中國恒大集團
CHINA EVERGRANDE GROUP

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF KEY INFORMATION

1. As at 31 December 2021, the Group's total liabilities amounted to RMB2,580.15 billion, net of contract liabilities of RMB974.35 billion, amounted to RMB1,605.8 billion, of which: borrowings amounted to RMB607.38 billion, trade and other payables amounted to RMB893.34 billion (included construction material payables of RMB585.01 billion) and other liabilities amounted to RMB105.09 billion.

2. The Group's revenue for the year ended 31 December 2021 (the Year) amounted to RMB250.01 billion and gross loss was RMB18.45 billion.

   Operating losses for the Year was RMB113.75 billion. Write-down of properties under development and completed properties held for sale and fair value loss on investment properties amounted to RMB404.95 billion. Losses related to return of lands, impairment losses on financial assets and other non-operating losses amounted to RMB180.20 billion. Income tax credit was RMB12.68 billion. The net loss was RMB686.22 billion in aggregate.

3. As at 31 December 2021, the Group owns land reserves of 260 million square meters.

   In addition, the Group was also involved in 93 urban redevelopment projects, including 66 in the Greater Bay Area (39 in Shenzhen), and 27 in other cities.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 December 2021** *RMB million*	31 December 2020 *RMB million*
ASSETS			
Non-current assets			
Property, plant and equipment		**73,893**	75,731
Right-of-use assets		**16,227**	18,561
Investment properties		**69,328**	165,850
Goodwill		**1,161**	7,822
Intangible assets		**8,102**	10,696
Trade and other receivables	*4*	**2,825**	7,249
Prepayments		**1,668**	2,461
Investments accounted for using equity method		**33,261**	92,270
Financial assets at fair value through other comprehensive income		**1,573**	1,412
Financial assets at fair value through profit or loss		**5,089**	8,230
Deferred income tax assets		**148**	5,943
		213,275	396,225
Current assets			
Inventories		**203**	358
Properties under development		**1,263,410**	1,257,908
Completed properties held for sale		**190,303**	148,473
Trade and other receivables	*4*	**204,809**	141,706
Contract acquisition costs		**4,577**	5,190
Prepayments		**153,330**	151,026
Income tax recoverable		**30,015**	16,334
Financial assets at fair value through profit or loss		**18,398**	3,195
Restricted cash		**23,341**	21,992
Cash and cash equivalents		**5,435**	158,752
		1,893,821	1,904,934
Total assets		**2,107,096**	2,301,159

	Note	31 December 2021 RMB million	31 December 2020 RMB million
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital and premium		**4,226**	4,635
Reserves		**(395,560)**	142,266
		(391,334)	146,901
Non-controlling interests		**(81,720)**	203,530
(Deficiency in equity)/total equity		**(473,054)**	350,431
LIABILITIES			
Non-current liabilities			
Borrowings		**4,724**	381,055
Contingent consideration payables		**58**	—
Deferred income tax liabilities		**43,800**	53,142
Other payables		**10,432**	9,278
		59,014	443,475
Current liabilities			
Borrowings		**602,653**	335,477
Trade and other payables	5	**893,341**	829,174
Contract liabilities		**974,347**	185,746
Current income tax liabilities		**50,795**	156,856
		2,521,136	1,507,253
Total liabilities		**2,580,150**	1,950,728
Net current (liabilities)/assets		**(627,315)**	397,681
Total equity and liabilities		**2,107,096**	2,301,159

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2021	2020
	Notes	***RMB million***	*RMB million*
			(Restated)
Revenue	*6*	**250,013**	507,248
Cost of sales		**(268,461)**	(383,744)
Gross (loss)/profit		**(18,448)**	123,504
Write-down of properties under development and completed properties held for sale		**(373,681)**	(899)
Fair value (losses)/gains on investment properties, net		**(31,267)**	1,278
Impairment losses on financial assets		**(50,376)**	(288)
Other losses, net		**(45,985)**	(5,051)
Other income		**2,286**	10,253
Selling and marketing costs		**(31,945)**	(31,962)
Administrative expenses		**(16,527)**	(21,064)
Impairment losses on investments accounted for using equity method		**(8,097)**	—
Other operating expenses		**(7,489)**	(6,059)
Operating (loss)/profit		**(581,529)**	69,712
Share of losses of investments accounted for using equity method		**(19,722)**	(1,379)
Fair value losses on financial assets at fair value through profit or loss		**(1,936)**	(31)
Fair value losses on contingent consideration payables		**(2,555)**	—
Fair value gains on derivative financial liabilities		**—**	2,183
Fair value losses on financial guarantee contracts		**(51,530)**	—
Finance costs, net		**(41,623)**	(2,240)
(Losses)/profit before income tax		**(698,895)**	68,245
Income tax credit/(expenses)	*7*	**12,676**	(36,845)
(Losses)/profit for the year		**(686,219)**	31,400

