

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

VOLUNTARY ANNOUNCEMENT

**QUARTERLY UPDATE ON THE IMPLEMENTATION OF ACTION PLANS TO
RESOLVE THE DISCLAIMER OF OPINION**

Reference is made to (1) the annual report of Zhenro Properties Group Limited (the “**Company**”) for the year ended 31 December 2025 (the “**2025 Annual Report**”), in which the Company’s auditors expressed a disclaimer of opinion on the Company’s financial statements for the year and (2) the announcements (collectively the “**Announcements**”) published by the Company dated 31 March 2026, 30 June 2026, 5 August 2026 and 20 August 2026. This announcement is made by the Company pursuant to Rule 37.47D of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the 2025 Annual Report.

The board of directors of the Company (the “**Board**”) wishes to provide further information regarding (1) the latest maturity profile of the outstanding indebtedness of the Company and its subsidiaries (the “**Group**”), (2) the update of the implementation progress of the Plans and the detailed assessment of the Board of whether such implementation progress is in line with the Group’s expected cash flow productions for the 12 months from 31 December 2025 (the “**Forecast**”), and (3) the detailed work performed by the audit committee of the Company (the “**Audit Committee**”) in reviewing and monitoring the implementation status of the Plans for the period from 1 January 2025 to 31 July 2026 (being the latest practicable date for the purposes of this announcement).

(1) Maturity Profile

As at 31 December 2025, the total outstanding indebtedness of the Group amounted to approximately RMB59.2 billion, of which RMB53.2 billion was overdue.

As at 30 June 2026, the total outstanding indebtedness of the Group amounted to approximately RMB57.9 billion, of which RMB50.4 billion was overdue and RMB7.5 billion was not overdue. Among those outstanding indebtedness which was not overdue, RMB2.2 billion would be matured and due within one year from 30 June 2026. In order to address the liquidity issue of the Group,

on 20 August 2026, a non-binding term sheet (the “**Term Sheet**”) setting out the proposed terms and conditions of the Offshore Restructuring Plan, including debt cancellation and the issuance of new shares, was sent to certain creditors of the Group, including the petitioner of the winding-up petition against Zhenro Hong Kong Limited. Please refer to the announcement of the Company dated 20 August 2026 and paragraph (2)(b) of this announcement for further details.

(2) Progress of the Plans

As at of the date of this announcement, all the measures (a) to (g) set out on pages 78 to 80 of the 2025 Annual Report remain in effect.

(a) *Proposed actions for resolution of outstanding debts*

Proposed Actions:

Due to the significant uncertainty in negotiating extensions or refinancing with banks and other financial institutions, and on a prudence basis, the Company made its forecasts for outstanding debts maturing within the Forecast period based on contractual maturity dates (that is, assuming timely repayment) to estimate future cash flows. The forecast repayment amount for the period from 1 January 2026 to 31 July 2026 was RMB1.0 billion.

Latest Status:

As at 31 July 2026, the actual funds utilised for loan repayment amounted to approximately RMB430 million (excluding a loan of RMB641 million which was refinanced through a new borrowing), representing a significant improvement compared with the forecasted cash flow position amounted to RMB1.0 billion.

In Line with the Forecast:

Partially. The actual repayment of RMB430 million is below the forecast of RMB1.0 billion, but represents a significant improvement in the Group’s cash flow position given the prevailing market conditions. The variance is primarily attributable to the timing of repayments and the Group’s prudent approach to cash management. The Board is of the view that the forecasted repayment of RMB1.0 billion is reasonable as the Group’s projected cash inflow from contracted sales exceeded the actual realised sales performance, which was attributable to the challenging market conditions prevailing in the PRC property sector.

The Group has been maintaining close contact with existing onshore lenders for the purpose of renewing or extending the repayment terms of certain borrowings. The management continues to prioritize this ongoing communication and assess different potential credit structures to facilitate ongoing communication. From 1 January 2026 to 31 August 2026, the Group’s existing borrowings were neither extended nor had their interest costs reduced.

(b) *Holistic restructuring plan*

Detailed Progress:

On 30 June 2026, the Board resolved to formulate a new Restructuring Plan covering both offshore and onshore debts.

