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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

UPDATE ON THE OFFSHORE HOLISTIC LIABILITY MANAGEMENT SOLUTIONS

This announcement is made by Zhenro Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a), 37.47A and 37.47B 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).

References are made to the announcements of the Company dated 2 January 2024, 24 January 2024, 31 January 2024 and 28 March 2024 (collectively, the “**Announcements**”) in relation to, among other things, the Offshore Holistic Liability Management Solutions, the RSA and the Company’s consolidated annual results for the year ended 31 December 2023 (the “**2023 Annual Results**”). Unless otherwise defined, capitalised terms used in this announcement have the same meanings defined in the Announcements.

The Group has been implementing liquidity management and cost saving measures since 2022 and working relentlessly to maintain the stability of its operations by ensuring construction and delivery for its projects, including seeking financing extension and exemption, accelerating sales and cash collection, continuing to streamline the corporate organisational structure, and reducing non-core business operation and administrative expenses. However, due to the strained operating and funding environment in the real estate sector, adverse macroeconomic factors and unfavourable housing market conditions, the Group’s contracted sales and tight liquidity have not fundamentally improved, and asset disposals were slower than expected. As disclosed in the 2023 Annual Results, the Group’s contracted sales for 2023 decreased by 54.0% as compared to 2022. As at the date of this announcement, the Group remains under significant operating and financial pressure.

Therefore, in light of the recent volatility of the property industry and the 2023 Annual Results, and given that the successful implementation of the Offshore Holistic Liability Management Solutions will depend on a number of factors beyond the Group’s control, the Company requires more time to consider whether the commercial terms as currently presented in the RSA remains the appropriate solution to the Group’s offshore indebtedness in order to secure a sustainable and viable business for

the Company in the long-term. The Company's management is of the view that the prudent course of action, which is in the best interests of all the Company's creditors, would be to postpone the implementation of the Scheme. As such, the Company will seek leave from the Court to vacate the hearing currently fixed for 2 May 2024 as set out in the announcement of the Company dated 31 January 2024.

The Company's overarching goal is to preserve optimal value for all creditors of the Company and stakeholders of the Group. The Company and its advisors will continue to work on reaching a feasible outcome on the holistic restructuring of the offshore debts of the Company that can secure the sustainable operations of the Group for the benefit of all stakeholders. The Company is grateful for the broad-based support of its creditors throughout the process.

The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

Enquiries can be directed to the Company's financial advisor, Alvarez & Marsal Corporate Finance Limited, at ProjectZhenro@alvarezandmarsal.com.

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
Liu Weiliang
Chairman of the Board

Hong Kong, 11 April 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.