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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

INTERIM RESULTS AND OPERATIONAL HIGHLIGHTS

- For the six months ended 30 June 2026, the Group, together with its joint ventures and associated companies, recorded contracted sales of RMB2,117.7 million, representing a 10.4% decrease as compared with the corresponding period in 2025.
- For the six months ended 30 June 2026, the revenue of the Group was RMB632.6 million (for the six months ended 30 June 2025: RMB4,645.4 million).
- For the six months ended 30 June 2026, the loss attributable to the owners of the parent was RMB8,310.1 million (for the six months ended 30 June 2025: RMB6,463.1 million).
- As at 30 June 2026, the Group, together with its joint ventures and associated companies, had a land bank with an aggregate GFA of 8.75 million sq.m. (as at 31 December 2025: 9.04 million sq.m.).

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Zhenro Properties Group Limited (“**Zhenro Properties**” or the “**Company**”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2026 (the “**Period**”), together with the comparative figures for the corresponding period in 2025, as follows. The unaudited interim condensed consolidated results have been prepared in accordance with IFRS Accounting Standards.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
REVENUE	5	632,564	4,645,377
Cost of sales		<u>(594,356)</u>	<u>(4,513,712)</u>
Gross profit		38,208	131,665
Other income and gains		3,747	20,262
Selling and distribution expenses		(227,494)	(397,698)
Administrative expenses		(160,476)	(248,866)
Impairment losses on financial assets, net		(2,270,111)	(1,344,660)
Other expenses	6	(3,243,245)	(2,495,201)
Fair value losses on investment properties		(352,362)	(259,300)
Finance costs	7	(2,415,035)	(1,946,317)
Share of losses of:			
Joint ventures		(76,780)	(592)
Associates		<u>(235,640)</u>	<u>(228,801)</u>
LOSS BEFORE TAX	8	(8,939,188)	(6,769,508)
Income tax credit	9	<u>28,100</u>	<u>111,930</u>
LOSS FOR THE PERIOD		<u>(8,911,088)</u>	<u>(6,657,578)</u>
Attributable to:			
Owners of the parent		(8,310,194)	(6,463,094)
Non-controlling interests		<u>(600,894)</u>	<u>(194,484)</u>
		<u>(8,911,088)</u>	<u>(6,657,578)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted			
– For loss for the period	11	<u>RMB(1.90)</u>	<u>RMB(1.48)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2026*

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
LOSS FOR THE PERIOD	<u>(8,911,088)</u>	<u>(6,657,578)</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>1,096,638</u>	<u>537,497</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>1,096,638</u>	<u>537,497</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD, NET OF TAX	<u>(7,814,450)</u>	<u>(6,120,081)</u>
Attributable to:		
Owners of the parent	<u>(7,213,556)</u>	<u>(5,925,597)</u>
Non-controlling interests	<u>(600,894)</u>	<u>(194,484)</u>
	<u>(7,814,450)</u>	<u>(6,120,081)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		470,131	483,433
Investment properties		5,917,000	6,269,362
Right-of-use assets		200,208	206,714
Other intangible assets		4	4
Investments in joint ventures		1,929,889	2,034,154
Investments in associates		<u>5,193,448</u>	<u>5,457,993</u>
Total non-current assets		<u>13,710,680</u>	<u>14,451,660</u>
CURRENT ASSETS			
Properties under development		23,546,132	26,259,117
Completed properties held for sale		20,212,286	20,350,306
Trade receivables	12	333,088	276,757
Due from related companies		8,257,973	7,633,943
Prepayments, other receivables and other assets		11,168,800	12,869,124
Tax recoverable		1,759,596	1,881,268
Restricted cash and pledged deposits		1,892,187	1,698,878
Cash and cash equivalents		<u>332,532</u>	<u>688,054</u>
Total current assets		<u>67,502,594</u>	<u>71,657,447</u>
CURRENT LIABILITIES			
Trade and bills payables	13	14,126,491	14,027,588
Other payables and accruals		25,492,099	22,384,688
Contract liabilities		7,780,715	6,641,922
Due to related companies		4,732,035	4,710,974
Interest-bearing bank and other borrowings		23,883,984	24,243,066
Senior notes		22,951,877	23,774,578
Corporate bonds		2,272,962	4,969,991
Perpetual capital securities		1,338,488	1,381,310
Tax payable		<u>3,889,151</u>	<u>4,150,175</u>
Total current liabilities		<u>106,467,802</u>	<u>106,284,292</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