	Notes	Year ended 31 December **2021** ***RMB million***	 2020 *RMB million* (Restated)
Other comprehensive income/(expenses)			
(Item that may be reclassified to profit or loss)			
Share of other comprehensive income of investments accounted for using the equity method		**31**	7
Currency translation differences		**536**	(241)
(Item that may not be reclassified to profit or loss)			
Fair value losses on financial assets at fair value through other comprehensive income, net of tax		**(982)**	(131)
Other comprehensive expenses for the year, net of tax		**(415)**	(365)
Total comprehensive (expenses)/income for the year		**(686,634)**	31,035
(Loss)/profit attributable to:			
Shareholders of the Company		**(476,035)**	8,076
Non-controlling interests		**(210,184)**	23,324
		(686,219)	31,400
Total comprehensive (expenses)/income attributable to:			
Shareholders of the Company		**(476,095)**	7,863
Non-controlling interests		**(210,539)**	23,172
		(686,634)	31,035
(Loss)/earnings per share for (loss)/profit attributable to shareholders of the Company for the year (expressed in RMB per share)			
— Basic (loss)/earnings per share	*8*	**(36.006)**	0.613
— Diluted (loss)/earnings per share	*8*	**(36.006)**	0.610

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

China Evergrande Group (the "Company") was incorporated in the Cayman Islands on 26 June 2006 as an exempted company with limited liability under the Companies Law, Cap. 22 (2009 Revision as consolidated and revised from time to time) of the Cayman Islands and is engaged in investment holding. The Company and its subsidiaries (the "Group") are engaged in the property development, property investment, property management, new energy vehicle business, cultural tourism business and health industry business principally in the People's Republic of China (the "PRC"). The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company had its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 November 2009.

These consolidated financial statements are presented in Renminbi Yuan ("RMB") millions, unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the "Board") of the Company on 17 July 2023.

2 CHANGE IN ACCOUNTING TREATMENT FOR TIMING OF REVENUE RECOGNITION

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

Cumulative Impact

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

According to the new accounting treatment, as at 1 January 2021, included in contract liabilities, balance exclusive of value-added tax amounting to RMB664,344 million had not been recognised as revenue, and will be recognised as revenue in the reporting periods when the corresponding conditions are met. The management of the Group believes that this change in accounting treatment can better reflect the operating performance and financial condition of the Group.

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

Consolidated statement of financial position	*RMB million*
Assets	
— Trade and other receivables	(9,017)
— Prepayments	11,015
— Properties under development and completed properties held for sales	344,812
	346,810
Liabilities	
— Current income tax liabilities	(101,500)
— Trade and other payables	(175,202)
— Contract liabilities	721,967
— Deferred income tax liabilities	4,029
	449,294
Net liabilities	(102,484)
Equity	
— Non-controlling interests	(32,532)
— Accumulated losses	(69,952)
	(102,484)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, investment properties and contingent consideration payables, which are carried at fair value.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(i) ***Going concern assessment***

The Group incurred a net loss of approximately RMB686,219 million for the year ended 31 December 2021 and, as at 31 December 2021, the Group had net liabilities and net current liabilities of approximately RMB473,054 million and RMB627,315 million respectively. As at 31 December 2021, the Group's current and non-current borrowings amounted to approximately RMB602,653 million and RMB4,724 million respectively, while the Group had total cash (including cash and cash equivalents and restricted cash) amounting to approximately RMB28,776 million. In addition, the Group was involved in various litigation and arbitration cases for various reasons.

The above conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

In light of the above, the Board has carefully considered the Group's expected cash flow projections not less than 12 months from the date of reporting period and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with debt solutions to alleviate the liquidity pressure. The Group has continued to implement the following plans and measures:

— The Group has been actively negotiating with other onshore lenders on the extension of borrowings. Due to the diverse lender base and changing market environment, it takes time to finalise the extension plans with individual lenders case-by-case. Having considered the successful extension of loans during the year 2022, the Group's credit history and longstanding relationships with the relevant lenders, the Directors believe that the Group will be able to complete the signing of the relevant extension agreements for the remaining borrowings progressively;

— The Group has been actively seeking new financing or additional capital inflows through various channels, including but not limited to new financing from asset management companies or financial institutions, special borrowings and supporting borrowings for guaranteed home delivery, business cooperation with business partners, and assets disposals. Up to the date of approval of these financial statements, the Group has achieved certain business cooperation, and has obtained new financing or additional capital for certain projects through the above channels. The Group will also continue to seek new financing or additional capital;

— The Group has been actively communicating with creditors to resolve the pending lawsuits. Up to the date of approval of these financial statements, the Group has completed the settlement arrangements with certain creditors. The Group is positive that it can continue to reach an amicable solution to the litigations which have not yet reached a definite outcome at the current stage;

— In response to the local Government's call to ensure delivery, the Group will continue to focus on the completion and delivery of property projects to ensure the stability and sustainable operation of the Group's business.

At the same time, the Group will continue to follow up on the proposed restructuring of offshore debts ("Proposed Offshore Debts Restructuring") that has not yet been completed. As of the date of approval of these consolidated financial statements, the progress is as follows:

— The Company has been working closely with its legal and financial advisors to formulate a viable restructuring plan aimed at addressing current liquidity constraints, enhancing the credit profile of the Group and protecting the interests of all stakeholders. Over the past few months, the Company and an ad-hoc group of offshore creditors of the Company (the "AHG"), together with their respective advisors, have been engaged in constructive dialogue towards a consensual restructuring of the Company's offshore indebtedness;

— On 3 April 2023, the Company and the AHG entered into the restructuring support agreement (the "RSA") in relation to the terms of the Restructuring. The contemplated Restructuring is intended to (i) provide the Company with a long-term, sustainable capital structure; (ii) allow adequate financial flexibility and sufficient runway to stabilize the business; and (iii) protect the rights and interests, and maximize value, for all stakeholders. The Restructuring is expected to be implemented through one or more schemes of arrangement. The respective restructuring effective date is anticipated to be 1 October 2023 and the longstop date is 15 December 2023 (as may be extended in accordance with the terms of respective term sheets).

