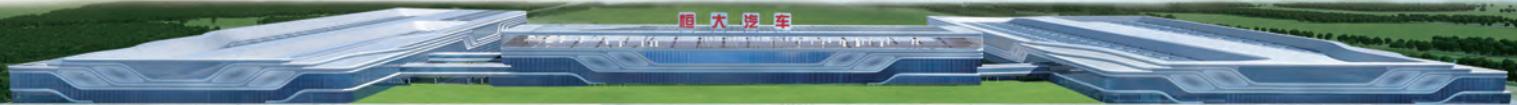




## China Evergrande New Energy Vehicle Group Limited

(Incorporated in Hong Kong with limited liability)  
(Stock code : 00708)



INTERIM REPORT **2020**



# CONTENTS

---

Board of Directors and Committees	<b>02</b>
Corporate and Shareholder Information	<b>03</b>
Director's Report	<b>04</b>
Management Discussion and Analysis	<b>13</b>
Corporate Governance and Other Information	<b>17</b>
Interim Condensed Consolidated Balance Sheet	<b>21</b>
Interim Condensed Consolidated Statement of Comprehensive Income	<b>23</b>
Interim Condensed Consolidated Statement of Changes in Equity	<b>25</b>
Interim Condensed Consolidated Statement of Cash Flow	<b>27</b>
Notes to the Condensed Consolidated Interim Financial Information	<b>28</b>

# BOARD OF DIRECTORS AND COMMITTEES

## EXECUTIVE DIRECTORS

Mr. Shi Shouming (*Chairman*)  
Mr. Liu Yongzhuo (*Vice Chairman*)  
Mr. Qin Liyong

## CORPORATE GOVERNANCE COMMITTEE

Mr. Chau Shing Yim, David (*Chairman*)  
Mr. Shi Shouming  
Mr. Guo Jianwen

## INDEPENDENT NON-EXECUTIVE DIRECTORS

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

## AUTHORISED REPRESENTATIVES

Mr. Shi Shouming  
Mr. Fong Kar Chun, Jimmy

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

Mr. Chau Shing Yim, David (*Chairman*)  
Mr. Shi Shouming  
Mr. Guo Jianwen

## NOMINATION COMMITTEE

Mr. Shi Shouming (*Chairman*)  
Mr. Chau Shing Yim, David  
Mr. Guo Jianwen

# 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

23rd Floor, China Evergrande Centre,  
38 Gloucester Road, Wanchai, Hong Kong

## WEBSITE

[www.evergrandehealth.com](http://www.evergrandehealth.com)

## COMPANY SECRETARY

Mr. Fong Kar Chun, Jimmy

## AUDITOR

PricewaterhouseCoopers

## 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  
Level 54, Hopewell Centre  
183 Queen’s Road East  
Hong Kong

## INVESTOR RELATION

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

Email: [evergrandelR@evergrande.com](mailto:evergrandelR@evergrande.com)  
Telephone: (852) 2287 9208 / 2287 9218 / 2287 9207

## FINANCIAL CALENDAR

Announcement of interim results: 27 August 2020

# DIRECTOR'S REPORT

## OVERVIEW

The principal business activities of China Evergrande New Energy Vehicle Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) include 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's entry into the new energy vehicle industry marks an important milestone to actively implement the strategy of building up a strong technological nation, as well as to protect the environment and benefit the mass public.

Dedicated to the global R&D and promotion of new energy vehicles, the Group adheres to its development direction of “achieving world-leading core technology and world-class product quality while sustaining significant cost reduction”, and possesses top-tier technology R&D teams and innovation capabilities.

Currently, the Group has established a full industry chain for new energy vehicles covering vehicle manufacturing, electric motor control, power batteries, vehicle sales, smart charging, shared mobility and other aspects. Possessing the world's top core technology in all key aspects, the Group established Evergrande New Energy Automotive R&D Institute Global Headquarters, at which a globally integrated R&D model is implemented to carry out collaborative R&D in China, Sweden, Germany, the United Kingdom, the Netherlands, Austria, Italy, Japan, South Korea and other countries. The Group also owns several high-tier manufacturing bases in Sweden, Shanghai, Guangzhou and Shenyang in China and other regions to create a full range of world-class quality products. The Group strives to become the largest and most powerful new energy automobile group in the world in 3-5 years.

During the six months ended 30 June 2020 (the “**reporting period**”), the Group's new energy vehicle business has achieved breakthrough progress. On 3 March 2020, Gemera, the top-tier new energy super sport car, which was jointly developed by the Group and Koenigsegg, showcased its world premiere.

On 3 August 2020, the first six models under the Hengchi (恒馳) brand were revealed worldwide with the official debut of Hengchi 1, Hengchi 2, Hengchi 3, Hengchi 4, Hengchi 5 and Hengchi 6. Such models cover all classifications from segments A to D, as well as a full range of vehicle types, including sedan, SUV and MPV and a full product line coverage was thereby achieved.

On 7 August 2020, the Shanghai production base and the Guangdong production base were officially unveiled. At present, the two major bases have been constructed in accordance with Industry 4.0 Standard, and have been equipped with 2,545 intelligent robots. The entire manufacturing line has entered the equipment installation and commissioning stages.

The Group will endeavour to progress with the mass production of the six first-phase Hengchi models at full speed, and continue to devote itself to the innovation and application of new energy vehicle technologies and product R&D. At the same time, the Group expects to introduce additional vehicle types to enrich its product mix and elevate the smart manufacturing standards in China.

## DIRECTOR'S REPORT

### Health Management Segment

The Group proactively implements the national strategy of “Healthy China”. Adhering to its corporate vision of “enhancing the healthy living standards for the general public”, and centering on the healthcare needs of the general public, the Group has created a membership mechanism for all-round healthy life for all-age population, and established a multi-level hierarchical medical, high-precision health management, all-age health care and diversified elderly care system, thereby enhancing the healthy living standards for the general public.

During the reporting period, the Group continued to uphold the innovative service concept of integrating medical insurance with medical care, health management and elderly care, and created a membership platform to provide, among others, medical, health management, healthcare and elderly care services. It developed and formulated an all-rounded and all-age healthcare service standard, and created the innovative Evergrande Elderly Care Valley. During the reporting period, 28 Evergrande Elderly Care Valleys were established across China. The Group also continued to deepen its exchanges and cooperation with foreign and domestic healthcare resources including Brigham and Women’s Hospital (one of the main teaching hospitals of Harvard Medical School) in the United States, which comprehensively enhanced the healthcare service standards at Boao Evergrande International Hospital, the only affiliated hospital of Brigham and Women’s Hospital in China. The Group also improved the Evergrande Medical Linkage Service System, which integrates resources from well-known 3A hospitals across different areas, with Evergrande International Hospital at the top and Evergrande Rehabilitation Hospital as well as the community medical system at the end.

## BUSINESS REVIEW

### New Energy Vehicle Segment

#### Business Review for Automobile Manufacturing

In the first half of the year, affected by various factors including the trade disputes between China and the United States as well as the COVID-19 pandemic, global economic downturn risks increased and the automobile markets were also distressed to a certain extent.

The data from the China Association of Automobile Manufacturers indicated that, in the first half of 2020, production and sales volumes of vehicles in China amounted to 10.112 million and 10.257 million, respectively, representing a year-on-year decrease of 16.8% and 16.9%, respectively. In particular, the production and sales volumes of new energy vehicles were 397,000 and 393,000, respectively, representing a year-on-year decline of 36.5% and 37.4%, respectively.

However, the overall development trend of the new energy vehicle industry remains unchanged. With the emerging wave of four new transformative directions for vehicles, namely electrification, intelligence transformation, networking advancement and sharing of vehicles, the century-old global automobile industry is on the verge of major changes. Many countries have started to turn to vehicle electrification one after another, which once again validates China’s forward-looking vision of the national directive on new energy vehicle development.

At present, among others, the consumption, usage, and infrastructure construction of new energy vehicles benefit from strong fiscal and tax policy support in China, while safety and technical requirements of electric cars and power battery products have been further improved and optimized at the same time, thus ensuring the sustainable development of the industry. For example, the Notice on Improving the Financial Subsidy Policies for the Promotion and Application of New Energy Vehicles (《關於完善新能源汽車推廣應用財政補貼政策的通知》) issued on 23 April 2020 has stated that subsidies can only be granted to new energy passenger vehicles with a selling price of RMB300,000 (inclusive) or below, and that the financial subsidy policy for the promotion and application of new energy vehicles will be extended to the end of 2022.

## DIRECTOR'S REPORT

The Group will seize development opportunities arising from changes in the industry, strengthen its technological R&D and innovation, improve its product range, and consolidate its competitive edge to promote and strengthen the development of its new energy vehicle business.

During the reporting period, through a series of global investments and strategic cooperation, the Group has consolidated top-class resources across the world and completed its roadmap to establish a full industry chain, allowing it to stay ahead of the curve.

In the products aspects, the cooperation between the Group and its strategic partners has achieved encouraging results:

On 3 March 2020, Gemera, the top-tier new energy super sport car, which is jointly developed by the Group and Koenigsegg, showcased its world premiere.

On 3 August 2020, the first six models under the Hengchi brand were revealed at the same time. Their outstanding body designs have received overall positive responses from the market.

Hengchi 1, a pure electric ultra-luxury sedan in the D-segment; Hengchi 2, a pure electric sports luxury sedan in the B-segment; Hengchi 3, a pure electric large luxury SUV in the C-segment; Hengchi 4, a pure electric large luxury MPV with seven seats; Hengchi 5, a pure electric SUV in the A-segment; and Hengchi 6, a pure electric cross-over SUV in the A-segment, were all designed by the efforts of world-famous automotive designers such as Anders Warming and Michael Robinson.

In terms of manufacturing, the Group has made breakthrough progress in the production bases constructed in accordance with Industry 4.0 Standard.

On 7 August 2020, the Group's Shanghai and Guangdong production bases were unveiled for the first time. At present, the two major bases have entered the equipment installation and commissioning stage, utilizing the most advanced equipment and techniques in the world to realize the most advanced intelligent manufacturing process in the world.

The press workshops utilize the press equipment supplied by Schuler in Germany, which is equipped with the MMS smart self-diagnostic system, being the most advanced fully automated press production line in the world.

