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CHINA EVERGRANDE NEW ENERGY VEHICLE GROUP LIMITED

中國恒大新能源汽車集團有限公司

(a company incorporated in Hong Kong with limited liability)

(Stock code: 708)

RECEIPT OF LETTER FROM THE RELEVANT LOCAL ADMINISTRATIVE AUTHORITY AND NOTICE FROM ANOTHER RELEVANT AUTHORITY

Reference is made to the announcement of China Evergrande New Energy Vehicle Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 22 May 2024 (the “**Announcement**”) in relation to the receipt of a letter (the “**Letter**”) from the relevant local administrative authority by the Relevant Subsidiaries recently. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

This announcement is made by the Company pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

RECEIPT OF WRITTEN DECISION OF ADMINISTRATIVE PENALTY FROM THE RELEVANT LOCAL ADMINISTRATIVE AUTHORITY

The Company hereby announces that the Relevant Subsidiaries have received the written decision of administrative penalty (the “**Written Administrative Decision**”) further issued by the relevant local administrative authority recently, the main contents of which are as follows:

I. Main contents

Further to the Letter, the relevant local administrative authority considered that the Relevant Subsidiaries have committed breach of contracts on the basis that they have failed to perform their contractual obligations in accordance with the terms of the Relevant Agreements (mainly including the failure to achieve the target of investment scale, planned production capacity and annual sales related to the establishment of group headquarters, global research and development centers and global production bases in areas under the jurisdiction of the relevant local administrative authority within the agreed time limit; and the failure to complete the construction of production bases and

research and development centers and commence operation, and complete the research and development of new energy vehicle models as scheduled). Additionally, the purpose of the Relevant Agreements can no longer be realized objectively judging from the operating conditions of the Relevant Subsidiaries. Therefore, the relevant local administrative authority, in accordance with the provisions of the Civil Code of the People’s Republic of China and other PRC laws and regulations, has decided: (1) to terminate three of the Relevant Agreements; (2) that the Relevant Subsidiaries return the relevant local administrative authority the incentives and subsidies granted in the aggregate amount of approximately RMB1.9 billion within 15 days from the date of receipt of the Written Administrative Decision.

The Relevant Subsidiaries may apply to the municipal people’s government of the relevant locality for administrative review within 60 days from the date of receipt of the Written Administrative Decision, and may also file an administrative lawsuit with the court for rail transportation of such municipality within six months from the date of receipt of the Written Administrative Decision.

II. Impact on the Group

The above decisions, if ultimately implemented, would result in the Group being exposed to the risks of compulsory resumption of land of the relevant plants, and the buildings and equipment thereon being used for repayment of the said incentives and subsidies. As a result, this could have a material impact on the financial position and operations of the Company or each of the Relevant Subsidiaries.

Currently, the Relevant Subsidiaries intend to apply to the municipal people’s government of the relevant locality for administrative review.

The Company will perform its disclosure obligations in accordance with the Listing Rules in due course.

RECEIPT OF NOTICE FROM ANOTHER RELEVANT AUTHORITY

The Company further announces that Evergrande New Energy Vehicle (Tianjin) Co., Ltd. (“**Tianjin Evergrande**”), a subsidiary of the Company, has recently received a notice (the “**Notice**”) from another relevant authority (the “**Authority**”), the main contents of which are as follows:

I. Main contents

After reviewing the requirement for Tianjin Evergrande to produce new energy passenger vehicle products, the Authority has raised three issues for rectification (the “**Issues**”), ordering Tianjin Evergrande to make rectifications and stop producing and selling new energy passenger vehicle products. During the rectification period, the Authority will suspend the acceptance of Tianjin Evergrande’s application for new energy passenger vehicle products and the electronic information transmission of the qualification certificate for its new energy passenger vehicle products. The aforesaid will resume after completion of rectification and fulfillment of manufacturing requirement upon review.

If there is any objection, Tianjin Evergrande may submit appeal materials to the Authority within five working days from the date of receiving the Notice.

II. Impact on the Group

The Company attaches great importance to the inspection of Tianjin Evergrande by the Authority and has actively rectified the Issues after the inspection. The Company intends to submit the appeal and rectification materials to the Authority before the aforesaid time limit.

The above proposed orders, if formally and eventually implemented, will have a material effect on the operations of the Group.

The Company will perform its disclosure obligations in accordance with the Listing Rules in due course and request Tianjin Evergrande to actively communicate and appropriately deal with the matter in accordance with the guidelines in the Notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board
China Evergrande New Energy Vehicle Group Limited
SIU Shawn
Chairman

Hong Kong, 11 June 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.