— The restructuring plan includes (i) China Evergrande Group ("CEG") schemes ("CEG Schemes"); (ii) Scenery Journey Limited ("SJ") scheme ("SJ Scheme") and (iii) Tianji Holding Limited ("TJ") scheme ("TJ Scheme"):

CEG Schemes

The Company plans to implement a restructuring through, *inter alia*, schemes of arrangement in the Cayman Islands, Hong Kong and/or other applicable jurisdictions ("CEG Schemes"). There would be two classes of debts under the CEG Schemes, namely:

i. **Class A:** Class A debts consist of ten series of US dollar denominated senior secured notes, one series of HK dollar denominated convertible bonds and one private loan; and

ii. **Class C:** Class C debts consist of debts including private loans, repurchase obligations and guarantees provided by the Company in relation to certain offshore and onshore debts.

Both Class A creditors and Class C creditors can elect from two options of scheme consideration under CEG Schemes, namely "Option 1" and "Option 2".

Under Option 1, creditors would receive new notes to be issued by the Company with a tenor of 10–12 years ("A1/C1 Notes").

Under Option 2, creditors can elect to convert their entitlements into the following (subject to adjustments and re-allocations):

i. new notes to be issued by the Company with a tenor of 5-9 years ("A2/C2 Notes");

ii. a package of rights and instruments consisting of mandatory exchangeable bonds to be issued by the Company exchangeable into shares in Evergrande Property Services Group Limited, mandatory exchangeable bonds to be issued by the Company exchangeable into shares of China Evergrande New Energy Vehicle Group Limited, mandatory convertible bonds to be issued by the Company and security linked notes to be issued by the Company (collectively, "A2/C2 Package"); or

iii. a combination of the A2/C2 Notes and A2/C2 Package.

Class A creditors' entitlement to distribution will be on a full accrued claim basis, while Class C creditors' entitlement to distribution will be on a deficiency claim basis which means, in respect of a debt instrument, (x) the full accrued claims minus (y) the assessed value (determined pursuant to adjudication principles and procedures to be set out in the relevant scheme documents) of any related rights (whether principal, guarantee or collateral support) which are against any party who is not CEG. A similar approach will be taken to determine any net claim in respect of a put option.

SJ Scheme

SJ plans to implement a restructuring through, *inter alia*, a scheme of arrangement in the British Virgin Islands ("BVI"). Creditors under the SJ Scheme are referred to as "SJ creditors" and consist of holders of 4 series of US dollar denominated senior notes issued by SJ ("Existing SJ Notes").

SJ creditors' entitlement to distribution of scheme consideration will be on the deficiency claim basis (i.e. the full accrued claims minus the assessed value of any related rights (whether principal, guarantee or collateral support) which are (i) against any party who is not SJ or SJ subsidiary guarantors or keepwell provider but is an obligor or provides credit support; and (ii) in connection with the Existing SJ Notes.

Under the proposed SJ Scheme, each SJ creditor will be allocated a pro rata portion of the new notes to be issued by SJ in an aggregate principal amount equal to US$6,500 million ("SJ New Notes") based on such SJ creditor's entitlement.

TJ Scheme

TJ plans to implement a debt restructuring through, *inter alia*, a scheme of arrangement in Hong Kong.

Creditors under the TJ Scheme are referred to as "TJ creditors". Debts included in the TJ Scheme (the "TJ Existing Debt Instruments") consist of TJ's guarantee obligations under the SJ existing notes and certain other financial indebtedness as set out in the TJ Term Sheet.

TJ creditors' entitlement to distribution scheme consideration will be on the deficiency claim basis (i.e. the full accrued claims minus the assessed value of any related rights (whether principal, guarantee or collateral support) which are (i) against any party who is not TJ but is an obligor or provides credit support; and (ii) in connection with the TJ Existing Debt Instruments).

Under the proposed TJ Scheme, each TJ creditor will be allocated a pro rata portion of the new notes to be issued by TJ in an aggregate principal amount equal to US$800 million ("TJ New Notes") based on such TJ creditor's entitlement.

On 3 April 2023, the Company and members of the AHG (representing over 20% and 35% of the aggregate outstanding principal amount of the Existing CEG Notes and the Existing SJ Notes respectively), among others, entered into three restructuring support agreements, namely the Class A restructuring support agreements ("Class A RSA"), SJ restructuring support agreements ("SJ RSA") and TJ restructuring support agreements ("TJ RSA"), under which the parties agreed to co-operate in order to facilitate the implementation of the Proposed Offshore Debts Restructuring.

Under the Class A RSA, the SJ RSA and the TJ RSA, each participating creditor undertakes that it shall use its beneficial interest in its debts to approve and support the Proposed Offshore Debts Restructuring on the terms and conditions of the respective restructuring support agreements.