The body workshop utilizes equipment supplied by Kuka in Germany and Fanuc in Japan and employs digital twin technology. Production data can be shared across different assembly lines for the first time in the industry, helping to establish advanced high-end smart "dark factories".

The paint workshops have introduced advanced production lines supplied by Dürr in Germany to realize fully automated painting and gluing. The advanced technologies such as horizontal drying-out and fast color changing are also introduced to achieve intelligent, environmentally-friendly and customized painting.

The assembly workshops utilize assembly lines supplied by Dürr in Germany, in which a virtual matching system is employed for the first time in the world. With this, the vehicle assembly lines can achieve the highest automation rate in the world.

## DIRECTOR'S REPORT

### Business Review for Power Battery

During the reporting period, the Group has further expanded its R&D team, focused on the R&D of the next generation power battery technology, and made breakthroughs in key technologies. Meanwhile, the Group has also set up a number of production bases in Jiangsu and Liaoning in accordance with Industry 4.0 Standard. Capitalizing on the latest information technologies such as artificial intelligence, the “internet of things” and “big data”, the Group seeks to construct factories that serve as the industry benchmark, striving to meet the ever-growing market demand by expanding its production scale.

### Health Management Segment

#### Business Review for Evergrande Elderly Care Valley

In response to upgrades of the current healthy living standards of community residents, the Group has developed and formulated the first all-rounded and all-age healthcare service standard in China and created the innovative Evergrande Elderly Care Valley.

Evergrande Elderly Care Valley has created a new, high-quality and diversified way of healthy living. The Company advocates the innovative concept of integrating medical insurance with preventative, medical and health care services, and established a membership platform. Through integrating world-class medical, elderly care and wellness living, commercial insurance and other resources, Evergrande Elderly Care Valley provides its members with full life-cycle and all-rounded living and care services.

Evergrande Elderly Care Valley started a new chapter in all-rounded health care and wellness regimes for all-age population. The Company advocates the concept of healthy living and implementation of a healthy lifestyle. Supported by the four major gardens of Evergrande Elderly Care Valley that emphasize traditional Chinese medicine foundation and Chinese wellness culture as the core, Evergrande Elderly Care Valley has integrated nutrition diet, scientific exercise, traditional culture, folk art, social activities and well-living travel, thereby providing healthcare and wellness-living services suitable for all-age population and innovating a new healthy lifestyle for all-age population. As of 30 June 2020, health preserving exhibition and experience centers were opened to the public in 13 regions, namely Hohhot, Zibo, Zhengzhou, Yuntaishan in Jiaozuo, Xianning, Xiangtan, Yueyang, Wuzhou, Jialize in Kunming, Chongqing, Nanjing, Jinhua and Jinzhai. The four major gardens in 7 projects in Shenfu New District, Xiangtan, Nanjing, Yuntaishan in Jiaozuo, Xianning, Jinhua and Zibo have been put into trial operation, while the Xi'an medical and nursing complex and the sojourn apartment project in Jialize, Kunming have officially commenced operation.

Evergrande Elderly Care Valley created a new high-precision and multi-dimensional health management mechanism. Keeping pace with international standards and the world's cutting-edge technology, such as those adopted in Brigham and Women's Hospital, and leveraging the multi-level hierarchical medical system adopted in Henghe Secondary Rehabilitation Hospital, general practice clinics and other medical institutions, the Group established a health member data cloud platform to create a “1+1” health management model with high-end private family doctors and health consultants. The Group also formulated healthcare plans integrating physical examination, screening and intervention, and carried out businesses such as sub-health management, chronic disease conditioning and rehabilitation physiotherapy. By combining the Group's projects across the country, the Company has established an unique “health + tourism” model, thereby achieving high precision health management.

## DIRECTOR'S REPORT

Evergrande Elderly Care Valley created a new comprehensive multi-level health care mode for the elderly. With Evergrande Elderly Care Valley, the Group innovated a new elderly care model of “one family with three generations living in two apartments”, thereby establishing a world-class elderly care center. With an active elderly apartment, an energetic elder care institution and a home care service center for the elderly as the main products, the Group has formed a diversified elderly care system with home care as the basis, community care as the support, and institutional care as the supplement. The Group developed an in-depth cooperation with RIEI Company Limited, a well-known Japanese elderly care service operator, to jointly promote the construction of its first nursing home, namely Xi'an Evergrande Nursing Home (西安恒大养老院).

Evergrande Elderly Care Valley created a new system of full cycle health insurance with high coverage. Integrating high-quality domestic and overseas insurance resources, Evergrande Elderly Care Valley has established a high-coverage insurance system for all-age groups, providing insurance customized for and exclusive to elderly under 100 years old, thus realizing a green service channel comprising hundreds of excellent top 3A hospitals in the country.

As at 30 June 2020, the Group has established 28 Evergrande Elderly Care Valley in cities including Sanya, Ocean Flower Island, Xi'an, Zhengzhou, Zhenjiang, Xiangtan, Nanjing, Yuntaishan, Chongqing, Shenyang, Wuzhou, Hohhot, Gangzhou, Xianning, Liu'an, Jinhua, Kunming, Zibo, Tangshan, Yueyang, Lianyungang, Urumqi, Suihua, Chuzhou, Chongzuo and Huanggang.

### Business Review for Medical Service Business

Invested by the Group and under the collaborative guidance of Brigham and Women's Hospital in the United States (one of the main teaching hospitals of Harvard Medical School), Boao Evergrande International Hospital (the only affiliated hospital of Brigham and Women's Hospital in China) gathered outstanding domestic and overseas medical experts and consolidated resources such as technology, equipment and the latest medicament. The hospital operated steadily under the Brigham Model, and provided international advanced tumor diagnostics and treatment services. Under the guidance of Brigham, comprehensive medical operations have been launched, and treatments on different diseases such as breast cancer, lung cancer, lymphoma, liver cancer and prostate cancer have been successfully commenced, which significantly raised the hospital's brand influence. Taking advantage of the pilot zone and through the Boao Public Bonded Drug Warehouse (博鳌公共保税药仓), new anti-tumor drugs that have been approved internationally but not yet marketed in China were introduced and personalized treatment plans for patients were developed. During the COVID-19 outbreak, Boao Evergrande International Hospital proactively arranged medical staff to travel to Hubei to fight against COVID-19 which fully reflects the responsibility and commitments which Boao Evergrande International Hospital, as an international hospital, should bear.

Sanya Evergrande Obstetrics and Gynecology Hospital is committed to building a class three modern hospital for women and children that integrates medical treatment, preventive care and rehabilitation, the construction of which is currently actively underway.

In respect of medications, supported by Boao Public Bonded Drug Warehouse with medical institutions in the pilot zone as end-point providers, the Group introduced a variety of licensed drugs and medical devices from renowned international pharmaceutical companies such as Roche, Astellas, Pfizer and Roche Diagnostics, realizing the use of internationally cutting-edge innovative licensed drugs and medical devices by citizens without going abroad.

## DIRECTOR'S REPORT

### Corporate Milestones in the First Half of 2020

1. On 14 February 2020, Boao Evergrande International Hospital under the Group sent 4 elite medical staff to join Hainan's fourth batch of hundred-strong medical team in aid of the Hubei frontline against the COVID-19 pandemic.
2. On 3 March 2020, Gemera, the top-class new energy supercar jointly developed by the Group and Koenigsegg, had showcased its world premier.
3. On 23 April 2020, Boao Evergrande International Hospital hosted the completion ceremony of Real World Data Center and the opening ceremony of the demonstration laboratory jointly established with Roche Diagnostics.
4. On 10 June 2020, the Group entered into a sale and purchase agreement to acquire the remaining 17.6% interests in National Electric Vehicle Sweden AB ("**NEVS**"). Upon completion of the aforesaid acquisition, NEVS became a wholly-owned subsidiary of the Group.
5. On 28 June 2020, Boao Evergrande International Hospital hosted the Boao Lecheng Press Conference on Lung Cancer Free Screening and International Symposium on Early Screening and Diagnosis of Lung Cancer (博鰲樂城肺癌免費篩查新聞發佈會暨國際肺癌早篩早診研討會), which is in relation to the improvement of the early detection rate of lung cancer and guarding people's health.
6. Sale of membership commenced for Evergrande Elderly Care Valleys in Jinhua, Yueyang, Xianning and Chongqing, and recorded explosive growth, highlighting the advantages of the membership system and creating a boom in the health conscious trend.

## OUTLOOK

### New Energy Vehicle Segment

#### Outlook for Automobile Manufacturing Business

With the COVID-19 pandemic under effective control in China, as well as a series of favorable policies promulgated by the central and local governments, the pace of recovery in the market has picked up. According to China Association of Automobile Manufacturers, in April, May and June 2020, the sales volume of vehicles in China reached 2.07 million, 2.194 million and 2.3 million, respectively. Sales volume of new energy vehicles for the same period reached 72,000, 82,000 and 104,000, respectively. This demonstrates that the market is in a state of restorative growth, and we remain confident in the development of the new energy vehicle industry.

At present, the Group's new energy vehicle business is progressing steadily on track with its planned goals. The production bases in Shanghai and Guangzhou are expected to be eligible for trial production by September 2020. Each of such production bases has a planned production capacity of 200,000 vehicles for the first phase, which can ensure mass production of all series of products under the Hengchi brand.

The Group is also rapidly preparing to build Hengchi vehicles display experience centers, sales centers and after-sales maintenance and repair service centers, including 36 Hengchi display experience centers, 1,600 Hengchi sales centers, as well as 3,000 self-operated and authorized after-sales maintenance and repair service centers, thereby creating a vast vehicle sales channel and network of after-sales service outlets.

## DIRECTOR'S REPORT

The Group intends to spare no effort to promote the mass production of the first six models under the Hengchi brand. Hengchi products are planned for trial production in the first half of next year and the Group will strive for the mass production thereof in the second half of next year. In the future, we endeavour to continue to strengthen product R&D and improve product structure to address the diverse needs of consumers, and comprehensively cover the new energy vehicle market.