As at 30 June 2026

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NET CURRENT LIABILITIES	<u>(38,965,208)</u>	<u>(34,626,845)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>(25,254,528)</u>	<u>(20,175,185)</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	2,024,925	2,224,205
Other payables and accruals	275,996	–
Corporate bonds	3,033,223	254,421
Deferred tax liabilities	<u>272,994</u>	<u>96,663</u>
Total non-current liabilities	<u>5,607,138</u>	<u>2,575,289</u>
Net liabilities	<u><u>(30,861,666)</u></u>	<u><u>(22,750,474)</u></u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	282	282
Reserves	<u>(35,614,313)</u>	<u>(28,401,542)</u>
	<u>(35,614,031)</u>	<u>(28,401,260)</u>
Non-controlling interests	<u>4,752,365</u>	<u>5,650,786</u>
Total equity	<u><u>(30,861,666)</u></u>	<u><u>(22,750,474)</u></u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 16 January 2018.

The Company is an investment holding company. During the six months ended 30 June 2026, the Group was principally engaged in property development and property leasing.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

Going concern basis

For the six months ended 30 June 2026, the Group recorded a net loss of RMB8,911,088,000. As at 30 June 2026, (i) the Group's current liabilities exceeded its current assets by RMB38,965,208,000. (ii) the Group's total bank and other borrowings, senior notes, corporate bonds, perpetual capital securities and asset-backed securities (included in other payables and accruals) amounted to RMB 55,781,455,000, out of which RMB 52,578,091,000 will be due for repayment within the next twelve months or on demand, while its cash and cash equivalents amounted to RMB332,532,000; (iii) the Group had not repaid an aggregate amount of principal and interest of RMB12,555,920,000 for certain senior notes and an aggregate amount of interest amounting to RMB616,046,000 for certain senior notes according to their scheduled repayment dates, triggering events of default for certain senior notes amounting to RMB2,038,052,000; (iv) an aggregate amount of principal of RMB18,624,673,000 for interest-bearing bank and other borrowings had not been repaid according to their scheduled repayment dates, triggering certain long term interest-bearing bank and other borrowings amounting to RMB3,193,460,000 becoming repayable on demand; (v) the Group failed to repay the principal and interest amounting to RMB2,668,105,000 for corporate bonds, each due in November 2022 and January 2027; (vi) the Group failed to repay the principal and interest amounting to RMB1,821,259,000 for the perpetual capital securities; and (vii) the Group failed to repay the principal and interest amounting to RMB2,356,708,000 for an asset-backed security due in April 2024 and May 2027.

The above events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the Directors have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including:

- (a) The Group has been actively working with its legal advisor and financial advisers on its offshore holistic liability management solutions, in order to achieve a long-term sustainable capital structure, resolve its liquidity issue and stabilise the Group's operations, taking into account the interests of all its stakeholders. Given that the PRC property market remains weak and the Group's controlling is in the process of liquidation, the management of the Group is considering various options of the revised Restructuring Plan as announced by the Company on 30 June 2026 and 20 August 2026. The management of the Group has several meetings with various advisers whilst there is no concrete plan to move forward in order to forwardly work out a holistic solution at all stakeholders. The Group will keep exploring a new offshore restructuring proposal to accommodate the current market conditions in future;

2. BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

- (b) The Group has been actively negotiating with existing lenders on the extension for repayments of certain borrowings. The Group may be able to extend the payment schedule for certain interest-bearing bank and other borrowings. Nevertheless, the confirmation of such extension is subject to the final approval from the lenders.