On 3 April 2023, the Company has also launched a restructuring support agreement in relation to Class C (the "Class C RSA", together with the Class A RSA, the SJ RSA and the TJ RSA, the "RSAs"). The Class C RSA also provides that each participating creditor confirms that it shall use its beneficial interest in its debts to approve and support the Proposed Offshore Debts Restructuring on the terms and conditions of the Class C RSA.

Together with the financial adviser, the Group has always maintained active communication with offshore creditors, and strived to obtain support from a sufficient number of relevant creditors to join and sign the restructuring support agreement as soon as possible, so as to complete the relevant legal procedures for implementing the Proposed Offshore Debts Restructuring as soon as possible.

The Board has reviewed the cash flow projections of the Group prepared by the management covering a period of not less than 12 months from 31 December 2022. In their opinion, in view of the above plans and measures, the Group will be able to adequately fund its operations and meet its financial obligations as and when they fall due within the next 12 months from 31 December 2022. Accordingly, the Board considers that the preparation of the consolidated financial statements as at 31 December 2022 on a going concern basis is appropriate.

The management has formulated a number of plans and taken a number of measures, but the Group's ability to continue as a going concern still depends on (i) whether it can successfully complete the Proposed Offshore Debts Restructuring and (ii) whether it can successfully negotiate with the remaining lenders on the extension or deferral of the repayment of the Group's borrowings.

If the Group is unable to complete the Proposed Offshore Debt Restructuring and unable to continue as a going concern, adjustments must be made to reduce the carrying amount of the Group's assets to recoverable amounts, to provide for any future liabilities that may arise, and to reclassify non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

(ii) ***New amendments to standards adopted by the Group as at 1 January 2021***

The following amendments to standards are mandatory for the Group's financial year beginning on 1 January 2021 for the Group:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendment to HKFRS 16	Covid-19-Related Rent Concessions

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(iii) ***New standards and amendments to standards that have been issued but are not effective***

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and related Amendments[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture[4]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous contracts: Cost of fulfilling a contract[2]
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to HKFRSs	Annual Improvements to HKFRS 2018–2020 cycle[2]

1 Effective for annual periods beginning on or after 1 April 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 Effective for annual periods beginning on or after a date to be determined

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

4 TRADE AND OTHER RECEIVABLES

The following is an ageing analysis of trade receivables presented based on revenue recognition date at the end of reporting period:

	31 December	
	2021	2020
	RMB million	*RMB million*
Within 90 days	**1,932**	40,655
Over 90 days and within 180 days	**4,675**	1,991
Over 180 days and within 365 days	**7,144**	3,600
Over 365 days	**5,647**	360
	19,398	46,606

5 TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables presented based on invoice date at the end of reporting period:

	31 December	
	2021	2020
	RMB million	*RMB million*
Within one year	**177,610**	560,517
Over one year	**436,598**	61,198
	614,208	621,715

6 REVENUE

Revenue for the year ended 31 December 2021 consists of sales of properties, rental income of investment properties, income from property management services and income from other businesses, which are set out below:

	Year ended 31 December	
	2021	2020
	RMB million	*RMB million*
Sales of properties	**226,149**	494,550
Rental income	**782**	1,275
Property management services	**13,193**	6,555
Other businesses	**9,889**	4,868
	250,013	507,248

7 INCOME TAX (CREDIT)/EXPENSES

	Year ended 31 December	
	2021	2020
	RMB million	*RMB million*
Current income tax		
— Hong Kong profits tax	**66**	40
— PRC corporate income tax	**6,995**	27,924
— PRC land appreciation tax	**(11,035)**	16,738
	(3,974)	44,702
Deferred income tax		
— PRC corporate income tax	**(3,547)**	(5,134)
— PRC land appreciation tax	**(5,155)**	(2,723)
	(12,676)	36,845

8 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share are calculated by dividing the (loss)/profits attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2021	2020
(Loss)/profit attributable to shareholders of the Company *(RMB million)*	**(476,035)**	8,076
Weighted average number of ordinary shares in issue *(millions)*	**13,221**	13,178
Basic (loss)/earnings per share *(RMB)*	**(36.006)**	0.613

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares consist of share options. For the share options of the Company, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The share options of Evergrande Auto were excluded from the computation of diluted (loss)/earnings per share as they are anti-dilutive for the year ended 31 December 2020.

	Year ended 31 December 2020
Profit attributable to equity holders of the Company (RMB million)	8,076
Weighted average number of ordinary shares in issue (millions)	13,178
Adjustments for share options (millions)	69
Weighted average number of ordinary shares for diluted earnings per share (millions)	13,247
Diluted earnings per share (RMB)	0.610

Diluted loss per share is the same as basic loss per share for the year ended 31 December 2021, as the share options had anti-dilutive effect on ordinary shares for the year.

9 DIVIDENDS

No dividend has been declared by the Company for the year ended 31 December 2021.

A final dividend in respect of the year ended 31 December 2020 of RMB0.152 per share amounting to approximately RMB2,012 million, of which approximately RMB467 million was paid in July 2021. The remaining balance of RMB1,545 million was payable to related parties and unpaid as at 31 December 2021.