### Outlook for Power Battery Business

The Group will focus on accelerating the global layout of the new energy industry and continue working towards setting up several super factories with annual production capacities of 30GWh within 10 years, so as to establish a complete industrial ecological chain covering battery materials, power lithium battery, solid state battery, hydrogen fuel cell, energy storage battery, wireless charging, power battery cascade recycling and utilization and other business segments.

### Health Management Segment

#### Outlook for Evergrande Elderly Care Valley

The Group will further integrate world-class resources on medical treatment, health management, wellness living, elderly care, insurance and tourism. Through the membership service platform as well as the unique and innovative “four major gardens”, “five major creations” and “four major services”, the Group provides members with full-cycle, high-quality and multi-dimensional health care services.

The Group plans to expand its operations into 70 livable wellness areas in the coming 3 years so as to provide services for members of the Group.

In respect of wellness-living, the Company will put into operation at least 18 major gardens of Evergrande Elderly Care Valley, 6 mega health preserving complex (Xi'an, Zhengzhou, Zhenjiang, Jialize in Kunming, Shenfu New District and Wuzhou) and 3 sojourn apartments for the community in the second half of 2020, and establish exhibition and experience centers in multiple locations across China, facilitating the full implementation of the distinctive healthcare system of Evergrande Elderly Care Valley.

In relation to health management, the Group will further integrate high quality domestic and foreign health management resources, draw on the experience of and introduce internationally leading management, diagnosis and treatment service model of chronic diseases and comprehensively enhance the operational capacity of Evergrande Elderly Care Valley. With the establishment of Evergrande Elderly Care Valley spanning across China, the Group is speeding up the optimization and implementation of high-precision health management services, building a leading brand specializing in the provision of domestic professional health management services.

For elderly care, the Group will further accelerate the nationwide distribution of its characteristic elderly care services system with the foundation of Evergrande Elderly Care Valley across China. In cooperation with Japan RIEI Co., Ltd, it is expected that Xi'an Evergrande Nursing Home (西安恒大养老院) will be completed and delivered by the end of 2020, creating the first retirement benchmarking project, and takes Xi'an Evergrande Nursing Home as a pilot center to promote institutional elderly care services across China; with Evergrande community across China, the Group will further advance the pilot implementation of home care and community care services for the elderly, facilitating the full implementation of the distinctive system of healthcare and elderly care services of the Group.

In the future, the Group will cooperate with financial, tourism, internet and other fields to recruit more members and provide healthcare services to more people.

## DIRECTOR'S REPORT

### Outlook for Medical Service Business

With the expansion of coverage of Evergrande Elderly Care Valley across China, the Company will further accelerate the optimization and implementation of the tiered diagnosis and treatment system of “Evergrande Medical Association”, integrate domestic and overseas quality medical resources, and provide members with quality and high value-added medical services, aiming to create a demonstrative brand in the Chinese private medical industry.

In 2020, Boao Evergrande International Hospital will continue to commence diagnosis and treatment services for various tumors, expand high-end hospital physical examination business, introduce more licensed drugs and medical devices that have been launched abroad but not domestically, and invest in immune cell therapy to treat patients with advanced cancer by taking advantage of the pilot zone policies. The yttrium-90 nuclide treatment project will commence for the treatment of advanced liver cancer. The Group will actively prepare for the endoscopic sleeve gastropasty and intragastric balloon implant projects, and establish China's leading specialized disease center — weight loss and metabolism endoscope diagnosis and treatment center (first in China). In addition, furthering its communication and cooperation with Brigham and Women's Hospital, the Group will continue to adopt the multidisciplinary diagnosis and treatment (MDT) model to provide tumor diagnosis and treatment services and international teleconsultation projects. The Group will commence its vaccine project by carrying out in-depth cooperation with international manufacturers in terms of vaccine; build first-class international and domestic “clinical research centers”, “phase I clinical trial ward” and “real-world clinical data research center”; commence clinical research and realize the implementation of 3-5 clinical research projects in 2020, thus improving the hospital's overall treatment level and enhancing its influence.

The main building of Sanya Evergrande Women's and Children's Hospital, aiming to create the “Best Childbirth Location for All Seasons” and the “Most Beautiful Bay Resort Assisted Women's and Children's Hospital”, is expected to be delivered and commence operation by 30 June 2021.

The Group aims to continuously refine the multi-level hierarchical medical system by uniting the Henghe medical platform, high-quality 3A hospitals and community hospitals across China with the support from Evergrande International Hospital, and realize one-stop services such as online medical service, two-way referral service and green channels.

In relation to medications, the Group will further expand its cooperation with leading domestic and overseas medical companies and medical institutions, and introduce more quality resources. Leveraging the advantages of the relevant policies in the pilot zone and the convenience of Boao Public Bonded Drug Warehouse, the Group will provide comprehensive and three-dimensional licensed medical equipment supporting services for Boao Evergrande International Hospital and other medical institutions in the pilot zone from warehouse logistics, agency marketing and other aspects.

Meanwhile, the Group will introduce more high-quality medical and health products and build an all-in-one supply chain platform integrating drug and medical equipment, health products, wellness living and elderly care, with Evergrande Elderly Care Valley across China being the starting point.

In 2020, the COVID-19 pandemic has had short-term impact on the Chinese economy. With the effective management and monitoring of the Chinese government, preliminary control of the pandemic has been achieved. The healthcare industry, being an industry closely connected to the COVID-19 outbreak, has been a strategic focus under the key development of China. The government is expected to introduce more relaxed industry policies with the significant growth in market demand for this industry. As such, the Group will take a more proactive attitude to providing and improving its healthcare products and services and leverage on the crisis of the COVID-19 outbreak as a growth opportunity for the Group and to safeguard healthy living of the public.

## 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**

**Shi Shouming**

*Chairman*

Hong Kong, 27 August 2020

*As at the date of this report, the executive Directors of the Company are Mr. SHI Shouming, 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

During the reporting period, the Group's turnover amounted to RMB4,510.32 million, representing an increase of 70.30% as compared to RMB2,648.40 million in the corresponding period of 2019. The turnover was mainly attributable to the revenue generated in the Health Management Segment.

The significant increase in turnover of the Health Management Segment during the reporting period was mainly due to the increase in revenue from Evergrande Elderly Care Valley by 88.80% to RMB4,446.01 million from RMB2,354.88 million in the corresponding period of 2019. During the reporting period, revenue from medical cosmetology and outpatient services increased by 24.01% to RMB11.31 million from RMB9.12 million in the corresponding period of 2019. During the reporting period, revenue from New Energy Vehicle Segment decreased by 81.36% to RMB53.00 million from RMB284.41 million in the corresponding period of 2019. The decrease in revenue of the New Energy Vehicle Segment during the reporting period was mainly due to the decrease in revenue from sales of lithium batteries.

The gross profit of the Group during the reporting period was RMB1,262.35 million, representing an increase of 106.59% from RMB611.04 million in the corresponding period of 2019. Gross profit margin increased from 23.07% for 2019 to 27.99% during the reporting period, mainly due to the increase in total profit as a result of the increase in total income from the increased business volume of health and living projects. During the reporting period, the profit margin corresponding to the income from the health and living projects increased due to the different locations of the projects.

The Group turned other losses of RMB245.55 million in the corresponding period in 2019 to other gains of RMB63.90 million during the reporting period. The Group's other losses for the first half of 2019 recorded a loss of RMB245.55 million due to exchange rate changes. Other gains for the reporting period were mainly gains from government grants.

Selling and marketing expenses increased by 117.09% to RMB747.61 million during the reporting period from RMB344.38 million in the corresponding period of 2019, mainly due to the increase in marketing expenses for the Evergrande Elderly Care Valley as a result of the increase in the number of additional marketed projects for the Evergrande Elderly Care Valley.

Administrative expenses increased by 11.93% to RMB1,403.82 million during the reporting period from RMB1,254.18 million for the corresponding period in 2019. As the scale of the Company expanded, there was an increase in the salary of management personnel and administrative expenses.

Finance costs, net, increased by 95.28% from RMB665.31 million for the corresponding period in 2019 to RMB1,299.19 million during the reporting period. It was mainly due to the increase in interest expenses, arising from the increase in borrowings from shareholder.

Income tax expenses increased by 161.20% to RMB210.40 million during the reporting period from RMB80.55 million in the corresponding period in 2019, mainly due to the increase in profit of the Evergrande Elderly Care Valley business.

The Company recorded loss of RMB2,456.91 million during the reporting period, representing an increase of 23.82% from the loss of RMB1,984.19 million in the interim period of 2019, mainly due to the significant increase in administrative expenses and interest expenses as a result of the expanded business scale of the New Energy Vehicle Segment.

Loss attributable to shareholders of the Company increased to a loss of RMB2,273.95 million during the reporting period from RMB1,527.42 million in the corresponding period of 2019.

## 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 2020, the Group had borrowings and lease liabilities (collectively "total borrowings") amounting to RMB74,823 million (as at 31 December 2019: RMB62,824 million).

As at 30 June 2020, the Group's gearing ratio was 60.49% (as at 31 December 2019: 67.26%). Gearing ratio was calculated as total borrowings divided by total assets.

### EMPLOYEE AND SHARE OPTION SCHEME

As at 30 June 2020, the Group had a total of 5,749 employees, and staff with a bachelors' degree or above accounted for approximately 81.02%. It incurred a total staff cost (including Directors' remuneration) of approximately RMB1,334.84 million during the reporting period (the first half of 2019: RMB589.09 million).

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. No option was granted by the Company under such Share Option Scheme since its adoption and up to 30 June 2020.

### SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL

Save as disclosed in this report, for the reporting period, the Group did not make any other material acquisitions or make any disposals of subsidiaries, associates or joint ventures. Save as disclosed in this report, as at 30 June 2020, the Group did not hold any significant investments and there was no 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 2020, the Group had no material contingent liabilities (as at 30 June 2019: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### EVENTS AFTER THE END OF THE REPORTING PERIOD

#### Change of Company Name

To cope with the Group's business development, the Company passed a special resolution in a general meeting held on 20 August 2020 in respect of the change of the name of the Company to "中國恒大新能源汽車集團有限公司 China Evergrande New Energy Vehicle Group Limited". The Certificate of Change of Name of the Company was issued by the Registrar of Companies in Hong Kong on 20 August 2020.