Subsequently, on 20 August 2026, the Term Sheet was sent to certain creditors, including the petitioner of the winding-up petition against Zhenro Hong Kong Limited. Pursuant to the Term Sheet, the indebtedness subject to the Offshore Restructuring Plan comprises the indebtedness incurred by the Company and other members of the Group as existing debts, as well as certain existing notes and existing loans as set out in the Term Sheet which are set out below:

1. The New York law-governed 5.95% senior notes due March 2022 (the “**March 2022 Notes**”) issued by ZhenAn Glory Investment Limited, a joint venture of the Company and guaranteed by the Company. As at the date of the Term Sheet, the aggregate principal amount of the March 2022 Notes outstanding was US\$7,000,000;
2. The New York law-governed 5.98% senior notes due April 2022 (the “**April 2022 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the April 2022 Notes outstanding was US\$23,361,000;
3. The New York law-governed 7.125% senior notes due June 2022 (the “**June 2022 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the June 2022 Notes outstanding was RMB10,020,000;
4. The New York law-governed 8.70% senior notes due August 2022 (the “**August 2022 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the August 2022 Notes outstanding was US\$29,777,000;
5. The New York law-governed 6.50% senior notes due September 2022 (the “**September 2022 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the September 2022 Notes outstanding was US\$31,239,000;
6. The New York law-governed 8.00% senior notes due March 2023 (the “**March 2023 USD Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the March 2023 USD Notes outstanding was US\$728,623,000;
7. The New York law-governed 8.00% senior notes due March 2023 (the “**March 2023 RMB Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the March 2023 RMB Notes outstanding was RMB1,589,980,000;
8. The New York law-governed 9.15% senior notes due May 2023 (the “**May 2023 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the May 2023 Notes outstanding was US\$300,000,000;

9. The New York law-governed 8.30% senior notes due September 2023 (the “**September 2023 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the September 2023 Notes outstanding was US\$200,000,000;
10. The New York law-governed 8.35% senior notes due March 2024 (the “**March 2024 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the March 2024 Notes outstanding was US\$200,000,000;
11. The New York law-governed 7.875% senior notes due April 2024 (the “**April 2024 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the April 2024 Notes outstanding was US\$290,000,000;
12. The New York law-governed 7.10% senior notes due September 2024 (the “**September 2024 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the September 2024 Notes outstanding was US\$340,000,000;
13. The New York law-governed 7.35% senior notes due February 2025 (the “**February 2025 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the February 2025 Notes outstanding was US\$350,000,000;
14. The New York law-governed 6.63% senior notes due January 2026 (the “**January 2026 Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the January 2026 Notes outstanding was US\$400,000,000;
15. The New York law-governed 6.70% senior notes due August 2026 (the “**August 2026 Notes**,” together with the March 2022 Notes, the April 2022 Notes, the June 2022 Notes, the August 2022 Notes, the September 2022 Notes, the March 2023 USD Notes, the March 2023 RMB Notes, the May 2023 Notes, the September 2023 Notes, the March 2024 Notes, the April 2024 Notes, the September 2024 Notes, the February 2025 Notes and the January 2026 Notes, the “**Existing Notes**”) issued by the Company. As at the date of the Term Sheet, the aggregate principal amount of the August 2026 Notes outstanding was US\$300,000,000;
16. The Hong Kong law-governed facility agreement dated 5 July 2019, entered into by the Company in respect of HK\$234,000,000 and US\$90,000,000 dual currency term loan facilities (which may be subsequently increased in accordance with the terms set out therein) made by certain financial institutions as lenders and Hang Seng Bank Limited as agent and security trustee (the “**2019 Syndicated Loan**”). As at the date of the Term Sheet, the aggregate principal amount of the 2019 Syndicated Loan outstanding was HK\$105,300,000 and US\$40,500,000;
17. The Hong Kong law-governed facility agreement dated 7 August 2020, entered into by the Company in respect of HK\$273,000,000 and US\$126,000,000 dual currency term loan facilities (which may be subsequently increased in accordance with the terms set out therein) made by certain financial institutions as lenders and CMB Wing Lung Bank

