The Impact of COVID-19 on Evergrade: A Case Analysis

Ying Hong[1, *, †], Ziting Ma[2, †], Huiying Zhu[3, †]

[1]Macquarie business school, Macquarie University, Sydney, Australia

[2]School of Finance, Tianjin University of Finance and Economics, Tianjin, China

[3]Hangzhou Dianzi University Information Engineering School Hangzhou, China

*Corresponding author: Ying.Hong1@students.mq.edu.au

[†]These authors contributed equally.

Abstract. Due to the impact of the epidemic, the entire Chinese real estate industry is in a downturn, especially the Evergrande Group. Evergrande Group plays a vital role in the real estate industry, and Evergrande's debt crisis has also overwhelmed many real estate developers. This article analyzes the real estate industry, and Evergrande's financial problems and corporate management problems to see the problems that Evergrande has during the epidemic. Although Evergrande Group has made a lot of efforts for transformation during the epidemic, it still cannot make up for its huge loopholes. This can be attributed to its long-term debt, low profitability, prominent financial problems, insufficient cash flow and the adverse impact of its diversification strategy. Under the epidemic, it failed to transform and go bankrupt. According to the analysis, this article reflects and summarizes the reasons for Evergrande Group's failure. These results shed light on guiding other real estate companies and regulatory agencies to avoid mistakes and prepare for sustainable development in the future.

Keywords: Evergrande Group; real estate; COVID-19.

1. Introduction

According to the historical development of the real estate market, China's real estate industry can be roughly divided into the following six periods. Firstly, the initial formation period corresponds to when the real estate market took shape (1978-1991). Secondly, the real estate overheating period, where the context of the new climax of reform and opening up, the real estate price was liberalized, and financial institutions began to issue a large number of real estate development loans, and the "real estate fever" began to appear (1992-1993). Thirdly, during the market adjustment period, the National People's Congress passed the Urban Real Estate Management Law to promote the healthy development of the real estate (1994-1997). Fourthly, the policy measures of fostering residential industry as a new economic growth point during the period of fostering new economic growth point (1998-2002). Fifthly, during the period of regulation and counter-regulation a new round of macro-regulation was initiated to restrain the rapid growth of real estate investment (2003-2007). Sixthly, the real estate industry is in the stage of comprehensive adjustment (2008 to present) [1].

The current situation of China's real estate industry can be summarized as follows. Since 2007, under the control of tightening policies, the bubble component of China's real estate market began to shrink [2]. Although the housing price in some cities is still high, it is facing great downward pressure and has been reduced to varying degrees. In addition, Shrinking turnover and rising vacancy rate. Owing to the outbreak of the epidemic, the wait-and-see mood of home buyers is serious, the transaction volume of the real estate market is greatly reduced, and the vacancy rate of real estate agents is greatly increased. Finally, under the tightening policy, real estate developers are facing greater financial pressure and increased real estate financial risks. China’s real estate developers are facing huge financial pressure. Moreover, contemporarily, real estate has been regarded as a high-quality loan project by China's banking sector. To compete in this business, major banks are engaged in vicious competition and constantly reduce the threshold, leading to the double expansion of the mortgage scale, which has huge potential risks.

Evergrande is a Real estate company in China whose main business is livelihood real estate. Evergrande has been ranked among the world's top 500 enterprises. It has more than 870 projects in more than 280 cities in China. However, since 2020, its cash flow and profits have been greatly affected by the impact of the epidemic. It was first filed for liquidation on June 27, 2022. According to statistics, Evergrande's arrears to suppliers are as high as 500 billion yuan, and the bank arrears alone are as high as 232.3 billion yuan.

Evergrande Group has always been a representative enterprise in China's real estate industry, but Evergrande Group has been living in a highly leveraged empirical environment for many years [3]. Moreover, it has expanded its assets at a rate of several times on this basis. Nevertheless, Evergrande's profitability has fallen sharply since 2020. As a result, Evergrande's default has also caused ripple effects in China's property sector [4]. It triggered a rise in defaults by property companies, a slump in sales, a spate of supplier bankruptcies, higher yields on corporate bonds and falling investor confidence [5]. Therefore, this crisis led to a huge risk in China's banking and real estate industries [5].