#### Change of Stock Short Names

The stock short names of the shares of the Company for trading on the Stock Exchange have been changed from "EVERG HEALTH" to "EVERG VEHICLE" in English and from "恒大健康" to "恒大汽車" in Chinese with effect from 9:00 a.m. on 1 September 2020. The stock code of the Company remains unchanged as "708".

#### Change of Company Website

The change of the website of the Company from "https://health.evergrande.com/" to "www.hengchiauto.com" is expected to take effect from a date later than 30 September 2020 (instead of from 30 September 2020 as disclosed in the announcement of the Company dated 26 August 2020). The Company will publish further announcement(s) to inform the shareholders and potential investors of the Company the effective date of change of the Company's website as and when appropriate.

#### Placing and Subscription

On 15 September 2020 (before trading hours), (i) the Company, Evergrande Health Industry Holdings Limited (the "**Placing Shareholder**"), Haitong International Securities Company Limited and Huatai Financial Holdings (Hong Kong) Limited (collectively, the "**Placing Agents**") entered into a placing agreement (the "**Placing Agreement**"), pursuant to which the Placing Shareholder has conditionally agreed to appoint the Placing Agents, and each of the Placing Agents has conditionally agreed to, severally and not jointly and severally, act as agent of the Placing Shareholder to procure placees to purchase the 176,580,000 shares (the "**Placing Shares**") at a placing price of HK\$22.65 per placing share (the "**Placing Price**") on the terms and subject to the conditions of the Placing Agreement (the "**Placing**"); and (ii) the Company and the Placing Shareholder entered into the subscription letter (the "**Subscription Letter**"), pursuant to which the Placing Shareholder has agreed to subscribe for, and the Company has agreed to issue to the Placing Shareholder, the subscription shares (being equivalent to the number of Placing Shares sold by the Placing Shareholder pursuant to the Placing) at the subscription price (being the same as the Placing Price), in each case upon the terms and subject to the conditions of the Subscription Letter (the "**Subscription**").

The Placing Price represented: (a) a discount of approximately 19.96% to the closing price of HK\$28.30 per share of the Company as quoted on the Stock Exchange on 14 September 2020, being the last trading day ("**Last Trading Day**") prior to the signing of the Placing Agreement; and (b) a discount of approximately 17.99% to the average closing price of HK\$27.62 per share of the Company as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Placing was completed on 17 September 2020 and a total of 176,580,000 Placing Shares have been successfully placed by the Placing Agents. As disclosed in the announcement of the Company dated 15 September 2020, the gross proceeds and net proceeds (after deducting all costs and expenses incurred by the Placing Shareholder are to be reimbursed by the Company, and other expenses incurred by the Company) from the Placing and the Subscription are expected to be approximately HK\$3,999,537,000 and approximately HK\$3,984,941,340, respectively. It was intended that the net proceeds received by the Company from the Subscription will be utilized for general corporate purposes of the Group. For further details of the Placing and the Subscription, please refer to the announcement of the Company dated 15 September 2020.

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

## INTERIM DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

## INTERIM RESULTS REVIEW

The condensed consolidated financial information of the Group has been reviewed by the audit committee of the Company (the “**Audit Committee**”), which comprises the three Independent Non-executive Directors of the Company.

The condensed consolidated financial information of the Group for the six months ended 30 June 2020 has been reviewed by PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## CHANGES IN INFORMATION OF DIRECTORS

### Directors

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

#### Executive Directors

Mr. Shi Shouming (*Chairman*)

Mr. Liu Yongzhuo (*Vice Chairman, appointed on 26 June 2020*)

Mr. Peng Jianjun (*Former Vice Chairman, appointed on 14 August 2018 and resigned on 26 June 2020*)

Mr. Qin Liyong

#### Independent Non-executive Directors

Mr. Chau Shing Yim, David

Mr. Guo Jianwen

Mr. Xie Wu

## INTERESTS AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2020, 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 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
Mr. Liu Yongzhuo (appointed on 26 June 2020)	Beneficial Owner	195,000 <sup>(Note)</sup>	0.00%

Note: As at 30 June 2020, Mr. Liu Yongzhuo held 195,000 shares of the Company directly.

## 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
Mr. Shi Shouming	China Evergrande Group <sup>(Note 1)</sup>	Beneficial Owner	23,850,000 <sup>(Note 3)</sup>	0.18
Mr. Liu Yongzhuo (appointed on 26 June 2020)	China Evergrande Group <sup>(Note 1)</sup>	Beneficial Owner	26,100,000 <sup>(Note 4)</sup>	0.20
Mr. Chau Shing Yim, David	China Evergrande Group <sup>(Note 1)</sup>	Beneficial Owner	1,000,000 <sup>(Note 5)</sup>	0.01
Mr. Qin Liyong	China Evergrande Group <sup>(Note 1)</sup>	Beneficial Owner	5,020,000 <sup>(Note 6)</sup>	0.04
	HengTen Networks Group Limited <sup>(Note 2)</sup>	Beneficial Owner	16,184,000 <sup>(Note 7)</sup>	0.02
Mr. Peng Jianjun (resigned on 26 June 2020)	China Evergrande Group <sup>(Note 1)</sup>	Beneficial Owner	23,600,000 <sup>(Note 8)</sup>	0.18

#### Notes:

- (1) China Evergrande Group is an intermediate holding company of the Company.
- (2) HengTen Networks Group Limited is a subsidiary of China Evergrande Group.
- (3) Mr. Shi Shouming was interested in 23,850,000 shares of China Evergrande Group, of which 2,480,000 shares were directly held by Mr. Shi and 21,370,000 shares were represented by share options.
- (4) Mr. Liu Yongzhuo was interested in 26,100,000 shares of China Evergrande Group, all of which were represented by share options.
- (5) Mr. Chau Shing Yim, David directly held 1,000,000 shares of China Evergrande Group.
- (6) Mr. Qin Liyong was interested in 5,020,000 shares of China Evergrande Group, of which 3,120,000 shares were directly held by Mr. Qin and 1,900,000 shares were represented by share options.
- (7) Mr. Qin Liyong directly held 16,184,000 shares of HengTen Networks Group Limited.
- (8) Mr. Peng Jianjun was interested in 23,600,000 shares of China Evergrande Group, of which 3,000,000 shares were directly held by Mr. Peng and 20,600,000 shares were represented by share options.

Save as disclosed above, as at 30 June 2020, 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 2020, 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
China Evergrande Group	Interest of corporation controlled by the substantial shareholder	6,479,550,000 <sup>(Note)</sup>	74.99%

Note: Of the 6,479,550,000 shares held, 6,479,500,000 shares were held by Evergrande Health Industry Holdings Limited and 50,000 shares were held by Acelin Global Limited, both are wholly-owned by China Evergrande Group.

### CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions of the Corporate Governance Code the (“Code”) set out in Appendix 14 to the Listing Rules throughout the reporting period, except as disclosed below.

Code provision A.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 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 provision E.1.2 stipulates that the chairman of the Board shall attend the annual general meeting, and invite the chairmen of the audit committee, remuneration committee, nomination committee and any other committee (as may be applicable) to attend. Mr. Shi Shouming, chairman of the Board and chairman of the Nomination Committee, failed to attend the annual general meeting of the Company held on 20 June 2020 (the “2020 AGM”) due to travel restrictions enacted in response to the COVID-19 pandemic. Mr. Chau Shing Yim David, an independent non-executive Director, chairman of the Audit Committee, chairman of the Remuneration Committee and chairman of the Corporate Governance Committee, attended and acted as the chairman of the 2020 AGM. The Board was of the view that Mr. Chau Shing Yim David was sufficiently capable and knowledgeable to address any question at the 2020 AGM, and therefore the sound communication established between the Company and its shareholders were unaffected.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **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 [www.health.evergrande.com](http://www.health.evergrande.com). The interim report will be dispatched to the shareholders of the Company in due course and be available for inspection on the websites of the Stock Exchange and the Company.

# INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2020 (Unaudited) RMB'000	As at 31 December 2019 (Audited) RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	13,154,842	10,422,736
Right-of-use assets	7	3,592,278	3,301,792
Investment properties	8	1,006,180	1,064,520
Intangible assets	9	8,210,857	7,581,130
Goodwill	9	6,193,274	6,193,274
Trade and other receivables	10	63,563	73,735
Prepayments	11	3,342,231	1,776,031
Investments accounted for using the equity method	14	1,425,944	1,210,964
Financial assets at fair value through profit or loss	15	4,768,021	4,718,278
Deferred income tax assets		186,368	71,215
		<b>41,943,558</b>	36,413,675
<b>Current assets</b>			
Trade and other receivables	10	5,255,524	4,593,702
Prepayments	11	7,689,963	7,585,624
Properties under development	12(a)	46,168,046	29,317,271
Completed properties held for sales	12(b)	4,471,078	2,679,747
Inventories		404,801	505,526
Contract acquisition costs		180,676	40,014
Restricted cash	13(a)	7,204,728	2,415,109
Cash and cash equivalents	13(b)	10,372,252	9,857,780
		<b>81,747,068</b>	56,994,773
<b>Total assets</b>		<b>123,690,626</b>	93,408,448
<b>EQUITY</b>			
Share capital	16	250,936	250,936
Reserves		70,258	(2,237,168)
Accumulated losses		(7,788,151)	(5,514,204)
		<b>(7,466,957)</b>	(7,500,436)
<b>Non-controlling interests</b>	28	<b>1,769,477</b>	6,204,869
<b>Total deficit</b>		<b>(5,697,480)</b>	(1,295,567)

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2020 (Unaudited) RMB'000	As at 31 December 2019 (Audited) RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	7	163,955	223,221
Deferred income	18	2,439,090	1,551,100
Borrowings	19	54,963,784	47,214,338
Deferred income tax liabilities		2,507,380	2,591,663
		<b>60,074,209</b>	51,580,322
<b>Current liabilities</b>			
Lease liabilities	7	123,483	214,373
Trade and other payables	17	37,339,962	24,282,087
Contract liabilities		11,305,731	2,444,932
Borrowings	19	19,571,319	15,172,530
Current income tax liabilities		973,402	1,009,771
		<b>69,313,897</b>	43,123,693
<b>Total liabilities</b>		<b>129,388,106</b>	94,704,015
<b>Total deficit and liabilities</b>		<b>123,690,626</b>	93,408,448