The Group has achieved considerable success in securing extensions for repayments of certain borrowings. From 1 January 2026 up to the date of this announcement, the Group has successfully extended approximately RMB914.6 million of borrowings to five years, with the same interest rate;

- (c) The Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development, whilst there have been no new additional borrowings from 1 January 2026 up to the date of this announcement;
- (d) The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures, whilst there have been no new additional borrowings from 1 January 2026 up to the date of this announcement;
- (e) The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties. 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) 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; and
- (g) The Group will continue to seek suitable opportunities to dispose its equity interests in certain project development companies in order to generate additional cash inflows, 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 Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2026. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the following twelve months from 30 June 2026. Accordingly, the Directors are satisfied that it is appropriate to prepare the unaudited interim condensed consolidated financial information of the Group for the period ended 30 June 2026 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in Mainland China and the uncertainties to obtain continuous support from the banks and the Group's creditors, significant uncertainties exist as to whether the management of the Group will be able to implement the aforementioned plans and measures.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the unaudited interim condensed consolidated financial information.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following revised standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS9, IFRS 10 and IAS 7

The amendments did not have any material impact on the condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development and leasing and management consulting services by project location for the purpose of making decisions about resource allocation and performance assessment. No single location's revenue, net profit or total assets exceeded 10% of the Group's combined revenue, net profit or total assets during the period. As the business in all the locations have similar economic characteristics and with similar nature of property development and leasing and management, nature of the aforementioned business processes, type or class of customer for the aforementioned business and methods used to distribute the properties or provide the services, all locations were aggregated as one reportable operating segment.

Geographical information

No further geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no material non-current assets of the Group are located outside Mainland China.

Information about major customers

No sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the six months ended 30 June 2026 and 2025.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	601,294	4,600,123
Revenue from other sources		
Gross rental income from investment property operating leases:		
Lease payments, including fixed payments	<u>31,270</u>	<u>45,254</u>
Total	<u>632,564</u>	<u>4,645,377</u>

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of properties	595,348	4,598,119
Management consulting services	<u>5,946</u>	<u>2,004</u>
Total	<u>601,294</u>	<u>4,600,123</u>
Timing of revenue recognition		
Properties transferred at a point in time	595,348	4,598,119
Services transferred over time	<u>5,946</u>	<u>2,004</u>
Total	<u>601,294</u>	<u>4,600,123</u>

6. OTHER EXPENSES

An analysis of other expenses is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment losses recognised for properties under development and completed properties held for sale	2,689,795	1,971,541
Foreign exchange loss, net	351,216	336,566
Losses on disposal of items of property, plant and equipment	134	29
Losses on disposal of subsidiaries	149,489	—
Losses on disposal of associates	—	93,050
Compensation for liquidated damages and late payments	52,427	91,004
Others	184	3,011
Total	<u>3,243,245</u>	<u>2,495,201</u>

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings, corporate bonds, senior notes and proceeds from asset-backed securities	2,463,823	2,382,698
Interest expense arising from revenue contracts	10,383	12,580
Interest on lease liabilities	—	62
Total interest expense on financial liabilities not at fair value through profit or loss	2,474,206	2,395,340
Less: Interest capitalised	59,171	449,023
Total	<u>2,415,035</u>	<u>1,946,317</u>

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold	594,018	4,505,148
Impairment losses recognised for properties under development and completed properties held for sale	2,689,795	1,971,541
Impairment losses of financial assets, net	2,270,111	1,344,660
Depreciation of items of property, plant and equipment	12,491	35,617
Depreciation of right-of-use assets	6,506	7,842
Amortisation of other intangible assets	—	6
Loss/(gain) on disposal of items of property, plant and equipment, net	134	(51)
Losses on disposal of subsidiaries, net	149,489	—
Losses on disposal of associates	—	93,050
Fair value losses on investment properties	352,362	259,300
Foreign exchange loss, net	351,216	336,566
Employee benefit expense (including Directors' and chief executive's remuneration):		
Wages and salaries	120,226	130,324
Pension scheme contributions and social welfare	10,436	11,148

9. INCOME TAX CREDIT

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong were not liable for income tax as they did not have any assessable income arising in Hong Kong for the six months ended 30 June 2026 and 2025.

