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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)

INSIDE INFORMATION
PROFIT WARNING

This announcement is made by Zhenro Properties Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 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 2024 (the “**Period**”) and other information currently available, it is expected that, the Group will record a loss attributable to owners of the parent of RMB2,200 million to RMB2,400 million for the Period (loss attributable to owners of the parent for the six months ended 30 June 2023 (the “**Corresponding Period**”): approximately RMB1,464 million).

Such expected increase in loss attributable to owners of the parent during the Period was primarily attributable to: (1) the increase in cost of sales and the decreased selling prices of the projects, resulting in a decrease in gross profit margin as compared to the Corresponding Period in 2023; (2) the decrease of interest capitalisation rate, resulting an increase in finance costs of approximately 130% to 140% as compared to the Corresponding Period; (3) the impairment losses recognised for properties under development and completed properties held for sale of approximately RMB1,200 million for the Period (for the Corresponding Period: approximately RMB178 million); and (4) fair value losses on investment properties of approximately RMB226 million for the Period (for the Corresponding Period: approximately RMB121 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 2024.

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, 19 August 2024

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