Taking Evergrande group as an example, this paper aims to reveal the overall development trend of the whole real estate industry under the impact of COVID-19 by analyzing the impact of Evergrande group during the epidemic. The aim is to draw a correct conclusion, provide relatively effective business suggestions for China's real estate industry under the epidemic, enhance its profitability, and ensure the healthy development of the real estate industry and economic society.

The research significance of this paper is mainly discussed from two perspectives. Firstly, social perspective. People's demand for housing is the basis for the development of the whole real estate industry. Nowadays, due to the impact of the epidemic, people's demand for real estate has generally shown a downward trend. Secondly, the perspective of the real estate industry. Profit attribute is the inherent attribute of the real estate industry. COVID-19 has a profound impact on the profitability of the whole industry. The way to speed up the transformation, reduce costs and losses, so as to obtain more profits, remains a difficult problem faced by the whole real estate industry.

This paper will discuss the impact of people's housing preferences on the real estate industry during the epidemic, then analyzes the financial and cash flow problems. Finally, we take the Evergrande group as an example to analyze its efforts to transform under the epidemic, which eventually goes bankrupt due to the impact of location, internal assets and liabilities and business structure. Through this case, we will finally put forward some relevant suggestions to help the real estate industry avoid unnecessary risks, so as to obtain a long-term operation mechanism.

2. Description of Evergrande Group

Evergrande Group is a Fortune 500 enterprise group based on people's livelihood real estate, supplemented by cultural tourism, health preservation, and research and development of new energy vehicles. Evergrande Real Estate has more than 870 projects in more than 280 cities in China, and has strategically cooperated with more than 860 well-known enterprises around the world [6]. It implemented a high-quality strategy, created high-quality, cost-effective products, and created the industry's "completely refined decoration and handover" and "no reason to retreat". Housing", "Online Sales" and other services. Besides, it leads the large-scale transformation of Chinese real estate enterprises [6]. Evergrande Real Estate Group, a subsidiary holding company of China Evergrande Group, is the Group's real estate business platform, headquartered in Guangzhou, China. Evergrande's shareholding structure, Xu Jiayin absolutely controls China Evergrande, a Hong Kong-listed company through BVI (British Virgin Islands) company Xinxin Co., Ltd., and China Evergrande holds 100% of the domestic company Guangzhou Chaofeng Real Estate through BVI company Anji Co., Ltd. , Chaofeng Real Estate holds 100% of Guangzhou Kailong Real Estate, and Kailong Real Estate holds 100% of its two subsidiaries, namely Evergrande Group Co., Ltd. and Evergrande Real Estate Group Co., Ltd [7]. On September 2, 2018, the 2018 Top 500 Chinese Enterprises was released, and Evergrande Group ranked 49^{th} [7].

Compared with the financial statements in 2019, Evergrande's overall liabilities will increase in 2020 [1]. Although the revenue part has increased in 2020, the overall cost has also increased a lot, so in the end, the overall net profit has decreased compared to 19 years. It is worth mentioning that, compared with the financial statements in 2019, profit attributable to shareholders of the company has fallen sharply, and dividends to shareholders have also fallen sharply. It can be seen that the profitability of Evergrande in 2020 is much lower than that in 2019.

As of the 2021 mid-term financial statement, it can be seen that not only revenue has been significantly reduced, but costs have also increased significantly. Besides, gross profit has dropped sharply from 66,682 in 2020 to 28,835, as show in Table 1 [1]. Moreover, Fair value on investment properties, there is a loss, which is a very rare situation in Evergrande's financial statements in previous years. These factors have resulted in a nearly doubled net profit in 2021 compared to 2020. As a consequence, the impact of the epidemic on Evergrande is huge. Evergrande's financial situation began to decline from the beginning of the epidemic, liabilities increased significantly but revenue decreased significantly. In addition, it has caused a huge gap in Evergrande's cash flow.