Subsidiaries of the Group operating in Mainland China are subject to the People's Republic of China ("PRC") corporate income tax at a rate of 25%.

Land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

9. INCOME TAX CREDIT (Continued)

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
Corporate income tax	—	—
LAT	7,578	27,872
Over-provision in prior years	<u>(212,009)</u>	<u>(167,372)</u>
	(204,431)	(139,500)
Deferred tax	<u>176,331</u>	<u>27,570</u>
Total tax credit for the period	<u><u>(28,100)</u></u>	<u><u>(111,930)</u></u>

10. DIVIDENDS

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 4,367,756,000 (six months ended 30 June 2025: 4,367,756,000) shares in issue during the period.

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the reporting periods.

The calculation of basic loss per share is based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent	<u><u>(8,310,194)</u></u>	<u><u>(6,463,094)</u></u>
	Number of shares	
	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period	<u><u>4,367,756,000</u></u>	<u><u>4,367,756,000</u></u>
Loss per share		
Basic and diluted	<u><u>RMB(1.90)</u></u>	<u><u>RMB(1.48)</u></u>

12. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Less than 1 year	20,333	34,977
Over 1 year	312,755	241,780
Total	333,088	276,757

The Group applies the simplified approach to providing for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rate of trade receivables is assessed to be 0.7% (2025: 0.7%). Based on evaluation on the expected loss rate and gross carrying amount, the Directors of the Company are of the opinion that the ECL in respect of these balances is considered to be immaterial, and therefore, there has not been a loss allowance provision.

13. TRADE AND BILLS PAYABLES

An ageing analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Less than 1 year	490,403	2,395,941
Over 1 year	13,636,088	11,631,647
Total	14,126,491	14,027,588

The trade payables are unsecured and are normally settled based on the progress of construction. As at 30 June 2026, commercial acceptance bills of approximately RMB1,015,497,000 (31 December 2025: RMB1,046,076,000) issued by the Company's subsidiaries were overdue and unpaid.

CHAIRMAN'S STATEMENT — INTERIM 2026

Dear Shareholders,

On behalf of the Board, I hereby present to you the results and business review of the Group for the Period and its outlook for the second half of 2026.

RESULTS

During the Period, the revenue of the Group was approximately RMB632.6 million; the loss was approximately RMB8,911.1 million; and the loss attributable to owners of the parent was approximately RMB8,310.2 million. The Board did not recommend the payment of any interim dividend for the Period.

MARKET AND BUSINESS REVIEW

In the first half of 2026, China's real estate market remained in the bottoming phase. The nationwide real estate development investment decreased by 18.0% year-on-year, with the sales area and sales revenue of newly constructed commercial housing declining by 11.6% and 13.6% respectively. The industry as a whole continued to face significant pressure. However, positive changes were accumulating: inventory decreased for four consecutive months, residential property prices in first-tier cities rose month-on-month for five consecutive months, and the proportion of second-hand housing transactions exceeded 50%. The market was accelerating into an era of stock. Policy efforts continued to focus on “controlling increment, reducing inventory, and optimising supply”, and housing consumption was included in the category of durable goods consumption for the first time, creating a favourable environment for the industry's recovery.

Facing the severe situation of continuous industry adjustments, the Group has been forging ahead and rising to challenges, ensuring the orderly implementation of project production and construction, and maintaining the overall stability of the Group's operations. Adhering to the business philosophy of “quality establishes our reputation, virtue fosters long-term prosperity (正品立世、厚德長榮)”, the Group is committed to creating high-quality products and services, enhancing customer confidence and establishing corporate reputation through craftsmanship. In the first half of 2026, we delivered approximately 600 new houses on schedule, covering an area of approximately 74,600 square meters, effectively safeguarding the rights and interests of homeowners and consistently fulfilling our delivery commitments.

