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**CHINA EVERGRANDE GROUP**

中國恒大集團

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3333)**

## **PROFIT WARNING**

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

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the management, the Group expects that there will be a decrease in the net profit from the core business of the Group and the net profit for the six months ended 30 June 2020 as compared with the same period last year. Of which, the net profit from the core business is expected to be approximately RMB19.3 billion, a decrease of approximately 37% from that of the same period last year, and the net profit is expected to be approximately RMB14.7 billion, a decrease of approximately 46% from that of the same period last year. The decrease in profit for the first half of 2020 is mainly attributable to the effect of the COVID-19 pandemic outbreak and the Group’s national sales promotion activities that provided discount to selling prices, the increase in marketing expenses, the foreign exchange losses caused by the fluctuation in foreign exchange rates during the period, and the investment in new energy vehicles by a subsidiary which led to consolidated statement losses.

Notwithstanding that there have been a decrease in the net profit from the core business of the Group and the net profit for the first half of 2020 when compared with the same period last year, the net profit from the core business of the Group and the net profit for the six months ended 30 June 2020 recorded an increase as compared with the second half of 2019. Of which, the net profit from the core business has increased by approximately 86% from the second half of last year, and the net profit has increased by approximately 1.3 times from that of the second half of last year.

The information contained in this announcement is only based on the preliminary review by the Company's management on the financial information currently available to it and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Company. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2020 which is expected to be published in late August 2020.

**Shareholders of the Company 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, 16 August 2020

*As at the date of this announcement, the executive Directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Mr. Shi Junping, Mr. Pan Darong, Mr. Huang Xiangui and Mr. Lai Lixin and the independent non- executive Directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.*