Table 1. Title. Evergrande Group Annual Report

	2021	**2020**
Revenue	222,690	266,631
Cost of sales	-193,855	-199949
Gross profit	26,835	66.662
Fair value gains on investment properties, net	-284	1026
impariment losses on financial assets	3967	5436
Other (losses)/gains,net other income	22903	1192
selling and marking costs	-17,845	-13704
Administrative expenses	-8,781	-9050
other operating expenses	-2613	-3954
Operating profit	25690	47,379
Profit before Income tax	17914	36825
income tax expense	-7415	-22,064
Profit for year	**10400**	14761
Changes	-1121	173
Tout comprehensive Income for tM period	92,778	14834

3. Current status

Evergrande's 2021 interim report disclosed that its total liabilities were 1.97 trillion yuan. On the morning of March 21, the Hong Kong Stock Exchange announced that China Evergrande, Evergrande Auto, and Evergrande Property were officially suspended from trading at 9:00 a.m. These debts include pre-sale houses, wealth management and commercial papers. For example, according to the Shanghai Stock Exchange, my country's top 50 real estate companies currently have 401.35 billion commercial tickets at the end of 2020, of which Evergrande ranks first, with a balance of 205.267 billion commercial tickets to be paid in 21 years. In July alone, Evergrande Real Estate has been executed 12 times. Up to now, Evergrande has executed a total amount of more than 18.333 billion yuan. In addition, Evergrande Real Estate involved a total of 3,645 judicial cases, with 95 records of persons subject to execution, and 12 records of restricted high consumption. There are 3 final records of this case, and the total outstanding amount is 2.1902 million yuan. Moreover, Evergrande was unable to disclose financial reports on time.

Evergrande Property's 13.4 billion deposits were enforced. In addition, more and more companies are also affected by the debt crisis of Evergrande Group. For instance, affected by the impairment of Evergrande Group's accounts receivable, Grandland Group will suffer a huge loss of 5.6 billion in 2021, and in the first quarter of 2022, it will still lose money even though it has given away 1.28 billion Evergrande's receivables to the controlling shareholder More than 77 million yuan.

The whole real estate market since 2020, affected by the epidemic, the transaction volume of the real estate market around the world has dropped significantly, especially in China. Therefore, there are 3 reasons that the transaction value of the real estate market has declined significantly which are people are less willing to choose to buy a house. Increased material costs and increased labor costs.

In generally, people are more reluctant to buy homes because of the economic problems caused by the pandemic. As many people lose their jobs ascribed to the pandemic and the economic downturn, more and more people are unable to afford their home loans. All these factors have led to more and more people unwilling to buy a house. In addition, because of the lockdown, consumers are more willing to buy houses with good geography, convenient transportation and convenient life. Good geographical location and convenient transportation can make people more convenient during the COVID-19 pandemic, and people passing through the lockdown are also more willing to choose houses with larger living space, especially those with courtyards, which will allow people to have more living space during the next lockdown. Moreover, on account of the long-term lockdown, more and more young people are choosing to go back to their hometown to work and live instead of staying in big cities. Therefore, this has also led to a decline in house sales in big cities. Due to the impact of the epidemic, the construction cost of the entire real estate industry has increased. For example, the cost of materials increases, especially for materials such as steel. As show in Figure 1, it is obvious that the price of steel has a very significant upward trend from 2020. From 2022 to July 2022, the overall steel price will have a huge increase compared to the price before the epidemic. As a result, these data all show that the international steel market and China's steel market have risen sharply since the epidemic, especially in October 2020. These increases will increase construction costs and increase the budget of real estate companies. Therefore, real estate companies will need stronger cash flow to cope with the continued rise in materials.