To address liquidity challenges, the Group continued to deepen liquidity management and cost control, accelerated the disposal of new properties and the activation of existing assets, improved cash recovery efficiency, and persistently streamlined organisational structure and reduced administrative expenses. The Group also actively collaborated with legal and financial advisors to advance the overall restructuring of overseas debts, maintained open communication with all stakeholders, and committed to reaching a debt arrangement that balances the interests of all parties, driving the capital structure towards long-term sustainability.

OUTLOOK

Pioneering new paths, advancing together for a win-win future. Looking ahead to the second half of 2026, the China's real estate industry will continue to advance amidst a bottoming-out process with differentiated development. Core cities are expected to maintain a moderate recovery trend, driven by the gradual restoration of market confidence and the continuous release of policy effects. Overall, although the industry still faces challenges, positive factors are accumulating, and the trend of structural market recovery has gradually emerged. Faced with a complex environment where opportunities and challenges coexist, the Group will, on the basis of maintaining operational stability, steadily advance the restart of critical and challenging projects and the construction of ongoing projects, while focusing on enhancing asset management capability and value recovery effectiveness. At the same time, adhering to the business principles of "safety, health, and sustainability", we will explore our onshore and offshore holistic financial restructuring arrangements, strengthen financial management and cost control, improve organisational efficiency and team execution, explore new development paths with a pioneering spirit, and drive the enterprise towards a sustainable new stage with a vision of long-term advancement.

Zhenro Properties Group Limited

CHAN King Tak

Chairman of the Board

Shanghai, PRC

26 August 2026

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT

Contracted Sales

During the Period, the Group, together with its joint ventures and associated companies, recorded contracted sales of RMB2,117.7 million, representing a decrease of 10.4% compared with the six months ended 30 June 2025. Total contracted gross floor area (“GFA”) sold amounted to 136,665 sq.m., representing a decrease of 4.2% compared with the six months ended 30 June 2025. The contracted average selling price (“ASP”) for the six months ended 30 June 2026 was RMB15,500 per sq.m., while that for the six months ended 30 June 2025 was RMB16,584 per sq.m.

Revenue Recognized from Sales of Properties

Revenue recognized from sales of properties decreased significantly by 87.1% from RMB4,598.1 million for the six months ended 30 June 2025 to RMB595.3 million for the Period, primarily due to a decrease in GFA being delivered. During the Period, the Group’s recognized ASP from sales of properties was RMB12,260 per sq.m., representing a decrease of 45.7% from RMB23,236 per sq.m. for the six months ended 30 June 2025, primarily due to selling prices in the cities where the properties were delivered during the Period. Properties delivered by the Group during the Period included Nanjing Zhenro Aoti Nanchen Pinnacle (南京正榮奧體南宸紫闕), Guangzhou Emerald Cloud Realm (廣州翡麗雲境), Xiamen Lianfa Zhenro Mansion (廈門聯發正榮府) and others.

Completed Properties Held for Sale

Properties held for sale represent completed properties remaining unsold at the end of each financial period and are stated at the lower of cost and net realizable value. The cost of properties held for sale is determined by an apportionment of related costs incurred attributable to the unsold properties.

As at 30 June 2026, the Group had completed properties held for sale of RMB20,212.3 million, representing a decrease of 0.7% from RMB20,350.3 million as at 31 December 2025. The decrease was primarily due to a decline in property market conditions, resulting in a decrease in the fair value recognised for the completed properties held for sale for the Period. The Group has obtained construction completion certificates in respect of all completed properties held for sale.

Properties Under Development

Properties under development are intended to be held for sale after completion and are stated at the lower of cost, comprising land costs, construction costs, capitalized interest and other costs directly attributable to such properties incurred during the development period, and net realizable value. Upon completion, the properties are transferred to completed properties held for sale.

As at 30 June 2026, the Group had properties under development of RMB23,546.1 million, representing a decrease of 10.3% from RMB26,259.1 million as at 31 December 2025. The decrease was primarily due to a decrease in the number of projects developed by the Group in the first half of 2026.