10 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm with current year's presentation.

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT

The following is an extract from the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2021, issued by Prism Hong Kong and Shanghai Limited ("Prism"), the Company's external auditor:

Independent Auditor's Report

To the shareholders of China Evergrande Group
(Incorporated in Cayman Island with limited liability)

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of China Evergrande Group (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

1. *Material uncertainties relating to going concern*

   As described in note 3 to the consolidated financial statements, the Group incurred a net loss of approximately RMB686,219 million for the year ended 31 December 2021 and, as at 31 December 2021, the Group had net liabilities and net current liabilities of approximately RMB473,054 million and RMB627,315 million respectively. As at 31 December 2021, the Group's current and non-current borrowings amounted to approximately RMB602,653 million and RMB4,724 million respectively, while the Group had total cash (including cash and cash equivalents and restricted cash) amounting to approximately RMB28,776 million. In addition, the Group was involved in various litigation and arbitration cases for various reasons. These conditions, along with other matters as described in note 3 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have taken measures to improve the Group's liquidity and financial position as described in note 3 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to material uncertainties. We are unable to determine whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate.

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

2. *Insufficient appropriate audit evidence in respect of opening balances and comparative information*

During the year ended 31 December 2021, the Group experienced liquidity issues which led to departure of certain staff. The staff departure has resulted in the inability of the Company and us to obtain sufficient information for the purpose of auditing opening balances despite the directors' best efforts and all reasonable steps taken by them to resolve the relevant issues. We encountered difficulties in obtaining complete and timely data and records relating to the opening balances of the Group.

We were unable to obtain all necessary written representations from management to corroborate information provided to us during the course of our audit for completeness and accuracy of data relating to opening balances. These scope limitations significantly impaired our ability to obtain sufficient appropriate audit evidence and increased the risk of material misstatements remaining undetected. Furthermore, as described in note 2 to the consolidated financial statements, the Company considered it impracticable to apply the revenue recognition treatment retrospectively as required by HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors due to certain facts and circumstances. However, we were unable to obtain sufficient appropriate audit evidence to corroborate the impracticability asserted by the Company. As such, we are unable to determine whether the changes in accounting treatment have been appropriately applied in accordance with HKAS 8. In this regard, we are unable to satisfy ourselves as to the accuracy of the opening balances of the Group and whether all transactions of the Group for the year ended 31 December 2021 have been properly recorded in the Group's consolidated financial statements. In addition, we are unable to determine whether any adjustments might be necessary in respect of recorded or unrecorded transactions that constitute elements making up the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2021.

Due to the lack of financial information as aforementioned, we are unable to satisfy ourselves that proper books of accounts have been kept so as to give a true and fair view of the state of the Group's affairs and to present the consolidated financial statements in accordance with Hong Kong Financial Reporting Standards, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Owing to the significance and pervasiveness of the matters, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

Consequently, in the absence of sufficient supporting documents and details of explanations relating to opening balances and comparative information, we have not been able to obtain sufficient appropriate audit evidence regarding the account balances as at 31 December 2020 and the results and cash flows of the Group for the year ended that date and the related notes to the consolidated financial statements. Any necessary adjustments found to be required to the consolidated statement of financial position as at 31 December 2020 and 1 January 2021 would have corresponding effects on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2021.

Directors' and Those Charged with Governance's Responsibilities for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Hong Kong Institute of Certified Public Accountants' Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

BUSINESS REVIEW

China's real estate market ushered in dramatic changes in 2021, following the continuous improvement and upgrading of regulatory policies, the situation of property market overheat slowed down, which also set up higher standards for the development of real estate enterprises.

The Company firmly pushed forward its established strategy of reduced leverage in the first half of the Year, reducing its interest-bearing liabilities by approximately RMB300 billion from the end of March 2020 to the end of June 2021. During the process, the Company experienced increasing capital pressure and suffered from a short sale at the end of May, causing market panics, in which a large number of financial institutions ceased to lend and cut off loans.

Starting from July, the Company's cash flow broke and fell into a difficult situation. However, the Company actively assumed the first-person responsibility for corporate self-help and try every means to resume operation and get out of the dilemma: firstly, it strived to promote the resumption of work and production and ensure the delivery of buildings with full efforts, to seek the understanding and support of various regional governments as well as those of upstream and downstream partners; secondly, it disposed more assets in order to optimize capital utilization; thirdly, it streamlined the institutions, optimized the personnel and salary structure to further reduce costs; fourthly, it actively communicated with domestic and overseas creditors, and engaged financial advisers to evaluate the Company's situation and to discover the optimal overall debt solutions for all the stakeholders; fifth, it set up a risk-dissolving committee to help resolve all sorts of difficulties faced by the Company.

As at 31 December 2021, the Group's total liabilities amounted to RMB2,580.15 billion. The size of liabilities after excluding contractual liabilities of RMB974.35 billion therein was RMB1,605.80 billion, representing a decrease of RMB159.18 billion from the size of liabilities after excluding contractual liabilities of RMB1,764.98 billion at the end of 2020.

Land Reserves

As at 31 December 2021, the Group owns land reserves of 260 million square meters.