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

**SHI SHOUMING**  
Director

**PENG JIANJUN**  
Director

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June	
		2020 (Unaudited) RMB'000	2019 (Unaudited) RMB'000
<b>Revenue</b>	5	<b>4,510,321</b>	2,648,402
Cost of sales	20	<b>(3,247,974)</b>	(2,037,365)
<b>Gross profit</b>		<b>1,262,347</b>	611,037
Other income/(costs)		<b>(11,526)</b>	2,149
Other gains/(losses), net		<b>63,895</b>	(245,547)
Selling and marketing expenses	20	<b>(747,613)</b>	(344,375)
Administrative expenses	20	<b>(1,403,819)</b>	(1,254,180)
Net impairment losses on financial assets		<b>7,619</b>	(2,234)
Fair value losses on investment properties	8	<b>(58,340)</b>	—
<b>Operating loss</b>		<b>(887,437)</b>	(1,233,150)
Finance income	21	<b>64,061</b>	56,113
Finance costs	21	<b>(1,363,251)</b>	(721,426)
Finance costs — net		<b>(1,299,190)</b>	(665,313)
Share of net losses of associates and joint ventures accounted for using the equity method	14	<b>(32,966)</b>	(5,177)
Fair value losses on financial assets at fair value through profit or loss		<b>(26,915)</b>	—
<b>Loss before income tax</b>		<b>(2,246,508)</b>	(1,903,640)
Income tax expenses	22	<b>(210,402)</b>	(80,548)
<b>Loss for the period</b>		<b>(2,456,910)</b>	(1,984,188)
<b>Other comprehensive loss</b> <i>(Items that may be reclassified to profit or loss)</i>			
Currency translation differences		<b>(345,385)</b>	(13,461)
<b>Total comprehensive loss for the period</b>		<b>(2,802,295)</b>	(1,997,649)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June	
		2020 (Unaudited) RMB'000	2019 (Unaudited) RMB'000
<b>Loss attributable to:</b>			
Owners of the Company		(2,273,947)	(1,527,417)
Non-controlling interests		(182,963)	(456,771)
<b>Loss for the period</b>		<b>(2,456,910)</b>	(1,984,188)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(2,531,917)	(1,479,782)
Non-controlling interests		(270,378)	(517,867)
<b>Total comprehensive loss for the period</b>		<b>(2,802,295)</b>	(1,997,649)
<b>Loss per share for loss attributable to owners of the Company</b> (expressed in RMB cents per share)			
— Basic and diluted loss per share	24	(26.319)	(17.678)

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							Total	Non-controlling interests	Total
	Share capital	Special reserve	Capital contribution reserve	Other reserves	Exchange reserve	Statutory reserve	Accumulated losses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2020</b>	250,936	85,582	796	(1,944,924)	(543,506)	164,884	(5,514,204)	(7,500,436)	6,204,869	(1,295,567)
<b>Comprehensive loss</b>										
Loss for the period	—	—	—	—	—	—	(2,273,947)	(2,273,947)	(182,963)	(2,456,910)
Other comprehensive loss	—	—	—	—	(257,970)	—	—	(257,970)	(87,415)	(345,385)
<b>Total comprehensive loss</b>	—	—	—	—	(257,970)	—	(2,273,947)	(2,531,917)	(270,378)	(2,802,295)
<b>Transactions with owners</b>										
Capital injection from non-controlling interest (note 28(i))	—	—	—	—	—	—	—	—	1,009,227	1,009,227
Changes in ownership interests in subsidiaries without change of control (note 28(iii))	—	—	—	2,565,396	—	—	—	2,565,396	(5,174,241)	(2,608,845)
<b>Total transaction with owners</b>	—	—	—	2,565,396	—	—	—	2,565,396	(4,165,014)	(1,599,618)
<b>Balance at 30 June 2020</b>	250,936	85,582	796	620,472	(801,476)	164,884	(7,788,151)	(7,466,957)	1,769,477	(5,697,480)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Special reserve	Capital contribution reserve	Other reserves	Exchange reserve	Statutory reserve	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2019</b>	250,936	85,582	796	—	(76,769)	91,927	(1,014,940)	(662,468)	—	(662,468)
<b>Comprehensive loss</b>										
Loss for the period	—	—	—	—	—	—	(1,527,417)	(1,527,417)	(456,771)	(1,984,188)
Other comprehensive loss	—	—	—	—	47,635	—	—	47,635	(61,096)	(13,461)
<b>Total comprehensive loss</b>	—	—	—	—	47,635	—	(1,527,417)	(1,479,782)	(517,867)	(1,997,649)
<b>Transactions with owners</b>										
Capital injection from non-controlling interest (note 28(i))	—	—	—	—	—	—	—	—	5,499,577	5,499,577
Non-controlling interest arising from business combination (note 28(i))	—	—	—	—	—	—	—	—	3,322,936	3,322,936
Changes in ownership interests in subsidiaries without change of control (note 28(iii))	—	—	—	(1,390,528)	—	—	—	(1,390,528)	(2,011,948)	(3,402,476)
<b>Total transaction with owners</b>	—	—	—	(1,390,528)	—	—	—	(1,390,528)	6,810,565	5,420,037
<b>Balance at 30 June 2019</b>	250,936	85,582	796	(1,390,528)	(29,134)	91,927	(2,542,357)	(3,532,778)	6,292,698	2,759,920

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	
	2020 (Unaudited) RMB'000	2019 (Unaudited) RMB'000
<b>Cash flows from operating activities</b>		
Cash used in operations	(4,984,283)	(3,558,449)
Tax paid	(446,207)	(186,603)
Interest paid	(1,779,357)	(709,000)
<b>Net cash flows used in operating activities</b>	<b>(7,209,847)</b>	<b>(4,454,052)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and construction in progress	(2,185,033)	(1,753,069)
Purchases of intangible assets	(2,352,290)	(112,613)
Purchases of right-of-use assets	(559,620)	(1,243,236)
Investment accounted for using the equity method	(222,977)	(183,025)
Proceeds from governments grant for construction	887,990	1,325,140
Repayment from related parties	254,530	2,143
Interest received	64,061	56,113
Disposal for property, plant and equipment	8,828	—
Payments for financial assets at fair value through profit and loss	—	(404,380)
Acquisition of subsidiaries, net of cash acquired	—	(7,989,717)
Cash advance to related parties	—	(77,410)
<b>Net cash flows used in investing activities</b>	<b>(4,104,511)</b>	<b>(10,380,054)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	17,152,135	35,023,385
Capital injection from non-controlling interests	1,009,227	5,499,577
Repayments of borrowings	(5,627,715)	(9,469,630)
Acquisition of non-controlling interests in subsidiaries	(707,596)	(3,402,476)
Principal elements of lease payments	(49,600)	(56,370)
Proceed from related parties	—	3,381,942
Repayments to related parties	—	(605,927)
<b>Net cash flows generated from financing activities</b>	<b>11,776,451</b>	<b>30,370,501</b>
<b>Net increase in cash and cash equivalents</b>	<b>462,093</b>	<b>15,536,395</b>
Cash and cash equivalents at beginning of the period	9,857,780	1,570,014
Exchange difference on cash and cash equivalents	52,379	(277,540)
<b>Cash and cash equivalents at end of the period</b>	<b>10,372,252</b>	<b>16,828,869</b>

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

The Company changed its name from Evergrande Health Industry Group Limited to China Evergrande New Energy Vehicle Group Limited on 20 August 2020.

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 23rd Floor, China Evergrande 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 “Stock Exchange”).

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

The outbreak of the 2019 Novel Coronavirus (“COVID-19”) in Mainland China in late January 2020 has prompted the adoption of strict prevention and control measures by the government nationwide, which has resulted in extensive obstructions on construction and delivery of properties and declines on orders and transaction volume under the Group’s sales of lithium batteries, bringing about an adverse effect to the Group’s revenue in the first half of 2020. Besides, COVID-19 may also affect the financial performance and position of the Group including the recoverability of goodwill, allowance for expected credit losses on trade and other receivables, fair value of investment properties and so on. With the COVID-19 in Mainland China gradually easing up, the resumption of operations of various industries and the trend of stimulating consumption in the Mainland China, the Group anticipates that the business transaction volume of the Group will pick up month by month and the Group will pay continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2020 (“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 2019 and any public announcements made by the Group during the interim reporting period.

The financial information relating to the year ended 31 December 2019 that is included in the condensed consolidated interim financial information for the six months ended 30 June 2020 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2019 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 has reported on those consolidated financial statements. The auditor’s report was unqualified; 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 Hong Kong Companies Ordinance (Cap. 622).

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2019, as described in those annual consolidated financial statements.

### (a) Amended standards adopted by the Group

The following amendments to standards are mandatory for the Group’s financial year beginning on 1 January 2020 for the Group:

HKAS1 and HKAS 8 (Amendments)	Definition of material
HKFRS 3 (Amendments)	Definition of a business
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest rate benchmark reform
Revised Conceptual Framework for Financial Reporting	

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 2 BASIS OF PREPARATION (Continued)

#### (b) New and amended standards not yet adopted

		Effective for annual periods beginning on or after
HKFRS 16 (Amendments)	Leases — COVID-19 related rent concessions	1 June 2020
HKFRS 3 (Amendments)	Business combinations	1 January 2022
HKAS 16 (Amendments)	Property, plant and equipment	1 January 2022
HKAS 37 (Amendments)	Provisions, contingent liabilities and contingent assets	1 January 2022
Annual improvements to HKFRS 1	First-time adoption of IFRS	1 January 2022
Annual improvements to HKFRS 9	Financial instruments	1 January 2022
HKAS 1 (Amendments)	Presentation of financial statements' on classification of liabilities	1 January 2023
HKFRS 17	Insurance contracts	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The impact of new standards and amendments to standards above is still under assessment by the Group.