Limited as agent and security trustee (the “**2020 Syndicated Loan**”). As at the date of the Term Sheet, the aggregate principal amount of the 2020 Syndicated Loan outstanding was HK\$232,050,000 and US\$107,100,000;

18. The Hong Kong law-governed facility letter dated 12 May 2021, entered into by the Company in respect of a term loan facility up to HK\$117,000,000 made by The Bank of East Asia, Limited, supplemented and amended by a supplemental Facility Letter dated June 17, 2022 (the “**BEA Loan**”). As at the date of the Term Sheet, the aggregate principal amount of the BEA Loan outstanding was HK\$117,000,000;
19. The Hong Kong law-governed facility letter dated 20 May 2021, entered into by the Company in respect of a term loan facility up to RMB130,000,000 made by Bank of China (Hong Kong) Limited, supplemented and amended by a supplemental Facility Letter dated May 25, 2022 (the “**BOC Loan**”). As at the date of the Term Sheet, the aggregate principal amount of the BOC Loan outstanding was RMB107,993,435.83;
20. The Hong Kong law-governed facility letter dated 28 December 2021, entered into by the Company in respect of a term loan facility up to US\$15,000,000 made by Seazen Resources Finance Limited (the “**Seazen Loan**,” together with the 2019 Syndicated Loan, the 2020 Syndicated Loan, the BEA Loan and the BOC Loan, the “**Existing Loans**”). As at the date of the Term Sheet, the aggregate principal amount of the Seazen Loan outstanding was US\$15,000,000;
21. The English law-governed Perpetual Securities issued by the Company (together with the Existing Notes and the Existing Loans, the “**In-Scope Debts**”). As at the date of the Term Sheet, the aggregate principal amount of the Perpetual Securities outstanding was US\$200,000,000;
22. The sum of HK\$32,090,642.10, comprising the debt by Zhenro Hong Kong Limited due to Royue Limited and payable to Lead Good Group Limited and the costs of the petitioner summarily assessed in the related garnishee order application; and
23. Other financial indebtedness of the Company that may be designated as the In-Scope Debt by the Company in its sole discretion from time to time before the dispatch of the Explanatory Statement to Scheme Creditors. Such other financial indebtedness shall not exceed US\$80 million.

As at the date of this announcement, no significant progress has been made on the Offshore Restructuring Plan.

Coverage and Timetable:

The Offshore Restructuring Plan covers the Group’s offshore indebtedness. The timetable envisages proposing a Scheme of Arrangement in the coming months, subject to creditor support.

In Line with the Forecast:

As the Offshore Restructuring Plan involves a large number of creditors and is complex to execute, the Company did not forecast any potential restructuring gains or reduction in cash outflows from maturing debts resulting from the Offshore Restructuring Plan in the cash flow forecast, out of prudence. The Company has not yet reached an agreement on the Offshore Restructuring Plan, and there are currently no restructuring expenditures. The progress is generally in line with the revised timetable assumed in the Forecast, which took into account the complexity of formulating a new plan following the lapse of the previous restructuring support agreement. No cash inflow was assumed in the Forecast from the restructuring until a binding agreement is executed.

(c) *Negotiations with the Group's existing lenders for the renewal or extension for repayment*

Planned Amount:

Due to the significant uncertainty in negotiating extensions or refinancing with banks and other financial institutions, and on a prudence basis, the Company made its forecasts for outstanding maturity dates (that is, assuming timely repayment) to estimate future cash flows. No extension amount was forecast in the Forecast.

Actual Progress:

As at 31 July 2026, the Company has completed loan extensions for two subsidiaries totalling approximately RMB900 million.

In Line with the Forecast:

Not applicable. As no extension amount was forecast in the Forecast on a prudence basis, the actual completion of RMB900 million in loan extensions for the two subsidiaries represents positive progress. However, the overall pace of extensions remains subject to ongoing negotiations with lenders and prevailing market conditions.

Please refer to item (a) above for the progress.

(d) *Securing project development loans*

Planned Amount:

Due to prevailing market conditions, for borrowings where contracts have not yet been signed, the Company does not reflect financing drawdown forecasts in its projections. There is no forecast of new financing drawdowns for the year in the Forecast.