PROPERTY INVESTMENT

Rental Income

The Group's rental income for the six months ended 30 June 2026 was RMB31.3 million, representing a decrease of 30.9% from RMB45.3 million for the six months ended 30 June 2025. The decrease was due to a reduction in an overall leasable GFA of the Group's investment properties during the Period.

Investment Properties

As at 30 June 2026, the Group had 10 investment properties with a total GFA of 656,676 sq.m. Of these, eight investment properties with a total GFA of 397,144 sq.m. had commenced leasing.

LAND BANK

During the Period, the Group did not acquire any land parcels. As at 30 June 2026, the Group, together with its joint ventures and associated companies, had a land bank with an aggregate GFA of 8.75 million sq.m.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased significantly by 86.4% from RMB4,645.4 million for the six months ended 30 June 2025 to RMB632.6 million for the Period. The following table sets forth the Group's revenue for each of the components, the percentage of total revenue represented and the relevant changes for the periods indicated.

	Six months ended 30 June 2026		Six months ended 30 June 2025		
	Revenue	% of Total	Revenue	% of Total	Change
	RMB'000	%	RMB'000	%	%
Sales of properties	595,348	94.1	4,598,119	99.0	(87.1)
Property lease	31,270	4.9	45,254	1.0	(30.9)
Management consulting services ⁽¹⁾	5,946	1.0	2,004	0.0	196.7
Total	632,564	100.0	4,645,377	100.0	(86.4)

Note:

- (1) Primarily includes revenue generated from provision of design consultation services to joint ventures, associated companies and third parties.

Cost of Sales

The Group's cost of sales primarily represents the costs directly incurred for property development activities as well as leasing operations and management consulting services. The principal components of cost of sales for property development include the cost of properties sold, which represents direct construction costs, land use right costs and capitalized interest costs on related borrowings for the purpose of property development during the period of construction.

The Group's cost of sales decreased significantly by 86.8% from RMB4,513.7 million for the six months ended 30 June 2025 to RMB594.4 million for the Period, primarily due to a decrease in the revenue of the Group, which was resulted from the significant reduction in the number of properties being delivered, during the Period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit decreased by 71.0% from RMB131.7 million for the six months ended 30 June 2025 to RMB38.2 million for the Period. Gross profit margin for the Period increased by 3.2 percentage points to 6.0% from 2.8% for the six months ended 30 June 2025.

Other Income and Gains

The Group's other income and gains primarily consist of interest income, government grants, commercial compensation and others. Interest income primarily consists of interest income on bank deposits. Commercial compensation primarily represents forfeited deposits received from certain potential customers who did not subsequently enter into sales contracts with the Group and penalties received from certain customers due to their breach of sales or pre-sales contracts.

Other income and gains decreased by 81.8% from RMB20.3 million for the six months ended 30 June 2025 to RMB3.7 million for the Period, primarily due to the decrease in interest income, government grants and forfeited deposits during the Period.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of advertising, marketing and business development expenses, sales and marketing staff costs, office expenses, fees paid to third-party sales agents, rental and other expenses relating to sales of properties and property leasing services.

The Group's selling and distribution expenses decreased by 42.8% from RMB397.7 million for the six months ended 30 June 2025 to RMB227.5 million for the Period, which was consistent with the declining trend of contracted sales for the Period.

Administrative Expenses

Administrative expenses primarily consist of management and administrative staff costs, entertainment expenses, office and meeting expenses, stamp duties and other taxes, rental costs, depreciation of property, plant and equipment, professional fees, travelling expenses, bank charges and other general office expenses and miscellaneous expenses.

The Group's administrative expenses decreased by 35.5% from RMB248.9 million for the six months ended 30 June 2025 to RMB160.5 million for the Period, primarily due to the streamlining of the Group's organisational structure and enhanced cost control over administrative items during the Period.