In addition, the Group was also involved in 93 urban redevelopment projects, including 66 in the Greater Bay Area (39 in Shenzhen), and 27 in other cities.

A huge land reserves with high quality represents a solid foundation for the Group to ensure the delivery of buildings, gradually pay off its debts and resume normal business operation.

Contracted Sales

In 2021, the Group achieved contracted sales of RMB372.9 billion, and gross floor area of contracted sales of 52.02 million square meters. Accumulated cash collection for the Year amounted to RMB387.6 billion.

During the Year, the Group launched 70 new projects in cities including Beijing, Guangzhou, Shenzhen, Tianjin, Chongqing, Chengdu, Wuhan, Kunming, Guizhou, Changsha, Shenyang, Fuzhou, Urumqi, Huizhou, Wenzhou and Linyi. As of 31 December 2021, the total number of the projects for sale accumulated to 1,241 including those being completed to under construction.

Evergrande Auto:

The specific development strategy is planned and operated by Evergrande Auto (00708.HK), a listed company.

Evergrande Property Services:

The specific development strategy is planned and operated by Evergrande Property Services (06666.HK), a listed company.

BUSINESS OUTLOOK

Looking ahead, the Company will continue to actively assume the first-person responsibility for corporate self-help, make best effort to resume work and production and ensure the delivery of buildings, resume sales and operation as soon as possible, and strive to step out of the operation difficulties. The Company will, simultaneously, actively communicate and cooperate closely with domestic and foreign creditors with the utmost sincerity and the most positive attitude, and actively cooperate with the advisors of the creditors to carry out due diligence on the Company, so as to solve the overall debt problem of the Company fairly and in coordination in accordance with the law and regulations, and thereby resolving the risks gradually.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Debt Profile

Total liabilities in financial statement for 2021 amounted to RMB2,580.15 billion, of which liabilities, net of contract liabilities of RMB974.35 billion, amounted to RMB1,605.8 billion, representing a decrease of RMB159.18 billion year-on-year as compared to liabilities, net of contract liabilities, of RMB1,764.98 billion in 2020.

(1) *Borrowings*

As at 31 December 2021, the Group's borrowings amounted to RMB607.38 billion, representing a decrease of RMB109.15 billion as compared to borrowings of RMB716.53 billion in 2020.

A portion of the borrowings were secured by a pledge of properties and equipment, land use rights, investment properties, properties under development, completed properties held for sale and cash at bank of the Group, as well as the equity interests of certain subsidiaries of the Group. As at 31 December 2021, the average interest rate of borrowings was 8.38% per annum (31 December 2020: 9.49%).

(2) *Trade and Other Payables*

As at 31 December 2021, the Group's trade and other payables amounted to RMB893.34 billion, representing an increase of RMB64.17 billion as compared to the same period in 2020. These include construction material payables of RMB585.01 billion and other payables of RMB308.33 billion.

(3) *Other Liabilities*

As at 31 December 2021, the Group's other liabilities amounted to RMB105.09 billion.

II. Operating Loss for the Year

Revenue

The Group's revenue for the Year amounted to RMB250.01 billion. In particular, properties of 770 projects were delivered and the revenue from property development business amounted to RMB226.15 billion.

Gross Loss

The Group's gross loss for the Year was RMB18.45 billion. The gross loss for the Year was mainly due to the carry-over of a large number of promotional inventories, resulting in a decrease in gross profit. The gross margin for the Year was –7.4%.

Selling and Marketing Costs

During the Year, the Group's selling and marketing costs were RMB31.95 billion. In response to the deteriorating market conditions, the Group stepped up promotional efforts in order to promote contracted sales. Therefore, despite the decrease in contracted sales amount, the related expenses did not change significantly as compared to last year.

Administrative Expenses

During the Year, the Group's administrative expenses decreased from RMB21.06 billion in 2020 to RMB16.53 billion, representing a decrease of 21.5%. The decrease was mainly due to the decrease in business volume during the year.

Finance Costs

The Group's finance costs for the Year amounted to RMB41.62 billion.

Other Operating Expenses

The Group's other losses, net for the Year amounted to RMB7.49 billion.

Other Incomes

Other income for the Year amounted to RMB2.29 billion, which was mainly attributable to the interest income, forfeited customer deposits and management and consulting service income.

Operating Losses

In conclusion, operating losses for the Year was RMB113.75 billion.

III. Non-operating Losses for the Year

Impairment of completed properties held for sale and properties under development

Provision for impairment of inventories during the Year amounted to RMB373.68 billion, which was mainly due to the generally unfavorable market conditions. The Group will update its value of inventories on a regular basis and believes that the corresponding value may rebound if market conditions improve.

Fair Value Gain on Investment Properties, net

Fair value loss on the Group's investment properties during the Year amounted to RMB31.27 billion. The Group's investment properties mainly comprised commercial podiums and offices in living communities with a total gross floor area of approximately 4.653 million square meters and approximately 194,000 car parking spaces.

Impairment Losses on Financial Assets

During the Year, impairment of financial assets amounted to RMB50.38 billion, which was mainly due to the Group's provision for other receivables and prepayments to associates, joint ventures and third parties.

Other Losses

Other losses for the Year amounted to RMB129.83 billion, which was due to losses related to return of lands, losses on investments in associates and joint ventures and other losses.