Actual Progress:

As at 31 July 2026, there have been no new financing drawdowns in practice. The Group continues to explore potential financing opportunities but has not entered into any binding agreements for new financing as at 31 July 2026.

In Line with the Forecast:

Not applicable. As no new financing drawdowns were forecast in the Forecast on a prudence basis, the actual position of no new drawdowns as at 31 July 2026 is consistent with the Forecast. The Group continues to monitor market conditions for potential financing opportunities.

The Group has been actively navigating the lending environment and negotiating with several financial institutions to obtain new loans at a reasonable cost to ensure the delivery of its property projects under development, whilst there have been no additional borrowings from 1 January 2026 up to the date of this announcement.

The Group will continue to monitor the general environment and seek alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures. The management remains continuously attentive to potential sources of financing, whilst there have been no additional borrowings from 1 January 2026 up to the date of this announcement.

(e) *Pre-sale and sale of properties*

Actual Progress:

For the seven months ended 31 July 2026, the Company's attributable contracted sales amounted to RMB1.158 billion (the announced figure of RMB2.47 billion is on a 100% full consolidation basis, including jointly controlled entities and associates). Attributable sales collections amounted to RMB1.213 billion for the same period. For further details, please refer to the announcement of the Company dated 5 August 2026.

Forecast Comparison:

The Forecast assumed contracted sales of approximately RMB1.873 billion for the seven months ended 31 July 2026. The Forecast also assumed sales collections of approximately RMB2.241 billion for the same period.

In Line with the Forecast:

No. Attributable contracted sales of RMB1.158 billion and sales collections of RMB1.213 billion are below the Forecast of RMB1.873 billion and RMB2.241 billion, respectively. Sales and collections fell short of expectations primarily due to: (1) weakening property price expectations; (2) a slower-than-expected market recovery; and (3) the decelerated pace of mortgage loan disbursements by banks.

The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties. The aggregate contracted sales of the Group, together with those of its joint ventures and associated companies, for the eight months ended 31 August 2026, were disclosed in the announcement published by the Company on 4 September 2026, entitled “Unaudited Operating Statistics For August 2026”. Achieving a significant volume of sales within a relatively short period would typically require offering properties at substantially larger discounts to market prices. However, as there has been no material improvement in the PRC property market and the Group’s current priority remains the preservation of property value, it has not resorted to distressed sales by offering substantial discounts to market prices.

(f) *Control of costs and expenses*

Planned Amount:

The Forecast assumed operating expenses of RMB123 million and administrative expenses of RMB141 million for the six months ended 30 June 2026.

Actual Progress:

For the six months ended 30 June 2026, the Company’s actual operating expenses were RMB228 million (Forecast: RMB123 million; the variance is mainly due to RMB97 million in the amortisation of capitalised commissions and provisioning differences recognised at the consolidated financial statements level), representing a 43% decrease compared with RMB398 million in the same period last year. The Group’s actual administrative expenses were RMB160 million (Forecast: RMB141 million; the variance is mainly because the administrative expenses disclosed at the financial statements level also include taxes and surcharges, as well as finance expenses (handling fees) totalling approximately RMB18 million, alongside provisioning differences), representing a 36% decrease compared with RMB249 million in the same period last year.

In Line with the Forecast:

Partially. While operating expenses (RMB228 million) and administrative expenses (RMB160 million) exceeded the Forecast (RMB123 million and RMB141 million, respectively), the variances are primarily attributable to non-cash items (amortisation of capitalised commissions, surcharges and handling fees) and provisioning differences at the consolidated

level, rather than uncontrolled cash expenditure. On a year-on-year basis, both operating expenses (-43%) and administrative expenses (-36%) decreased significantly, demonstrating effective cost control.

The Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses, in particular administrative expenses and tax refunds. The Group has achieved certain savings in the actual expenses incurred compared to its budgeted costs from 1 January 2026 up to the date of this announcement across its seven operating regions in the PRC.

(g) *Disposal of equity interests in project development companies*

Planned Amount:

Due to the significant uncertainty in disposing of equity interests in project companies, the Company did not forecast any disposal proceeds in the cash flow forecast, on a prudent basis.