Other Expenses

Other expenses increased significantly by 30.0% from RMB2,495.2 million for the six months ended 30 June 2025 to RMB3,243.2 million for the Period, which mainly included impairment losses recognized for properties under development and completed properties held for sale of RMB2,689.8 million (for the six months ended 30 June 2025: RMB1,971.5 million) and net foreign exchange loss, of RMB351.2 million (for the six months ended 30 June 2025: RMB336.6 million).

Impairment Losses on Financial Assets, Net

Impairment losses on financial assets, net, increased by 68.8% from RMB1,344.7 million for the six months ended 30 June 2025 to RMB2,270.1 million for the Period, owing to the significant decline in the overall fair value of the financial assets.

Fair Value Losses on Investment Properties

The Group develops and holds certain commercial properties on a long-term basis for rental income or capital appreciation. Under the impact of the unfavourable macro economic environment, there was a decrease in the fair value of investment properties as a result of declining demand for commercial property. For the Period, the Group recorded fair value losses on investment properties of RMB352.4 million, compared with fair value losses on investment properties of RMB259.3 million for the six months ended 30 June 2025.

Finance Costs

Finance costs primarily consist of interest expenses on bank and other borrowings, net of capitalized interest relating to properties under development.

The Group's finance costs increased by 24.1% from RMB1,946.3 million for the six months ended 30 June 2025 to RMB2,415.0 million for the Period, primarily due to less capitalisation for interest on borrowings for the Period resulting from a decrease in properties under construction for interest on borrowings for the Period.

Share of Losses of Joint Ventures and Associated Companies

The Group's share of losses of joint ventures was RMB76.8 million for the Period, compared with RMB0.6 million for the six months ended 30 June 2025, primarily due to increased losses from properties delivered by joint ventures.

The Group's share of losses of associated companies was RMB235.6 million for the Period, compared with a share of losses of RMB228.8 million for the six months ended 30 June 2025, primarily due to increased losses from properties delivered by associated companies.

Income Tax Credit

Income tax credit represent corporate income tax and land appreciation tax ("LAT") payable by the Group's subsidiaries in the PRC.

During the Period, the Group recorded income tax credit of RMB28.1 million, compared with a tax credit of RMB111.9 million for the six months ended 30 June 2025. The change was primarily due to LAT reversal during the Period.

Loss for the Period

As a result of the foregoing, the Group's loss for the Period was RMB8,911.1 million, compared with a loss of RMB6,657.6 million for the six months ended 30 June 2025.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The industry in which the Group operates is capital-intensive. The Group has met, and expects to continue meeting, its operating capital, capital expenditure and other capital needs with proceeds from pre-sale and sale of properties, loans from commercial banks, proceeds from corporate debts or other securities offerings, and capital injections from shareholders. The Group's need for short-term liquid capital is mainly associated with loan repayments and operating capital needs, funded through cash balances, proceeds from pre-sale and sale of properties and new financings. The Group's needs for long-term liquid capital are associated with capital allocated for new property development projects and repayment of long-term borrowings.

Cash Positions

As at 30 June 2026, the Group had cash and bank balances of RMB2,224.7 million (31 December 2025: RMB2,386.9 million), comprising cash and cash equivalents of RMB332.5 million (31 December 2025: RMB688.1 million), pledged deposits of RMB60.7 million (31 December 2025: RMB53.8 million) and restricted cash of RMB1,831.5 million (31 December 2025: RMB1,645 million).

Indebtedness

As at 30 June 2026, the Group had total outstanding bank and other borrowings of RMB25,908.9 million (31 December 2025: RMB26,467.3 million), corporate bonds with carrying amounts of RMB5,306.2 million (31 December 2025: RMB5,224.4 million), senior notes with carrying amounts of RMB22,951.9 million (31 December 2025: RMB23,774.6 million) and perpetual capital securities (the “PCS”) with carrying amounts of RMB1,338.5 million (31 December 2025: RMB1,381.3 million). The Group’s borrowings are denominated in Renminbi, Hong Kong dollars and US dollars.