IV. Foreign Exchange Exposure

The Group's business is principally conducted in Renminbi. A significant portion of residential and investment properties are located in Mainland China. There are 25.3% of borrowings denominated in US dollar and HK dollar.

The Group estimates the Renminbi exchange rate to continue its two-way volatility as the Renminbi exchange mechanism becomes more market-oriented. During the Year, the RMB appreciated against the US dollar and HK dollar. During the Year, the Group recorded an exchange gain of RMB1.19 billion. However, there is still uncertainty on the actual exchange losses or gains relating to the above borrowings in foreign currencies, when they were repaid on due dates.

The Group will closely monitor its exchange risk exposure and will adjust its debt portfolio when necessary according to market conditions. The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk.

V. Liquidity and Financial Resources

As at 31 December 2021, the Group had total cash and cash equivalents and restricted cash of RMB28.78 billion. In addition, cash amounting to RMB31.32 billion has been placed under the centralised supervision of government designated accounts and included in other receivables.

VI. Others

Pledge guarantee of Evergrande Property Services

As disclosed in the announcements of the Company and Evergrande Property Services, a subsidiary of the Company, dated 21 March 2022 and 15 February 2023, during the period from 28 December 2020 to 2 August 2021, six subsidiaries of the Company provided pledge on bank deposits of RMB13,400,000,000 through eight banks for the financing of various third party companies (as the guaranteed parties). The relevant funds of RMB13,400,000,000 were subsequently transferred back to the Group through some of the pledged parties and various intermediary companies (net of fees).

During the year ended 31 December 2021, the bank enforced the guarantee obligations due to defaults by the third party borrowers, and accordingly deducted the RMB13.4 billion deposit pledges. While the funds were routed through various intermediaries before being transferred back, the Group has determined that the source of these funds was ultimately from Evergrande Property Services.

Accordingly, the incoming funds have been recognised as an intragroup transaction in the consolidated financial statements and eliminated on consolidation, instead of being reflected as third party transactions. This accounting treatment appropriately reflects the substance of the transactions, as the funds originated from a subsidiary within the Group.

Significant Litigation

As at 31 December 2021, the number of pending litigation cases of the Company with a subject amount of RMB30 million or more totalled 400 cases, with an amount involved of approximately RMB115.554 billion in aggregate.

Contingent Liability

Up to the date of this report, various parties have filed litigation against the Group for the settlement of unpaid borrowings, outstanding construction and daily operations payables, delayed delivery of several projects and other matters. The Directors have assessed the impact of the above litigation matters on the consolidated financial statements for the year ended 31 December 2021 and accrued provision on the consolidated financial statements of the Group. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations. The Directors consider that such litigation, individually or jointly, will not have significant adverse effects on the operating performance, cash flow and financial condition of the Group at the current stage. As at 31 December 2021, the Group had material contingent liabilities of approximately RMB9.24 billion (year ended 31 December 2020: none).

Significant Investments and Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Disposal of Shares in New Gain

On 28 March 2021, the Company, Alpha Beauty Limited ("Alpha Beauty", a subsidiary wholly-owned by the Company) and New Gains Group Limited ("New Gain", another subsidiary of the Company) entered into an agreement with the investors, pursuant to which New Gain agreed to allot and issue 651,380,929 new shares to the investors, and Alpha Beauty agreed to sell 651,380,929 existing New Gain shares to the investors at the total consideration of HK$16.35 billion.

Placing of Shares in Evergrande Auto

On 13 May 2021, the Group placed 260 million shares of Evergrande Auto at HK$40.92 per share to the investors for proceeds of approximately HK$10.6 billion.

Disposal of Shares in Shengjing Bank

On 28 September 2021, the Group entered into an agreement with 瀋陽盛京金控投資集團有限公司 (Shenyang Shengjing Finance Investment Group Co., Ltd.*) for the disposal of 1,753,157,895 non-publicly traded domestic shares in Shengjing Bank Co., Ltd. at a consideration of RMB5.70 per share, totalling RMB9,993,000,001.50.

Disposal of Shares in HengTen Networks

I. *Sold to Pumpkin Films Limited*

On 20 June 2021, Solution Key Holdings Limited ("Solution Key", a subsidiary of the Company) sold 738,771,000 shares in HengTen Networks Group Limited (stock code: 136) ("HengTen Networks") to Pumpkin Films Limited at a market price of HK$6 per share for a consideration of HK$4,432,626,000. In July and August 2021, the transferee paid HK$2,314,200,000 to Solution Key in three installments according to the agreement, while the remaining balance of HK$1,768,426,000 due on 31 December 2021 has yet to be paid by the transferee.

On 7 October 2022, the Company issued a solicitor's letter to the other party requesting the final payment for the transfer of shares of HengTen Networks be paid as soon as possible, and is preparing for the commencement of legal proceedings.

II. *Sold to Ocean Fund SPC and Water Lily Investment Limited*

On 30 July 2021, Solution Key disposed of its shares in HengTen Networks to Ocean Fund SPC and Water Lily Investment Limited, a company of Tencent Group, respectively, as follows:

1. On 30 July 2021, Solution Key disposed of 369,385,902 shares in HengTen Networks to Ocean Fund SPC at a consideration of HK$1,182,034,886.4. The counterparty has made an initial payment of HK$591,017,443.20 equivalent, and the remaining balance of HK$591,017,443.20 was due for payment by 30 July 2022 as stipulated in the agreement but has not been paid by the counterparty.