### 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 2019.

### 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 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)

##### (i) Foreign exchange risk

The Group operates in the PRC, Hong Kong, and Europe and is exposed to foreign exchange risk arising from cash and cash equivalents, borrowings, 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 year is as follows:

	30 June 2020 RMB'000	31 December 2019 RMB'000
5% appreciation in RMB against HK\$	—	7
5% depreciation in RMB against HK\$	—	(7)
5% appreciation in RMB against US\$	101,304	744,899
5% depreciation in RMB against US\$	(101,304)	(744,899)
5% appreciation in RMB against EU€	33,513	41,584
5% depreciation in RMB against EU€	(33,513)	(41,584)

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 2019.

There have been no changes in the risk management department or in any risk management policies since the year ended 31 December 2019.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 4 FINANCIAL RISK MANAGEMENT (Continued)

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

##### (ii) Liquidity risk

Management aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including proceeds from pre-sale of health and living projects, through internal funding resources and bank facilities to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and through having available sources of financing.

To cope with the investment on the New Energy Vehicle Segment business and the total deficit situation, China Evergrande Group agreed to provide three-year unsecured loans in the amount of RMB 34,105 million to the Group from 3 July 2018. The annual interest rates under the shareholder loan agreements are ranging from 7.6% to 8.0%.

With the net current asset position and financial support from China Evergrande Group, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include adjusting development timetable to adapt the market environment and implementing cost control measures. The Group will pursue such options based on its assessment of relevant future costs and benefits.

With the aforementioned activities and plans, the directors of the Company considered the Group's liquidity risk has been controlled. The directors of the Company has reviewed the working capital forecast of the Group for the 12 months from 30 June 2020 and are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next 12 months from the date of the consolidated balance sheet.

## 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

	30 June 2020 RMB'000	31 December 2019 RMB'000
<b>Level 3</b>		
Financial assets at FVTPL — unlisted redeemable preferred shares and other unlisted shares	4,768,021	4,718,278

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 2020.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale 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)

###### Valuation processes

The finance department of the Group includes a team that performs the valuations of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation methodologies to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments mainly included the unlisted redeemable preferred shares (note 15), which was valued by Globalview Advisors, an independent valuer not related to the Group, who hold recognised relevant professional qualification. As the investments are not traded in an active market, their fair value have been determined by WACC, terminal growth rate, debt-free cash flow and volatility. The main level 3 inputs used by the Group in measuring the fair value of financial instruments are derived and evaluated as follows:

- WACC: these are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset
- Revenue growth rate for unlisted equity securities: these are estimated based on market information for similar types of companies
- Expected cash inflows: these are estimated based on the terms of the sale contract, the entity's knowledge of the business and how the current economic environment is likely to impact it.
- Volatility: these are based on historical volatility of the guideline companies commensurate with the time to liquidity.

Information about fair value measurements using significant unobservable inputs (level 3)

Asset Category	Components	Fair value as at		Valuation techniques	Unobservable inputs	Range of unobservable inputs	
		30 June 2020 RMB'000	31 December 2019 RMB'000			30 June 2020	31 December 2019
FVTPL – Unlisted redeemable preferred shares	Unlisted preferred shares	5,445,769	5,225,174	Discounted Cash Flow Method	WACC	40%	40%
						Revenue growth rate	5%–594%
	Embedded call option	(1,410,454)	(1,248,740)	Binomial Lattice Model Approach	Volatility	48.5%	47.5%
	Total	4,035,315	3,976,434				

## 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) (Continued)

Information about fair value measurements using significant unobservable inputs (level 3) (Continued)

Relationship of unobservable inputs to fair value:

The higher WACC, the lower fair value;

The higher terminal growth rate, the higher fair value;

The higher volatility, the lower fair value.

Non-financial assets and liabilities

##### (i) Valuation processes of the Group

The Group measures its investment properties at fair value. The fair value of the Group's investment properties has been determined on the basis of valuation carried out by an independent and professionally qualified valuer.

Discussions of valuation processes and results are held between the management and the valuer at least once every six months, in line with the Group's interim and annual reporting dates.

##### (ii) Valuation techniques

Valuations were based below:

Income capitalisation approach takes into account the current or estimated 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.

Information about fair value measurements using significant unobservable inputs (level 3)

Asset category	Property category	Fair value as at		Valuation techniques	Unobservable inputs	Range of unobservable inputs	
		30 June 2020 RMB'000	31 December 2019 RMB'000			30 June 2020	31 December 2019
Completed investment properties	Commercial properties	1,006,180	1,064,520	Income capitalisation method	Capitalisation rate	5.25%–6.00%	5.25%–6.00%
					Expected vacancy rate	5%–10%	5%–10%
					Monthly rental (RMB/square meter/month)	45–108	45–118

Relationship of unobservable inputs to fair value:

- The higher capitalisation rate, the lower fair value;
- The higher expected vacancy, the lower fair value;
- The higher monthly rental, the higher 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: “Internet+” community health management, international hospitals, elderly care and rehabilitation, medical cosmetology, anti-ageing and sales of health and living projects in the PRC.

New Energy Vehicle: Technology research and development, production and sales of new energy vehicles 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 expense 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:

	Six months ended 30 June	
	2020 RMB’000	2019 RMB’000
<b>Health Management:</b>		
Sales of health and living projects (a)	4,446,009	2,354,875
Income from medical cosmetology and health management (b)	11,311	9,120
	<b>4,457,320</b>	2,363,995
<b>New Energy Vehicle:</b>		
Technical services	23,411	28,282
Sales of lithium batteries	26,607	253,145
Sale of vehicle components/parts	2,983	2,980
	<b>53,001</b>	284,407
	<b>4,510,321</b>	2,648,402

(a) Revenue generated from the sales of health and living projects, lithium batteries and vehicle components are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the assets.

(b) 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) Segment revenue and results

The segment results and other segment items included in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2020 and 2019 are as follows:

	Six months ended 30 June 2020			
	Health Management RMB'000	New Energy Vehicle RMB'000	Unallocated RMB'000	Total RMB'000
<b>Segment revenue and revenue from external customers</b>	4,457,320	53,001	—	4,510,321
Finance costs — net	(15,537)	(1,270,418)	(13,235)	(1,299,190)
Segment results	473,935	(2,680,475)	(39,968)	(2,246,508)
Loss before income tax				(2,246,508)
Income tax expenses				(210,402)
<b>Loss for the period</b>				<b>(2,456,910)</b>
<b>Other segment item:</b>				
Depreciation and amortisation (note 20)	51,392	547,896	—	599,288
	Six months ended 30 June 2019			
	Health Management RMB'000	New Energy Vehicle RMB'000	Unallocated RMB'000	Total RMB'000
<b>Segment revenue and revenue from external customers</b>	2,363,995	284,407	—	2,648,402
Finance costs — net	(49,300)	(587,566)	(28,447)	(665,313)
Segment results	136,717	(1,963,421)	(76,936)	(1,903,640)
Loss before income tax				(1,903,640)
Income tax expenses				(80,548)
<b>Loss for the period</b>				<b>(1,984,188)</b>
<b>Other segment item:</b>				
Depreciation and amortisation (note 20)	66,342	293,548	—	359,890

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 5 SEGMENT INFORMATION (Continued)

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

The segment assets and liabilities as at 30 June 2020 and 31 December 2019 are as follows:

	Health Management RMB'000	New Energy Vehicle RMB'000	Unallocated RMB'000	Total RMB'000
<b>As at 30 June 2020</b>				
Segment assets	48,266,451	75,237,807	186,368	123,690,626
Segment liabilities	44,864,894	81,042,430	3,480,782	129,388,106
Capital expenditure	379,124	3,908,367	—	4,287,491
<b>As at 31 December 2019</b>				
Segment assets	43,839,728	49,497,505	71,215	93,408,448
Segment liabilities	36,838,144	54,264,437	3,601,434	94,704,015
Capital expenditure	1,670,973	4,402,403	—	6,073,376

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 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
<b>Six months ended 30 June 2020</b>							
Opening net book amount at 1 January 2020	3,832,756	116,068	1,285,460	63,601	182,595	4,942,256	10,422,736
Exchange difference	2,664	—	746	—	993	185	4,588
Additions	4,818	104,452	9,847	1,369	49,609	2,755,806	2,925,901
Transfer from construction in progress/transfer to property, plant and equipment	11,704	—	14	22,601	12,485	(46,804)	—
Disposals	—	(6,337)	(3,399)	—	(1,155)	—	(10,891)
Depreciation	(101,398)	(8,115)	(32,453)	(9,343)	(36,183)	—	(187,492)
Closing net book amount at 30 June 2020	3,750,544	206,068	1,260,215	78,228	208,344	7,651,443	13,154,842
<b>Six months ended 30 June 2019</b>							
Opening net book amount at 1 January 2019	810,019	2,280	92,478	—	28,600	601,548	1,534,925
Adjustment for change in accounting policy	—	—	(36,667)	—	—	—	(36,667)
Exchange difference	42,037	—	17,505	431	51	—	60,024
Additions	2,706	8,670	14,942	1,028	16,091	1,526,808	1,570,245
Acquired from business combination	1,824,272	20,238	978,191	57,726	139,837	2,279,814	5,300,078
Transfer from construction in progress/transfer to property, plant and equipment	3,940	—	81,720	1,558	13,185	(100,403)	—
Disposals	—	—	(1,300)	—	(6,137)	—	(7,437)
Depreciation	(71,518)	(1,504)	(80,409)	(7,113)	(25,091)	—	(185,635)
Closing net book amount at 30 June 2019	2,611,456	29,684	1,066,460	53,630	166,536	4,307,767	8,235,533

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 7 LEASES

The balance sheet shows the following amounts relating to leases:

	30 June 2020 RMB'000	31 December 2019 RMB'000
<b>Right-of-use assets</b>		
Leasehold land/land use rights	3,167,538	2,757,189
Buildings	195,387	282,564
Machinery and equipment	229,353	261,715
Furniture, fixtures and office equipment	—	324
	<b>3,592,278</b>	3,301,792
<b>Lease liabilities</b>		
Current	123,483	214,373
Non-current	163,955	223,221
	<b>287,438</b>	437,594

### 8 INVESTMENT PROPERTIES

	30 June 2020 RMB'000	31 December 2019 RMB'000
Opening net book amount	1,064,520	—
Transfer from construction in progress	—	171,469
Acquisition of subsidiaries	—	872,192
Revaluation gains arising from investment properties	—	6,631
Fair value (losses)/gains on investment properties	(58,340)	14,228
Closing net book amount	<b>1,006,180</b>	1,064,520
Comprise of: Completed investment properties	<b>1,006,180</b>	1,064,520