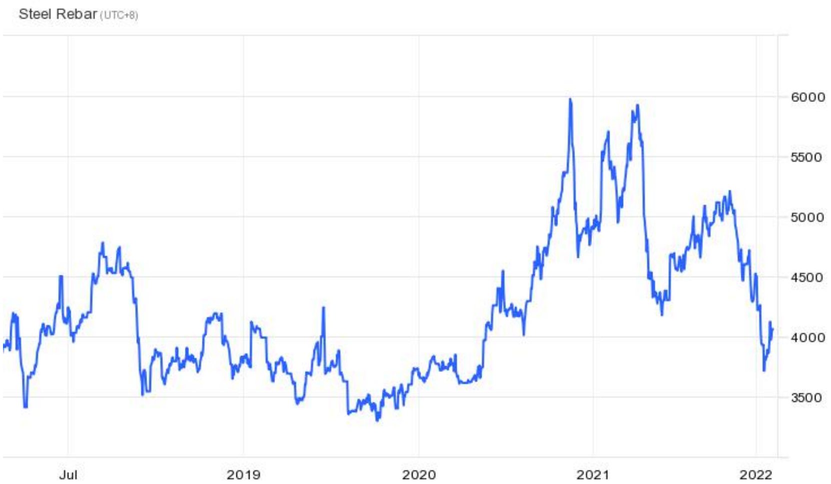

Fig. 1 Steel Price Variation from 2019 to 2021. Data source: tradingeconomic.com

In addition, labor costs have increased during the pandemic. Before the epidemic, most employees from cities with lower labor costs prefer to work in cities with higher labor income, and the money they earn can be used in cities with lower labor costs. This behavior improves the living standard of these employees and reduces a lot of labor costs for enterprises. Nevertheless, owing to the epidemic situation, it is difficult for these employees to go to other cities. Besides, due to different epidemic prevention rules in different cities, sometimes they need to be isolated when they go to other cities, which leads to more isolation costs and increased labor costs. During the lockdown, the project will have to recruit more local staff if it is to continue, rather than cheaper staff from other cities.

4. Financial analysis

4.1 Analysis of Evergrande's financial situation

According to the annual report of Evergrande group, analyze the financial health of the enterprise. Evergrande's profits are reflected according to its profitability, as shown in Table 2. The gross profit margin and net profit margin of Evergrande group showed an overall downward trend, down 33.31%

and 56.62% from 2018. It is mainly due to Evergrande's strategy of selling houses at discounts and high costs in order to reduce inventory [8]. In addition, the return on net assets and the net interest rate of total assets have declined significantly since 2018, only 5.69% and 0.37% by 2020, which also shows a series of adverse conditions such as low output efficiency, low operating capacity and declining profitability of the enterprise [1].

Table. 2 Main indicators of Evergrande group's profitability

financial index	2015	2016	2017	2018	2019	2020
Gross profit margin of sales/%	28.10	28.10	36.10	36.24	27.84	24.17
Net profit margin on sales/%	13.03	8.33	11.91	14.27	7.20	6.19
Return on net assets/%	19.87	10.31	31.27	29.50	12.26	5.69
Net interest rate of total assets/%	1.66	0.47	1.62	2.01	0.84	0.37

Table. 3 Main indicators of Evergrande group's solvency

financial index	2015	2016	2017	2018	2019	2020
Asset liability ratio/%	81.22	85.75	86.25	83.58	83.75	84.77
Current ratio/%	1.34	1.52	1.40	1.36	1.37	1.26
Quick ratio/%	0.42	0.53	0.39	0.30	0.29	0.22
Current liability ratio/%	74.27	63.31	71.39	73.78	73.05	77.27

Table. 4 main indicators of Evergrande group's operating capacity

financial index	2015	2016	2017	2018	2019	2020
Inventory turnover rate/frequency	0.35	0.32	0.25	0.29	0.28	0.28
Turnover rate of accounts receivable/frequency	15.60	16.52	16.07	16.50	12.21	12.01
Total asset turnover/frequency	0.21	0.20	0.20	0.25	0.23	0.23

