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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, 5100, 40572, 40516, 40375, 40715, 40116, 40225, 40250, 40047, 40826, 40008, 86008, 86029)

**INSIDE INFORMATION
IN RELATION TO
INTEREST PAYMENT FOR THE FOLLOWING SENIOR NOTES
AND
SUSPENSION OF TRADING OF THE NOVEMBER 2019 NOTES**

Notes	ISIN/Common Code	Stock Code
8.3% Senior Notes due 2023 (the “ June 2020 Notes ”)	XS2185842924/218584292	40250
8.35% Senior Notes due 2024 (the “ May 2020 Notes ”)	XS2152219973/215221997	40225
7.875% Senior Notes due 2024 (the “ January 2020 Notes ”)	XS2099413093/209941309	40116
7.1% Senior Notes due 2024 (the “ June 2021 Notes ”)	XS2346158822/234615882	40715
7.35% Senior Notes due 2025 (the “ September 2020 Notes ”)	XS2226898216/222689821	40375
9.15% Senior Notes due 2023 (the “ November 2019 Notes ”)	XS2076026983/207602698	40047

This announcement is made by Zhenro Properties Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2), 13.19, 37.47A, 37.47B and 37.47E of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 10 April 2022 and 11 April 2022 (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Company has been making its best efforts in managing its liquidity with an aim to meeting all its debt obligations, and it was the Company's intention to make interest payments for each of the May 2020 Notes, June 2021 Notes, September 2020 Notes, June 2020 Notes and January 2020 Notes no later than 31 May 2022. During the past months, the Group has taken various measures to address its liquidity issues, which include obtaining extensions on its capital markets financings from offshore lender(s) and holders of five tranches of onshore asset-backed securities, maintaining the stability of construction and operation for its projects, seeking disposal of assets, and accelerating sales and cash collection.

However, since late March 2022, due to the surge of COVID-19 cases in China and related lockdown in Shanghai and other cities, the operations of the Group have been affected significantly, and the progress of sales and asset disposals have been delayed. Owing to such unforeseen scale of and much longer than expected lockdown in Shanghai in addition to the unfavourable housing market conditions and financial environment, the Group's contracted sales and tight liquidity have not been fundamentally improved.

As of the date of this announcement, the Group has insufficient financial resources available to the Company to make the aforesaid interest payments by the end of May 2022 as previously intended. Furthermore, as a result of the aforementioned circumstances, the Company expects that it may not be in position to pay interest in the amount of US\$13,725,000 before expiry of grace period for the November 2019 Notes (the "**Expected Non-Payment of the November 2019 Notes**"). The interest payment date for the November 2019 Notes is 6 May 2022 and the last day of grace period for the November 2019 Notes is 5 June 2022. The Expected Non-Payment of the November 2019 Notes will constitute an event of default under the November 2019 Notes upon expiration of the grace period; as of the date of this announcement, such event of default has not occurred. Pursuant to the indenture of the November 2019 Notes, if an event of default has occurred (such as 30-day grace period lapses) and is continuing, holders of at least 25% in aggregate principal amount of the relevant senior notes then outstanding may, by written notice to the Company and to the trustee, declare the principal of, premium, if any, and accrued and unpaid interest on the relevant senior notes to be immediately due and payable. As of the date of this announcement, such event of default has not occurred and the Company has not received such acceleration notice as a result of the Expected Non-Payment of the November 2019 Notes. As such, as of the date of this announcement, the Expected Non-Payment of the November 2019 Notes have not triggered any cross-default under the terms of the securities as set out in the following table.

Description of Debt Securities	ISIN/Common Code	Stock code
6.63% Senior Notes due 2026	XS2279711779/227971177	40516
6.7% Senior Notes due 2026	XS2293750670/229375067	40572
5.95% Senior Notes due March 2022	XS2308085112/230808511	Not applicable
5.98% Senior Notes due April 2022	XS2329241447/232924144	Not applicable
7.125% Senior Notes due June 2022	XS2358480155/235848015	86008
8.70% Senior Notes due August 2022	XS2050860308/205086030	40008
6.50% Senior Notes due September 2022	XS2383329237/238332923	40826
8.0% Senior Notes due March 2023	XS2449192942/244919294	5100
8.0% Senior Notes due March 2023	XS2449193320/2449193322	86029
Senior Perpetual Capital Securities	XS2013512608/201351260	4596
8.3% Senior Notes due 2023	XS2185842924/218584292	40250
8.35% Senior Notes due 2024	XS2152219973/215221997	40225
7.875% Senior Notes due 2024	XS2099413093/209941309	40116
7.1% Senior Notes due 2024	XS2346158822/234615882	40715
7.35% Senior Notes due 2025	XS2226898216/222689821	40375

In this connection, at the request of the Company, trading of the November 2019 Notes of the Company on the Stock Exchange will be suspended with effect from 9:00 a.m. on 1 June 2022 and will remain suspended until further notice.

In order to protect the overall interests of creditors, the Company and its advisors are actively exploring all feasible solutions to resolve the liquidity issues, and are in the process of evaluating its operating conditions and capital structure and formulating an overall plan in order to enhance stability of its business and to seek a consensual solution with all stakeholders.

The Company will maintain active communications with creditors and will update the market as soon as practicable on any material developments.

Shareholders of the Company and other investors are reminded to consider the related risks and exercise caution 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
Chairman of the Board
Huang Xianzhi

Hong Kong, 31 May 2022

As at the date of this announcement, the executive directors of the Company are Mr. Huang Xianzhi, Mr. Liu Weiliang, Mr. Li Yang and Mr. Chan Wai Kin, 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. Lin Hua.