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Zhenro 正榮地產

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, 86029)**

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) 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).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**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 2022 and the other information currently available, it is expected that the Group will record a loss attributable to owners of the parent for the six months ended 30 June 2022 of approximately RMB2,500.0 million to approximately RMB3,000.0 million, as compared to a profit attributable to owners of the parent of RMB1,166.1 million for the six months ended 30 June 2021. This is attributable to the facts that (1) under the impact of the continuous COVID-19 pandemic, the decline in the overall demand of the real estate sector in the People’s Republic of China and the continuous tightening of the financing markets, (i) as compared to the six months ended 30 June 2021, the gross profit margin decreased and the impairment provision for assets increased due to the lower selling prices of the projects; (ii) the revenue recognition was lower than expected; and (iii) the decline in demand for commercial property led to a decrease in the fair value of investment properties; (2) the gain on disposal of subsidiaries decreased in the first half of 2022; and (3) the Company expects to record an exchange loss for the six months ended 30 June 2022.

The information contained in this announcement is only based on a preliminary assessment of the unaudited management accounts of the Group for the six months ended 30 June 2022 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 are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2022, which is expected to be published no later than the end of August 2022.

Shareholders and other investors of the Company are advised to 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
Huang Xianzhi
Chairman of the Board

Hong Kong, 15 August 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.