   The Company has issued a solicitor's letter to Ocean Fund SPC on 7 October 2022 to call for payment, and is preparing for the commencement of legal proceedings.

2. On 30 July 2021, Solution Key disposed of 646,425,329 shares in HengTen Networks to Water Lily Investment Limited, a subsidiary of Tencent Group, at HK$3.20 per share for a consideration of HK$2,068,561,052.80. As requested by Tencent at the time of its investment in HengTen Networks, the Company agreed that Water Lily Investment Limited would pay the transfer consideration directly to HengTen Networks as a 5-year interest-free loan by Solution Key to HengTen Networks for supporting the daily operation and development of HengTen Networks.

III. *Sold to United Resources Investment Holdings Limited*

On 17 November 2021, Solution Key disposed of 1,662,217,968 shares in HengTen Networks to United Resources Investment Holdings Limited at a consideration of HK$2,127,638,999.04. Upon completion of the above disposal, Evergrande Group has completely withdrawn from HengTen Networks.

By January 2022, United Resources Investment Holdings Limited has paid the full consideration for the transaction in several installments.

Save as disclosed above, during the year ended 31 December 2021, the Group did not have other significant investment, material acquisition or disposal of subsidiaries, associates or joint ventures.

HUMAN RESOURCES

As at 31 December 2021, the Group had a total of 121,368 employees (including 6,286 employees of Evergrande Auto (708.HK) and 73,381 employees of Evergrande Property Services (6666.HK)), of whom approximately 90% were graduates with bachelor's degree or above in property development or construction.

The Group firmly believes that talent is the most important corporate resource and always adheres to a people-oriented human resources development strategy. For the year ended 31 December 2021, total staff costs (including directors' emoluments) of the Group were approximately RMB14.07 billion (for the year ended 31 December 2020: approximately RMB29.02 billion).

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.

SCOPE OF WORK OF PRISM

The Group's auditor, Prism Hong Kong and Shanghai Limited ("Prism"), have reconciled the figures set out in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes of the Group for the year ended 31 December 2021 as set out in this results announcement with the amounts set out in the Group's audited consolidated financial statements for that year. The work performed by Prism in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Prism on this results announcement.

ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company will be published and dispatched to the shareholders of the Company in the manner required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in due course.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During 2020, the Company repurchased from the secondary market the 4.25% convertible notes due 2023 in the principal amount of HK$1,799 million issued by the Company.

During 2021, the Company further redeemed the above convertible notes in the principal amount of HK$16.12 billion.

Between 7 June 2021 and 11 June 2021, the Company repurchased on the market an aggregate of 46,084,000 shares for a total consideration of HK$529,287,080. All the repurchased shares have been cancelled. The Directors believe that the repurchases of shares would lead to an enhancement of the net value of the Group and its assets and/or its earnings per share. Further details in respect of the repurchase will be set out in the annual report of the Company for the year ended 31 December 2021.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

EVENTS AFTER THE REPORTING PERIOD

Independent Investigation of Evergrande Property Services

Reference is made to the announcements of the Company dated 21 March 2022, 29 March 2022 and 22 July 2022 in relation to the enforcement of pledge of deposits of approximately RMB13.4 billion in respect of Evergrande Property Services, a subsidiary of the Group, by the relevant banks. The Board of Directors of the Company has established an independent investigation committee to conduct an investigation into the pledged deposits.

MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set forth in Appendix 10 of the Listing Rules as the code of conduct for securities transactions conducted by the Directors. Having made due and careful enquiries with the Directors, the Company confirmed that for the year ended 31 December 2021, all Directors always abided by the Model Code.

CORPORATE GOVERNANCE

The Company has been in compliance with all code provisions of the Corporate Governance Code contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2021.

REVIEW OF CONSOLIDATED FINANCIAL INFORMATION

The Audit Committee of the Company consists of all of the independent non-executive directors of the Company, namely Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi. The Audit Committee assists the Board in providing an independent review of the completeness, accuracy and fairness of the financial statements of the Group, as well as the efficiency and effectiveness of the Group's operations and internal controls. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2021, and discussed with the Company's management regarding the review, internal controls and other relevant matters.

ANNOUNCEMENT OF FULL YEAR RESULTS ON THE STOCK EXCHANGE'S WEBSITE AND THE COMPANY'S WEBSITE

The announcement of full year results has been published on the Company's website (http://www.evergrande.com) and the website appointed by the Stock Exchange (http://www.hkexnews.hk).

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted from 9:00 a.m. on 21 March 2022. Trading in the shares of the Company will remain suspended until further notice.

Holders of the Company's securities and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Evergrande Group
Hui Ka Yan
Chairman

Hong Kong, 17 July 2023

As at the date of this announcement, the executive directors of the Company are Mr. Hui Ka Yan, Mr. Siu Shawn, Mr. Shi Junping, Mr. Liu Zhen and Mr. Qian Cheng, the non-executive director is Mr. Liang Senlin, and the independent non-executive directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.