From the perspective of solvency, as shown in Table. 2, Evergrande group's debt ratio has always been high. Despite the efforts to reduce the debt ratio in line with national policies during the period, the effect is not optimistic. Current liabilities account for a large proportion, enterprises have great pressure on repayment in the short term, and the risk of debt default is high, which has great potential hidden dangers. In terms of operating capacity, all indicators show a downward trend, indicating that Evergrande group's capital turnover capacity has declined, which has a negative impact on the operation of the whole group, as listed in Table. 4. To sum up, Evergrande group's indicators are in a bad situation, with weak profitability, low solvency and low operating capacity, laying the seeds of hidden dangers for its ultimate failure.

4.2 Analysis on the causes of Evergrande group's financial crisis

As a matter of fact, Evergrande chose to diversify in order to spread business risks [9-11]. However, after tasting the benefits of the expansion strategy, Evergrande group ignored the debt situation of its own height, continued to expand its scope of involvement, adhered to the diversified development strategy, and dispersed risks in order to continuously invest and increase diversified output [10]. However, due to the overstock of inventory, Evergrande group has a shortage of funds and cannot make up for the borrowing loopholes in time. The diversification strategy has not alleviated Evergrande's high debt situation, but has become a catalyst for its demise. Besides, diversification weakens the advantages of main business, which not only consumes a lot of resources, but also has little effect, dragging it into the debt quagmire.

Real estate itself is a capital-intensive industry, and stable cash flow is the key, while Evergrande relies more on external financing to maintain its operations. Moreover, its short-term solvency is poor, which is prone to pulling apart the east to make up the West. In addition, because it did not meet the standard of "three red lines" in the new financing regulation in 2020, it was unable to add interest bearing liabilities, and the external financing channels were limited. Hence, its debt repayment needed to rely more on sales receipts, resulting in a further shortage of cash flow and an increasing debt repayment risk.

There are many problems in financing institutions. The development of capital market is not sound. It is mainly reflected in the imperfect construction of laws and regulations related to financing structure, which cannot effectively and effectively restrict the capital market. The overall size of China's current capital market is relatively small, coupled with the imperfect and inefficient regulatory system. Moreover, the proportion of circulating shares that can enter the stock market is low, which cannot meet the diversified financing needs of the capital market. Ascribed to the singularity of financing instruments and cumbersome issuance restrictions, the development of bond market has been in a slow lag state. According to the above phenomena, the capital market shows a serious structural imbalance, which leads Evergrande real estate and other listed companies in China to prefer equity financing.

The corporate governance structure is imperfect. The unreasonable financing structure of Evergrande real estate leads to the low performance of the company as a whole and the low efficiency of the use of funds, which is largely due to the unreasonable corporate governance structure. Most of the listed companies in China are from the former state-owned enterprises, and have experienced the process of joint-stock system reform. After the reform, the listed companies only pay attention to the immediate interests. In terms of corporate governance, the supervision and incentive mechanisms for operators are not perfect, and most management levels choose the financing mode according to their own wishes, and choose equity financing, which is an exogenous financing, thus ignoring the importance of endogenous financing, resulting in this unreasonable preference. The cost of short-term debt is low. Short term debt is favored by listed companies because of its low cost. Short term debt can solve the problem of temporary capital needs of companies, because short-term financing is raised faster and the financing cost is lower than long-term debt. However, there are huge risks and crises behind the low cost. On the one hand, there is great uncertainty in the interest cost of short-term liabilities, which is prone to the risk of failing to repay the principal on time when facing the maturity date of short-term liabilities. On the other hand, to raise funds with short-term liabilities, we must constantly update the debt. After the maturity of this loan, the interest rate of the next loan is uncertain, mainly because the interest rate of short-term liabilities in the financial market is very unstable. During the epidemic period, Evergrande real estate faced the state of city closure, and the improper location of Evergrande real estate made its situation even worse in the off-season of real estate.