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 9 INTANGIBLE ASSETS AND GOODWILL

	Computer software RMB'000	Development costs RMB'000	Patent, proprietary technology and franchise rights RMB'000	subtotal RMB'000	Goodwill RMB'000	Total RMB'000
<b>Six months ended 30 June 2020</b>						
Opening net book amount at						
1 January 2020	82,502	2,539,747	4,958,881	7,581,130	6,193,274	13,774,404
Exchange difference	7	7,706	3,567	11,280	—	11,280
Additions	28,529	960,607	15,304	1,004,497	—	1,004,497
Amortisation	(5,920)	(188,591)	(191,482)	(385,993)	—	(385,993)
Closing net book amount at						
30 June 2020	105,118	3,319,469	4,786,270	8,210,857	6,193,274	14,404,131
<b>Six months ended 30 June 2019</b>						
Opening net book amount at						
1 January 2019	4,115	—	1,084	5,199	—	5,199
Exchange difference	—	(66,298)	11,487	(54,811)	—	(54,811)
Additions	36,157	66,880	9,575	112,612	—	112,612
Acquired from business combination	45,428	2,035,711	4,954,158	7,035,297	6,193,274	13,228,571
Disposals	(140)	(2,377)	—	(2,517)	—	(2,517)
Amortisation	(3,216)	—	(134,094)	(137,310)	—	(137,310)
Closing net book amount at						
30 June 2019	82,344	2,033,916	4,842,210	6,958,470	6,193,274	13,151,744

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 10 TRADE AND OTHER RECEIVABLES

	30 June 2020 RMB'000	31 December 2019 RMB'000
Trade receivables (a)	1,147,461	774,877
Other receivables (b)	4,171,626	3,892,560
	<b>5,319,087</b>	4,667,437
Less: non-current portion of trade receivables and other receivables	<b>(63,563)</b>	(73,735)
Current portion	<b>5,255,524</b>	4,593,702
(a) Trade receivables		
— third parties	1,152,070	776,594
Less: allowance provision for impairment	(4,609)	(1,717)
Trade receivables — net	<b>1,147,461</b>	774,877
Less: non-current portion	<b>(63,563)</b>	(73,735)
Current portion	<b>1,083,898</b>	701,142

Trade receivables mainly arose from sale 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.

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

	30 June 2020 RMB'000	31 December 2019 RMB'000
Within 90 days	744,060	494,590
Over 91 days and within 180 days	72,875	163,144
Over 180 days and within 365 days	234,859	37,718
Over 365 days	100,276	81,142
	<b>1,152,070</b>	776,594

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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 10 TRADE AND OTHER RECEIVABLES (Continued)

	30 June 2020 RMB'000	31 December 2019 RMB'000
(b) Other receivables		
— third parties	2,692,220	1,686,373
— related parties (note 27(b)(ii))	88,576	1,266,503
— prepaid other taxes	1,396,422	991,602
	<b>4,177,218</b>	3,944,478
Less: allowance provision for impairment	(5,592)	(51,918)
Other receivables — net	<b>4,171,626</b>	3,892,560
	<b>5,319,087</b>	4,667,437

The maximum exposure to credit risk at each balance sheet date is the carrying value of each class of receivables mentioned above.

As at 30 June 2020 and 31 December 2019, the fair value of trade and other receivables approximated their carrying amounts.

### 11 PREPAYMENTS

	30 June 2020 RMB'000	31 December 2019 RMB'000
Prepayments		
— Land use rights	8,202,345	8,062,319
— Intangible assets	1,383,550	—
— Property, plant and equipment	824,396	1,031,293
— Acquisition of non-controlling interest	417,954	153,178
— Others	203,949	114,865
	<b>11,032,194</b>	9,361,655
Less: non-current portion:		
— Land use rights	(694,048)	(564,413)
— Intangible assets	(1,383,550)	—
— Property, plant and equipment	(824,396)	(1,031,293)
— Acquisition of non-controlling interest	(417,954)	(153,178)
— Others	(22,283)	(27,147)
	<b>(3,342,231)</b>	(1,776,031)
Current portion	<b>7,689,963</b>	7,585,624

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 12 PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALES

#### (a) Properties under development

	30 June 2020 RMB'000	31 December 2019 RMB'000
Properties under development expected to be completed within one operating cycle included under current assets	46,168,046	29,317,271
Properties under development comprise:		
– Construction costs and capitalised expenditures	16,286,139	9,020,188
– Interests capitalised	1,093,227	1,399,232
– Land use rights	28,788,680	18,897,851
	46,168,046	29,317,271

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

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

All completed properties held for sales are located in the PRC.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 13 CASH AND BANK BALANCES

#### (a) Restricted cash

As at 30 June 2020 and 31 December 2019, restricted cash of RMB7,204,728,000 (31 December 2019: RMB2,415,109,000) are mainly comprised of guarantee deposits for construction of pre-sale properties and guarantee deposits for bank acceptance notes and loans.

#### (b) Cash and cash equivalents

	30 June 2020 RMB'000	31 December 2019 RMB'000
Cash at bank and on hand		
– Denominated in RMB	7,542,536	6,650,798
– Denominated in USD	2,378,186	2,778,082
– Denominated in other currencies	451,530	428,900
	<b>10,372,252</b>	9,857,780

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 regulation of foreign exchange control promulgated by the PRC government.

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

### 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	30 June 2020 RMB'000	31 December 2019 RMB'000
Balance as at 1 January	1,210,964	–
Acquisition from subsidiaries	–	33,655
Additions	252,366	1,229,440
Disposals	(4,525)	–
Exchange differences	105	1,563
Share of net losses of associates and joint ventures	(32,966)	(53,694)
	<b>1,425,944</b>	1,210,964

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2020 RMB'000	31 December 2019 RMB'000
Unlisted redeemable preferred shares (note 4(b))	4,035,315	3,976,434
Other unlisted shares	732,706	741,844
	<b>4,768,021</b>	4,718,278

### 16 SHARE CAPITAL

	Number of shares	Amount RMB'000
Ordinary shares, issued and fully paid: At 30 June 2020 and 31 December 2019	8,640,000,000	250,936

### 17 TRADE AND OTHER PAYABLES

	30 June 2020 RMB'000	31 December 2019 RMB'000
Trade and other payables:		
Trade and bills payables (a)	21,262,004	13,173,528
Other payables to:		
— third parties	6,169,946	4,960,490
— related companies (note 27(b)(ii))	4,951,506	3,312,231
Staff welfare benefit payable	156,134	200,014
Other taxes payable	887,358	223,997
Interest payable	3,879,740	2,406,681
— third parties	240,003	184,817
— related parties (note 27(b)(ii))	3,639,737	2,221,864
Provisions	33,274	5,146
	<b>16,077,958</b>	11,108,559
Total trade and other payables	<b>37,339,962</b>	24,282,087

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 17 TRADE AND OTHER PAYABLES (Continued)

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

	30 June 2020 RMB'000	31 December 2019 RMB'000
Within 90 days	5,113,083	3,437,825
Over 91 days and within 180 days	3,399,818	1,372,626
Over 180 days and within 365 days	12,749,102	8,363,077
	<b>21,262,004</b>	13,173,528

### 18 DEFERRED INCOME

	30 June 2020 RMB'000	31 December 2019 RMB'000
Balance as at 1 January	1,551,100	—
Acquired from business combination	—	374,433
Increase in government grants	903,703	1,363,162
Credited to fixed assets	—	(101,800)
Amount recognised in profit or loss	(15,713)	(84,695)
	<b>2,439,090</b>	1,551,100

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 19 BORROWINGS

	30 June 2020 RMB'000	31 December 2019 RMB'000
Borrowings included in non-current liabilities:		
Bank borrowings	8,743,100	6,489,950
Shareholder borrowings (note 27(b)(ii))	34,104,542	32,179,297
Other borrowings (a)	18,979,984	13,535,691
	<b>61,827,626</b>	52,204,938
Less: current portion of non-current borrowings	<b>(6,863,842)</b>	(4,990,600)
	<b>54,963,784</b>	47,214,338
Borrowings included in current liabilities:		
Bank borrowings	1,600,000	1,600,000
Other borrowings (a)	11,107,477	8,581,930
Current portion of non-current borrowings	6,863,842	4,990,600
	<b>19,571,319</b>	15,172,530
Total borrowings	<b>74,535,103</b>	62,386,868

#### (a) Other borrowings

Other borrowings mainly represent certain group companies in the PRC which are engaged in development of health and living projects and production of new energy vehicles have entered into fund arrangements with financial institutions (the "Trustees"), pursuant to which Trustees raised trust funds and injected the funds to the group companies.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 20 EXPENSE BY NATURE

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Cost of health and living projects	3,059,741	1,658,092
Employee benefit expenses (including directors' emoluments)	614,594	505,997
Employee benefit expenditure (including directors' emoluments)	1,334,837	589,089
Less: capitalised in properties under development, construction in progress and development costs	(720,243)	(83,092)
Advertising and promotion expenses	512,337	180,942
Amortisation of intangible assets	366,884	137,310
Depreciation of property, plant and equipment	163,486	185,635
Business tax and other levies	129,582	34,144
Changes in inventories of finished goods and work in progress	97,095	214,110
Professional fees	94,719	103,133
Office expenses	74,438	72,953
Amortisation of right-of-use assets	68,918	36,945
Rental expenses	53,842	9,640
Research and development expenses	47,929	282,726
Raw materials and consumables used	44,520	98,174
Traffic expenses	37,030	24,290
Legal expenses	11,989	48,705
Others	22,302	43,124
<b>Total cost of sales, selling and marketing costs and administrative costs</b>	<b>5,399,406</b>	<b>3,635,920</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 21 FINANCE COSTS – NET

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Finance income		
– Interest income	64,061	56,113
Finance costs		
– Interest expense on borrowings	(3,220,978)	(1,317,780)
– Interest expense on lease liabilities	(20,026)	(12,414)
– Other finance costs	–	(65,668)
– Less: interest capitalised	1,877,753	674,436
Finance costs	(1,363,251)	(721,426)
Finance costs – net	(1,299,190)	(665,313)

### 22 INCOME TAX EXPENSES

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

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Current income tax:		
– PRC corporate income tax	276,121	91,504
– PRC land appreciation tax	133,717	46,090
	409,838	137,594
Deferred income tax:		
– PRC corporate income tax	(199,436)	(57,046)
	210,402	80,548

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 22 INCOME TAX EXPENSES (Continued)

#### 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 2020 (2019: 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 2020 (2019: 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 2020 (2019: 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.

