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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)

INSIDE INFORMATION
REDUCTION OF LOSS

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

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2023 (“**Year 2023**”) and the other information currently available, it is expected that the Group will record a loss attributable to owners of the parent of approximately RMB8,000 million to approximately RMB9,000.0 million (loss attributable to owners of the parent for the year ended 31 December 2022 (“**Year 2022**”): RMB12,877 million) and a core loss (representing the net loss excluding impacts from non-cash nature items such as impairment loss, fair value changes and exchange gain or loss) of approximately RMB2,500 million to approximately RMB3,000 million (core loss for Year 2022: RMB3,550.6 million) in Year 2023.

The loss attributable to owners of the parent was mainly attributable to the following factors: (i) in light of the decline in overall demand of the real estate sector in the People’s Republic of China, project selling prices and gross profit margins decreased and the provision for impairment of properties under development, completed properties held for sale and other assets increased; (ii) the financial costs increased; (iii) the fair value of investment properties declined; and (iv) an exchange loss was recorded.

The expected decrease of loss was primarily attributable to the increase in gross profit and the reduction in impairment loss in Year 2023.

The information contained in this announcement is only based on a preliminary assessment by the Board of the unaudited management accounts of the Group for Year 2023 and the other information currently available to the Board, 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 annual results announcement of the Company for Year 2023, which is expected to be published by 28 March 2024.

Shareholders and potential investors of the Company are advised to exercise caution and not to place undue reliance on the information set out in this announcement 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, 19 March 2024

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.