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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, 40047)**

INSIDE INFORMATION

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

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 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).

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 and 6 March 2023 (the “**Announcements**”). Unless the context requires otherwise, capitalised 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 is working diligently with its advisers on the preparation work for the offshore Holistic Liability Management Solutions. Currently, the Company has been in discussions with its major offshore creditors and is assisting with their due diligence review.

Subject to further consideration by the Company and its advisers and/or discussions with the offshore creditors, the tentative terms in the preliminary proposal for the offshore Holistic Liability Management Solutions may not include any principal reduction and may include amortization of principal of existing debt and any accrued and unpaid interest thereon. The Company reiterates that it plans to provide a preliminary proposal on its offshore Holistic Liability Management Solutions to offshore creditors for discussion by the end of March 2023.

The Company believes that the offshore Holistic Liability Management Solutions, if accepted by creditors and implemented, will provide creditors with a higher recovery value than the estimated recovery upon liquidation as forecasted by the financial adviser.

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

PROFIT WARNING

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 year ended 31 December 2022 (“**Year 2022**”) and other information currently available, it is expected that, the Group will record a loss attributable to owners of the parent of approximately RMB12,500.0 million to approximately RMB13,500.0 million (profit attributable to owners of the parent for the year ended 31 December 2021 (“**Year 2021**”): RMB809.0 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 RMB3,000.0 million to approximately RMB4,000.0 million (core profit for Year 2021: RMB2,284.1 million) in Year 2022.

Such loss attributable to owners of the parent was primarily attributable to the following factors: (1) in light of the impact of the continuous COVID-19 pandemic in 2022, 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 Year 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 fair value of investment properties decreased; (2) the gain on disposal of subsidiaries and interest income decreased; (3) the finance costs increased; and (4) an exchange loss was recorded.

The information contained in this announcement is only based on a preliminary assessment of the unaudited management accounts of the Group for Year 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 of the Company are advised to read carefully the annual results announcement of the Company for Year 2022, which is expected to be published by the end of March 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, 14 March 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.