### 23 DIVIDENDS

The directors do not recommend the payment of an interim dividend for the period (six months ended 30 June 2019: nil).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 24 LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2020	2019
Weighted average number of ordinary shares for the purpose of basic loss per share (thousands)	8,640,000	8,640,000
Basic and diluted loss per share (RMB cents per share) (a)	(26.319)	(17.678)

(a) As there was no dilutive potential ordinary shares for the six months ended 30 June 2020 and 30 June 2019, diluted loss per share equals basic loss per share.

### 25 COMMITMENTS

#### (a) Capital commitments

Capital expenditure contracted for at the end but not yet incurred is as follows:

	30 June 2020 RMB'000	31 December 2019 RMB'000
Acquisition of land use rights and property, plant and equipment	6,620,295	8,581,884

#### (b) 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:

	30 June 2020 RMB'000	31 December 2019 RMB'000
Minimum lease payments receivable on leases of investment properties are as follows:		
Within one year	9,973	9,508
In the first to second year	10,355	9,933
In the second to third year	9,106	8,720
In the third to fourth year	8,689	7,896
	38,123	36,057

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 26 FINANCIAL GUARANTEE

	30 June 2020 RMB'000	31 December 2019 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's property units	6,364,209	1,832,517

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.

### 27 RELATED PARTY TRANSACTIONS

#### (a) Name and relationship with related parties

The Group is controlled by China Evergrande Group, which owns 74.99% of the Company's shares. The ultimate parent of the Group is Xin Xin (BVI) Limited, incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Dr. Hui Ka Yan.

Name	Relationship
China Evergrande Group	Intermediate controlling company
Evergrande Group Co., Ltd.	Fellow subsidiary
Shenzhen Hengda Material Equipment Co., Ltd.	Fellow subsidiary
Evergrande Tourism Group Co., Ltd.	Fellow subsidiary
Danzhou Xinheng Tourism Development Co., Ltd.	Fellow subsidiary
Hubei Herui Tourism Development Co., Ltd.	Fellow subsidiary
Urumqi Hengzheng Tourism Development Co., Ltd.	Fellow subsidiary
Urumqi Hengrong Tourism Development Co., Ltd.	Fellow subsidiary
Shenzhen Hengdabao Sales Co., Ltd.	Fellow subsidiary
Foshan Nanhai Xinzhongjian Real Estate Development Co., Ltd.	Fellow subsidiary
Hengdabao Group Co., Ltd.	Fellow subsidiary
Hainan Hengqian Material Equipment Co., Ltd.	Fellow subsidiary
Guangzhou Hengqian Material Equipment Co., Ltd.	Fellow subsidiary
Guangzhou Hengda Material Equipment Co., Ltd.	Fellow subsidiary
Pengshan Hengda Hotel Co., Ltd.	Fellow subsidiary
Qidong Hengda Hotel Co., Ltd.	Fellow subsidiary

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 27 RELATED PARTY TRANSACTIONS (Continued)

#### (a) Name and relationship with related parties (Continued)

Name	Relationship
Xi'an Tianhong Tourism Development Co., Ltd	Fellow subsidiary
Kaifeng Hengda Fairy Land Tourism Development Co., Ltd.	Fellow subsidiary
Hengda Landscaping Group Co., Ltd.	Fellow subsidiary
Tianjin Hengda Hotel Co., Ltd.	Fellow subsidiary
Evergrande Real Estate Group (Shenzhen) Co., Ltd	Fellow subsidiary
Nanjing Linjiang Yujing Real Estate Development Co., Ltd	Fellow subsidiary
Qidong Xinhua Real Estate Co., Ltd.	Fellow subsidiary
Qidong Hengda Hot Spring City Development Co., Ltd.	Fellow subsidiary
Changsha Hengda Fairyland Tourism Development Co., Ltd.	Fellow subsidiary
Jinbi Property Management Co., Ltd.	Fellow subsidiary
Guangzhou Pinyan Catering Enterprise Management Co., Ltd.	Fellow subsidiary
Guangzhou hengda hotel Co. Ltd	Fellow subsidiary
Chengdu jintang hengda hotel Co. Ltd	Fellow subsidiary
Evergrande Internet Financial Services (Shenzhen) Co., Ltd.	Fellow subsidiary
Hengda Shijicheng (Qingyuan) Co., Ltd.	Fellow subsidiary
Chongqing Hengda Hotel Co., Ltd.	Fellow subsidiary
Linzhi Hengda Hotel Co., Ltd.	Fellow subsidiary
Jinbi Property Management Co., Ltd.	Fellow subsidiary
Rise Gain Development Limited	Fellow subsidiary
Handan Jinan New District Hengpeng Real Estate Development Co., Ltd.	Joint venture
Jinhua Henghe Real Estate Co., Ltd.	Joint venture
Hengning Health industry Nanjing Co., Ltd	Joint venture
Meneko AB	Joint venture
State Grid Evergrande Smart Energy Services Co., Ltd.	Joint venture of the Group's holding company
Hunan Qianshuiwan Xiangya Hot Spring Garden Co., Ltd	Joint venture of the Group's holding company
Guangzhou Evergrande Taobao Football Club Co., Ltd.	Joint venture of the Group's holding company
Evergrande Life Insurance Co., Ltd	Joint venture of the Group's holding company
Yunnan Jialize Horse Industry Co., Ltd.	Associate
Yunnan Chaoxiang Jialize Sports Culture Development Co., Ltd.	Associate
Wuxi Weifu Electric Drive Technology Co., Ltd	Associate

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 27 RELATED PARTY TRANSACTIONS (Continued)

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

(i) Transactions with companies related to China Evergrande Group:

During six months ended 30 June 2020 and 2019, 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	
	2020	2019
	RMB'000	RMB'000
Borrowings guaranteed by intermediate controlling company	30,606,605	8,500,300
Interest charged by intermediate controlling company	1,346,730	696,243
Interest charged by joint venture of the Group's holding company	139,594	66,177
Integrated insurance procurement	126,852	54,035
Interest charged by associate of the Group's holding company	11,308	—
Others	1,712	15,810

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 27 RELATED PARTY TRANSACTIONS (Continued)

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

(ii) Balances with companies related to China Evergrande Group:

As at 30 June 2020 and 31 December 2019, the Group had the following significant non-trade balances with related parties:

	30 June 2020 RMB'000	31 December 2019 RMB'000
Due from related parties (note 10)		
joint venture	79,184	131,114
associate	4,816	14,761
fellow subsidiaries	3,731	1,103,404
joint venture of the Group's holding company	845	17,219
parent company	—	5
	<b>88,576</b>	1,266,503
Cash deposits in associate of the Group's holding company	<b>954,770</b>	154,802
Due to related parties (note 17)		
fellow subsidiaries	3,873,298	1,907,059
joint venture	812,562	1,161,716
intermediate controlling company	246,999	243,406
associate	18,641	47
joint venture of the Group's holding company	6	3
	<b>4,951,506</b>	3,312,231
Loans from intermediate controlling company (note 19)	<b>34,104,542</b>	32,179,297
Loans from joint venture of the Group's holding company	<b>1,970,000</b>	1,810,000
Loans from associate of the Group's holding company	<b>245,075</b>	300,000
Interest payable to related parties (note 17)		
intermediate controlling company	3,599,309	2,216,275
joint venture of the Group's holding company	40,428	—
fellow subsidiaries	—	5,589
	<b>3,639,737</b>	2,221,864

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 27 RELATED PARTY TRANSACTIONS (Continued)

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

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

The receivables arise mainly from cash advance to fellow subsidiaries and joint ventures for daily operation purpose. The receivables are unsecured interest free and repayable on demand. No provisions are held against receivables from related parties (31 December 2019: RMB:nil).

The payables arise mainly from cash advance from fellow subsidiaries. The payables bear no interest (31 December 2019: RMB: nil)

#### (c) 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	
	2020 RMB'000	2019 RMB'000
Short-term benefits	11,684	8,993
Post-employment benefits	54	72
	<b>11,738</b>	<b>9,065</b>

### 28 NON-CONTROLLING INTERESTS

The movements of non — controlling interests were as follows:

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Balance as at 1 January	6,204,869	—
Loss for the period	(182,963)	(456,771)
Exchange difference	(87,415)	(61,096)
Capital injection (note (i))	1,009,227	5,499,577
Acquisition of subsidiaries — acquisition of business	—	3,322,936
Changes in ownership interests in subsidiaries without change of control (note (ii))	(5,174,241)	(2,011,948)
	<b>1,769,477</b>	<b>6,292,698</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 28 NON-CONTROLLING INTERESTS (Continued)

#### (i) Capital injection

During the six months ended 30 June 2020, the Group has received capital injections from non-controlling interests totaling RMB1,009,227,000.

#### (ii) Changes in ownership interests in subsidiaries without change of control

During the six months ended 30 June 2020, the Group announced to acquire further 17.6% equity interests of National Energy Vehicle Sweden AB (“NEVS”) amounting to RMB2,166,025,000 from non-controlling shareholders, the difference between consideration and the carrying amount of equity interest acquired amounting to RMB2,605,298,000 was recognised as an increase in reserve. Upon completion of the acquisition, NEVS became a wholly-owned subsidiary of the Group.

The Group further acquired 20% equity interests of Evergrande National Energy Vehicle (Shanghai) Co., Limited (“ENEV”) amounting to RMB442,820,000 from non-controlling shareholders, the difference between consideration and the carrying amount of equity interest acquired amounting to RMB39,902,000 was recognised as a decrease in reserve. Upon completion of the acquisition, ENEV became a wholly-owned subsidiary of the Group.