An application will be made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 27 May 2024.

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

Hong Kong, 26 May 2024

As at the date of this announcement, the executive Directors are Mr. SIU Shawn, Mr. LIU Yongzhuo and Mr. QIN Liyong; and the independent non-executive Directors are Mr. CHAU Shing Yim, David and Mr. XIE Wu.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.