Actual Progress:

As at 31 July 2026, the Group has only disposed of equity interests in one project company to settle liabilities, for a consideration of only RMB2.9 million, and no actual cash flow has occurred from the disposal.

In Line with the Forecast:

Not applicable. As no disposal proceeds were forecast in the Forecast on a prudence basis, the actual position of a minimal disposal (RMB2.9 million to settle liabilities, with no actual cash flow) is consistent with the Forecast. The PRC property market remains in a downturn, resulting in limited disposal opportunities.

The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows, despite the PRC property market still being in a downturn. Despite the management having actively monitored the broader landscape and continued to evaluate the general environment for potential disposal opportunities, from 1 January 2026 up to the date of this announcement, the Group managed to dispose of all the equity interests in a joint venture company, resulting in the settlement of approximately RMB2.9 million liabilities, while no cash inflow was generated from the disposal.

The Board will continue to implement relevant measures proactively to resolve the uncertainties relating to going concern associated with the Disclaimer of Opinion and will make further announcements as and when appropriate.

Reasons for Material Deviations from the Forecast

Where material deviations exist, particularly in respect of property sales, new financing and asset disposals, the primary reasons are macroeconomic and sector-specific factors beyond the Group's unilateral control. These include: (1) the continued weakness and structural adjustment of the PRC property market, leading to cautious buyer sentiment; (2) the Group's strategic decision to preserve asset value by avoiding distressed pricing; (3) tightened lending criteria and extended due diligence by financial institutions in respect of private developers; and (4) the inherent complexity of, and time required for, coordinating multi-creditor restructuring negotiations.

The Board notes that the base Forecast deliberately excluded cash inflows from the restructuring until a binding agreement is executed. This mitigates the impact of these deviations on the Group's baseline liquidity planning.

(3) Work performed by the Audit Committee

The Audit Committee has actively reviewed and monitored the implementation status of the Plans from 1 January 2026 to 31 July 2026. The detailed work performed includes:

(a) *Discussions with management and monitoring against the Forecast*

The Audit Committee held dedicated meetings in March, June and August 2026 to discuss the progress of each Plan. Management presented actual operational and financial data, including RMB2.47 billion in contracted sales and the cost savings achieved, against the Forecast. The Audit Committee specifically reviewed the variance analysis prepared by the Finance Department to monitor actual progress against the projected cash flows.

(b) *Assessment of the underlying reasons for material deviations*

Where actual progress deviated from the Forecast, such as lower-than-expected property sales and delays in securing new financing, the Audit Committee assessed the underlying reasons. The Audit Committee evaluated management's explanations regarding the weak PRC property market, the strategic avoidance of distressed sales and the tightened bank lending environment. The Audit Committee concurred that these deviations were primarily driven by external macroeconomic factors and management's prudent asset preservation strategy, rather than operational inefficiencies.

(c) *Follow-up actions taken or to be taken*

To address the deviations and safeguard the Group's liquidity, the Audit Committee has taken the following follow-up actions:

Sensitivity Analysis:

The Audit Committee requested and reviewed downside scenario analyses demonstrating the Group's liquidity position under assumptions of reduced sales absorption of 10%, 20% and 30%, respectively, to ensure that the Group has sufficient contingency plans.

Challenging Assumptions:

The Audit Committee directly challenged management on the reasonableness of the revised pricing assumptions and the probability of successful debt extension negotiations.

Auditor Dialogue:

The Audit Committee facilitated direct discussions between management and the external auditors of the Company to ensure that all perspectives on the going concern assessment and the progress of the Offshore Restructuring Plan were fully understood.

Ongoing Monitoring:

The Audit Committee has required management to provide monthly internal liquidity reports and will continue to monitor the implementation of the Plans on a quarterly basis, adjusting the Group's strategy as necessary in response to market conditions.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should seek professional advice from their own professional or financial advisers.

By Order of the Board
Zhenro Properties Group Limited
Chan King Tak
Chairman

Hong Kong, 30 September 2026

As at the date of this announcement, the executive Directors are Mr Chan King Tak and Mr Jin Mingjie; the non-executive Director is Mr Chow Wai Shing Daniel; and the independent non-executive Directors are Mr Wang Chuanxu, Mr Xie Jun and Ms Yang Yongyi.