Evergrande Property Services Group Limited
恒大物業集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6666)

INSIDE INFORMATION

PROFIT WARNING

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

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders and potential investors of the Company that based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and the information currently available to the Company, it is expected that the unaudited consolidated revenue of the Group for the six months ended 30 June 2024 will be approximately RMB6,220 million (the corresponding period in 2023: approximately RMB6,145 million), representing an increase as compared with the corresponding period in 2023; the unaudited net profit of the Group is expected to decrease by approximately 37% as compared with the corresponding period in 2023. The relevant decrease was due to:

(i) the Group has focused on improving the quality of its services and has increased its capital investment in projects under management in terms of renewal and renovation of facilities and equipment, environmental enhancement and greenery upgrade;

(ii) the Group has initiated proceedings with the Guangzhou Intermediate People's Court in relation to the enforcement of the deposits pledge of RMB13.4 billion by the relevant banks, thereby incurring relevant legal proceedings expenses;

(iii) the Group recognized bad debt losses and made partial pre-tax deduction in respect of RMB13.4 billion of pledge enforcement amount, and the related late payment incurred by the Group in respect of the related underpayment of enterprise income tax were included in administrative and marketing expenses for the six months ended 30 June 2024; and

(iv) based on prudence principle, for certain third-party customers with significantly increased credit risk, the Group has temporarily not recognized revenue for the portion of the consideration from those customers for which the Group has fulfilled its performance obligations but has not yet collected the consideration, taking into account their willingness to pay the consideration when the consideration is overdue, but the related costs have been recognized.

The aforesaid decrease in profit was mainly due to non-operating expenses such as late tax payment and the adoption of a more prudent revenue recognition approach, rather than as a result of business operations. Meanwhile, the Group expects that the Group's unaudited monetary funds as at 30 June 2024 will increase by approximately RMB22 million as compared with the end of 2023, and net assets will increase by approximately RMB437 million as compared with the end of 2023, with the financial position of the Company continuing to improve.

As the Company is still in the process of preparing and finalizing the interim results of the Group for the six months ended 30 June 2024, the information contained in this announcement is only a preliminary assessment based on the information currently available to the management of the Company, which has not been audited or reviewed by the auditor or the audit committee of the Company, and is subject to adjustments as a result of further review. Shareholders and potential investors of the Company are advised to read the unaudited interim results announcement of the Group for the six months ended 30 June 2024 carefully, which is expected to be published by the end of August 2024 in accordance with the Listing Rules.

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

By order of the Board
Evergrande Property Services Group Limited
Duan Shengli
Executive Director

Hong Kong, 13 August 2024

As at the date of this announcement, the Board comprises Mr. Duan Shengli, Mr. Han Chao and Mr. Hu Xu as executive Directors; Mr. Sang Quan and Mr. Lin Wuchang as non-executive Directors; and Mr. Peng Liaoyuan, Ms. Wen Yanhong and Mr. Dong Xinyi as independent non-executive Directors.