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Ev Dynamics (Holdings) Limited
科軒動力（控股）有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 476)

INSIDE INFORMATION ANNOUNCEMENT

This announcement is made by Ev Dynamics (Holdings) Limited (the **"Company"**, together with its subsidiaries, the **"Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**"Listing Rules"**) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)(the **"SFO"**).

THE CQ ARBITRATION

Reference is made to the interim report of the Company for the six months ended 30 September 2024 in relation to the arbitration filed by an independent third party to the Chongqing Arbitration Commission against the Group (the **"CQ Arbitration"**).

Background

On 2 June 2023, China Dynamics New Energy Technology Company Limited (the **"Vendor"**), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the **"Disposal Agreement"**) for the disposal of the entire equity interest Chongqing Sinocop New Energy Vehicle Technology Company Limited* (重慶中銅新能源汽車技術有限公司)(the **"Target Company"**, together with its subsidiaries, the **"Target Group"**) to a purchaser (the **"Purchaser"**) at a consideration of RMB34 million (the **"Disposal"**).

The intended assets to be disposed are certain intangible assets including the modified bus enterprise status which is embedded with the entity of Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd. (**"Suitong"**), one of the subsidiaries of the Target Company, where all other major assets and liabilities of the Target Group will be retained in the Group prior to the completion of the Disposal through restructuring.

As one of the conditions precedent of the Disposal Agreement, the Group shall complete certain restructuring of assets and liabilities of Suitong, details of which are set out in the announcement of the Company dated 4 June 2023. Accordingly, since the entering of the Disposal Agreement, the Group has completed certain restructuring steps in accordance with the Disposal Agreement.

The Purchaser had settled an aggregate amount of approximately RMB24.9 million to the Vendor and an aggregate amount of approximately RMB9.1 million to Suitong (one of the subsidiaries of the Target Company). The Purchaser considered it had settled the consideration of the Disposal Agreement after the above payments in the aggregate amount of RMB34 million to the Target Group, however the Group considered a payment in the amount of approximately RMB4.1 million shall be paid to the Vendor or other subsidiaries of the Company (being not part of the Target Group) instead.

Despite the Group urged the Purchaser to fulfill the Disposal Agreement in accordance to its terms and conditions, the relationship between the Group and the Purchaser deteriorated and the Disposal remained incomplete because of a series of disagreements on the execution process between the Group and the Purchaser.

On 21 August 2024, the Purchaser filed the CQ Arbitration to the Chongqing Arbitration Commission against the Group claiming the return of the consideration of RMB34 million plus penalty of RMB6.8 million and compensation of approximately RMB40 million.

On 3 September 2024, the Group received an enforcement notice from the Third Intermediate People's Court of Chongqing that the equity interests in Suitong, Shenzhen New Energy Technology Company Limited (深圳市中動智慧新能源技術有限公司) and Dongguan Sinocop Electric Vehicles Company Limited (東莞中銅電動汽車有限公司) held by the Group were frozen for three years.

Judgement

On 27 May 2025, the Group received a judgement of the CQ Arbitration dated 16 May 2025 from Chongqing Arbitration Commission (the **"Judgement"**), pursuant to which it was ruled by the Chongqing Arbitration Commission that

(1) the Disposal Agreement shall be terminated effectively on 12 September 2024;

(2) the Group shall, within 15 days of the receipt of the judgement, (i) return the consideration of RMB34 million of the Suitong Disposal to the Purchaser; (ii) pay an amount of approximately RMB5.5 million to the Purchaser as liquidated damages for the breach of the terms under the Disposal Agreement; and (iii) pay an amount of RMB46,000 to the Purchaser as relevant fee for the asset preservation application fee;

(3) the Purchaser shall, within 15 days of the receipt of the judgement, pay an amount of RMB760,000 to the Group as liquidated damages for the breach of the terms under the Disposal Agreement; and

(4) the Group shall bear the litigation cost of approximately RMB239,000 while the Purchaser shall bear the litigation cost of approximately RMB201,000.

The Company is seeking legal advice in respect of the Judgement. The Company will make further announcement(s) to update the shareholders of the Company and the potential investors as and when appropriate.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

For and on behalf of the Board
Ev Dynamics (Holdings) Limited
Cheung Ngan
Chairman

Hong Kong, 30 May 2025

As at the date of this announcement, the Board comprise three executive Directors, namely Mr. Cheung Ngan, Ms. Chan Hoi Ying and Mr. Sun Jingchun, and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Lee Kwok Leung and Dato' Tan Yee Boon.

** For identification purpose only*