5. Evergrande's response measures during the epidemic

5.1 Buy a house at the lowest price and check out without reason

One can see and buy a house without leaving home, which is what makes online purchase exciting. In the current epidemic situation, the confidence of property buyers is particularly important [5]. For this reason, Evergrande paid great attention to improving the confidence of buyers when it launched online house purchase this time, and tried to reduce the worries of buying a house. Evergrande has given a three-month minimum price lock-in period to solve the pain point of home buyers' fear of expensive purchase. One can book houses in advance and enjoy the right to buy houses at the lowest price after signing relevant agreements. If the purchase price of the real estate is reduced, consumers can get the price difference. This also means that property buyers are not afraid to buy Evergrande’s house expensive, and they can earn without losing, which undoubtedly gives the majority of property buyers a reassurance. In order to solve the pain point of customers' fear of buying wrong, Evergrande has given buyers a regret period of up to two or three years, i.e., Evergrande's previous unreasonable check-out policy. Evergrande home buyers can enjoy the right to check out without reason at any time from the date of signing the commercial housing sales contract and the agreement on unreasonable check-out to the time of handling the check-in formalities (the period from buying the house to handing it over is usually two to three years). In this way, it greatly reduces the worries of home buyers and gives them another reassurance.

5.2 Five preferential and incentive policies

Evergrande also actively guides the public to purchase houses online through concessions and incentives. For example, Evergrande has introduced corresponding rights and interests for different situations, e.g., customers' own purchase, recommending others' purchase, third-party purchase, unsuccessful purchase. Specifically, in the case of a customer who purchases a house himself, when he pays the down payment and signs the commercial housing sales contract, the deposit of 5000 yuan is converted into the house price, and he enjoys an additional discount of 20000 yuan less the total price of the house.

If the recommender recommends others to buy, the recommender can receive a 1% commission of "hengfangtong" and a reward of 10000 yuan, and a full deposit will be returned. If a third-party purchases, Evergrande will return the deposit of 5000 yuan and give a compensation of 5000 yuan; If the reserved houses are not successfully sold before May 10, the deposit of 5000 yuan will be returned within 5 working days. In addition, hengfangtong also implements a recommendation reward of 100 yuan for each new customer recommended, with a maximum reward of 500 yuan.

It is worth noting that part-time salespeople can also earn bonuses by inviting friends to register. Each new user invited to register and authenticate on the "hengfangtong" platform will receive a reward of 10 yuan; If the invited friends invite others to register and authenticate on the "hengfangtong" platform, they can also get a reward of 5 yuan. At the same time, if a part-time salesperson recommends a prospective buyer on the "hengfangtong" platform, one can get a reward of 100 yuan per group according to the actual number of recommended customer groups, with a maximum reward of no more than 2000 yuan per set. If one deals with two sets, one can get a recommendation reward of up to 4000 yuan, etc.

6. Limitation

The limitations of this research report are mainly divided into two aspects. On the one hand, the data of financial statements of Evergrande Real Estate Group from 2019 to 2021 before and after the epidemic are selected for analysis. Due to insufficient data, our research may be one-sided. On the other hand, Evergrande Real Estate Group's current financial situation is still changing, and this paper only studies up to the present, so there is some uncertainty in this research. In the future, one can choose more financial statements to support this research, and pay timely attention to the financial status of Evergrande Group to make a reasonable judgment.

