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Zhenro Properties Group Limited
正榮地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

**(Stock Code: 6158 and Debt Stock Code: 4596, 40572, 40516, 40375,
40715, 40116, 40225, 40250)**

INSIDE INFORMATION

**(1) UPDATE ON OFFSHORE HOLISTIC LIABILITY MANAGEMENT SOLUTIONS;
AND
(2) FINANCIAL UPDATE**

This announcement is made by Zhenro Properties Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2), 37.47A, 37.47B, 37.47D and 37.47E of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

UPDATE ON OFFSHORE HOLISTIC LIABILITY MANAGEMENT SOLUTIONS

References are made to the announcements of the Company dated 10 April 2022, 11 April 2022, 31 May 2022, 30 June 2022, 3 August 2022, 30 August 2022, 9 November 2022, 12 December 2022, 6 March 2023, 14 March 2023, 31 March 2023 and 5 May 2023 (the “**Announcements**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The Company would like to update its shareholders and potential investors that it has been assisting the AHG with their due diligence review over the past months, and such review was completed recently. In addition, the Company has commenced discussion with the AHG regarding the key terms of the proposal on its Offshore Holistic Liability Management Solutions, and is fully committed to working towards a consensus on these key terms with the AHG as soon as practicable.

The Company will provide an update to the market as soon as practicable on any material developments.

FINANCIAL UPDATE

The board of directors (the “**Board**”) of the Company wishes to inform its shareholders and potential investors that, based on a preliminary assessment of the unaudited management accounts of the Group for the six months ended 30 June 2023 (the “**Period**”) and other information currently available, it is expected that, the Group will record a loss attributable to owners of the parent of RMB1,400 million to RMB1,600 million (loss attributable to owners of the parent for the corresponding period in 2022: RMB2,611 million).

Such loss attributable to owners of the parent during the Period was primarily attributable to: (1) the decline in the overall demand in the real estate sector and the decreased selling prices of the projects, resulting in a decrease in gross profit margin as compared to the corresponding period in 2022 and an impairment provision for assets; (2) an approximate 70% to 80% increase in finance costs; (3) an aggregate losses of approximately RMB300 million as a result of disposal of certain subsidiaries and the reclassification of cumulative exchange differences from other comprehensive income to other loss due to dissolution of certain subsidiaries; (4) the expected exchange loss of approximately RMB220 million due to the fluctuations in exchange rate; and (5) fair value losses on investment properties of approximately RMB120 million.

The information contained in this announcement is only based on a preliminary assessment of the unaudited management accounts of the Group for the Period and the other information currently available, which have not been audited or reviewed by the Company’s auditors or the audit committee of the Company, and may be subject to further adjustments or amendments. Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the Period, which is expected to be published by the end of August 2023.

Shareholders and potential investors of the Company are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company, and to seek professional advice from their own professional or financial advisers when in doubt.

By order of the Board
Zhenro Properties Group Limited
Liu Weiliang
Chairman of the Board

Hong Kong, 10 August 2023

As at the date of this announcement, the executive directors of the Company are Mr. Liu Weiliang and Mr. Li Yang, the non-executive director of the Company is Mr. Ou Guowei, and the independent non-executive directors of the Company are Dr. Loke Yu (alias Loke Hoi Lam), Mr. Wang Chuanxu and Mr. Xie Jun.