Nevertheless, through the case of Evergrande Real Estate Group, a reasonable outlook can be proposed for the future management of enterprises and financial regulators. For enterprises, the first one is to pay attention to the cash flow status of enterprises, and scientific fund management. Enterprises should pay more attention to the holding of cash, according to the needs of investment, construction, or production, to establish an effective fund operation management mechanism, and scientific and reasonable pre-management of funds, which can avoid the occurrence of short loan long use, capital chain fracture. The second one is to focus on core business and avoid blindly choosing diversified businesses. In the process of diversified businesses, enterprises should choose industries with strategic synergistic development characteristics with their original businesses, sort out and integrate projects with high relevance to their main businesses, and cut off projects with low relevance. The third one is to optimize financing methods and improve the capital structure. Enterprises should follow the direction of national policy regulation, correctly understand the advantages and disadvantages of various financing methods, realize the diversification of financing channels through effective combination, optimize the capital structure, and avoid the risk of capital chain fracture caused by excessive borrowing. The fourth one is to return to the original purpose and avoid the excessive pursuit of "financial innovation". Enterprises should return to their main business, increase their core competitiveness, reduce their asset-liability ratio, and avoid excessive expansion, which will lead to foreshadowing.

Evergrande Real Estate Group's current situation can be alleviated by the following four solutions. The first solution is for Evergrande Real Estate Group to quickly withdraw funds by means of substantial discounts and price promotions to alleviate the current shortage of capital chain. However, the implementation of this strategy will have a negative impact on the national property prices, contrary to the central government to stabilize the main policy. In addition, the public may not be willing to buy because of their declining credit. The second solution is for state-owned enterprises to buy shares to help Evergrande Real Estate Group overcome difficulties. Currently, Evergrande Real Estate Group has more than one thousand projects under construction, including some high-quality projects, but they are stalled due to a lack of funds. Evergrande Real Estate Group is also unable to raise enough funds for development in a short period after losing its credit. If state-owned enterprises take over the project, first of all, the project can be guaranteed to continue, to give home buyers and upstream and downstream enterprises an account. Meanwhile, the acquisition of projects can also help Evergrande Real Estate Group alleviate part of the financial crisis, and Evergrande Real Estate Group can also ensure the smooth start and implementation of other projects. The third solution is for the Central Bank to allocate funds to Evergrande Real Estate Group, to alleviate the problem of the capital chain fracture Evergrande Real Estate Group and the debt crisis currently which Evergrande Real Estate Group has faced. The fourth solution is to let Evergrande Real Estate Group go through bankruptcy reorganization, after which the assets will be auctioned and sold off, or the assets will be used to offset the debts, repay the principal and fill up the financial hole of them.

For Financial Regulators, first of all, Financial Regulators need to establish a macro-prudential policy framework concluding major financial institutions, financial markets, financial infrastructure, and financial activities, establish financial risk monitoring and early warning mechanisms, and promote the development of basic national financial data. Besides, sharing data with financial members of The State Council is also significant. In addition, in case of abnormal fluctuations of regulatory indicators and other risk situations, it shall put forward risk warnings, interview directors, supervisors, shareholders, and actual controllers, require rectification within a fixed period, and impose restrictions on high-risk businesses, dividend distribution, compensation, and other income of corporate executives, asset transfer, credit granting in major transactions, etc. In the end, the financial regulatory department under the State Council shall be responsible for dealing with risks of the industry institutions and markets under its supervision as well as the Central Bank takes the lead in dealing with systemic financial risks and performs the role of lender of last resort, and the Ministry of Finance shall participate in the handling of systemic financial risks following the law and perform relevant duties under regulations. The other relevant departments shall provide corresponding support for them.

7. Summary

In conclusion, this study has provided a deeper insight into the reasons for Evergrande Group is affected by COVID-19 and analyze the reasons to make improvements in the future. To sum up, although Evergrande group made a lot of efforts for transformation during the epidemic period, due to its long-term high debt, low profitability, prominent financial problems, insufficient cash flow, and the adverse impact of diversified business strategy, it was still unable to make up for its huge loopholes, and finally failed to transform and went bankrupt under the epidemic. However, this study has several limitations, including insufficient data and current situation has been changed. In addition, this essay gives four recommendations for Evergrande group which are quickly withdraw funds by means of substantial discounts and price promotions, the Central Bank to allocate funds to Evergrande real Estate group, state-owned enterprises to buy shares of Evergrande Group and Evergrande Group can through bankruptcy reorganization. Overall, these results offer a guideline for solving the current real estate issue in China.

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