The following table sets forth the Group’s total borrowings as at the dates indicated:

	As at 30 June 2026 <i>RMB’000</i>	As at 31 December 2025 <i>RMB’000</i>
Current borrowings:		
Bank borrowings – secured	126,303	126,303
Bank borrowings – unsecured	465,000	477,188
Other borrowings – secured	3,558,715	3,569,061
Plus: current portion of non-current borrowings		
Bank borrowings – secured	16,371,595	16,593,997
Bank borrowings – unsecured	1,254,198	1,296,214
Other borrowings – secured	2,108,173	2,180,303
Senior notes and corporate bonds	25,224,839	28,744,569
Asset-backed securities	2,130,780	2,354,743
PCS	<u>1,338,488</u>	<u>1,381,310</u>
Total current borrowings	<u>52,578,091</u>	<u>56,723,688</u>
Non-current borrowings:		
Bank borrowings – secured	2,024,925	2,224,205
Corporate bonds	<u>3,033,223</u>	<u>254,421</u>
Total non-current borrowings	<u>5,058,148</u>	<u>2,478,626</u>
Total	<u><u>57,636,239</u></u>	<u><u>59,202,314</u></u>

The following table sets forth the maturity profiles of the Group's total borrowings as at the dates indicated:

	As at 30 June 2026 <i>RMB'000</i>	As at 31 December 2025 <i>RMB'000</i>
Repayable within one year	52,578,091	56,723,688
Repayable in the second year	2,971,137	2,251,820
Repayable within three to five years	<u>2,087,011</u>	<u>226,806</u>
Total	<u><u>57,636,239</u></u>	<u><u>59,202,314</u></u>

Charge on Assets

As at 30 June 2026, the Group's asset portfolio, comprising property, plant and equipment with a carrying value of RMB339.3 million (31 December 2025: RMB352.5 million), right-of-use assets with a carrying value of RMB176.4 million (31 December 2025: RMB182.9 million), investment properties with a carrying value of RMB5,874.5 million (31 December 2025: RMB6,223.4 million), properties under development with a carrying value of RMB20,404.9 million (31 December 2025: RMB20,385.7 million), and completed properties held for sale with a carrying value of RMB16,267.9 million (31 December 2025: RMB13,390.0 million), was pledged as security for the Group's secured borrowings.

FINANCIAL RISKS

The Group primarily operates its business in the PRC, where substantially all transactions are denominated and settled in Renminbi. Any depreciation of the Renminbi would adversely affect the value of any dividends paid to shareholders outside of the PRC. The Group holds cash at banks denominated in foreign currencies, which exposes the Group to foreign exchange risk. The Group does not currently engage in hedging activities for foreign exchange rate risk but will continue to monitor foreign exchange rate changes to preserve the Group's cash value. The Group is also exposed to interest rate risk for changes in market interest rates, which would impact bank and other borrowings. The Group does not currently use derivative financial instruments to hedge interest rate risk.

During the Period, pre-sale of properties by Chinese property developers continued to decline and financing conditions remained difficult, adversely impacting the Group's ability to obtain funding from capital markets and other sources, and significantly limiting resources to address upcoming debt maturities. The Group has implemented a wide range of liquidity management and cost-saving measures, including without limitation, seeking extensions and waivers for financings, seeking disposals of assets, accelerating sales and cash collection, streamlining the corporate structure, as well as reducing non-core business operations and administrative expenses so long as such measures do not

affect the Group's delivery efforts and normal operations. The Company has also commenced the implementation of its holistic management solutions for its offshore indebtedness (the “**Offshore Holistic Liability Management Solutions**”).

KEY FINANCIAL RATIOS

The Group's current ratio was 0.63 as at 30 June 2026 (31 December 2025: 0.67). The Group's net gearing ratio (defined as total borrowings less cash and bank balances divided by total equity) was -179.5% as at 30 June 2026 (31 December 2025: -249.7%).

CONTINGENT LIABILITIES

Mortgage Guarantees

The Group provides mortgage guarantees to banks in respect of mortgage loans granted to the Group's customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and are released upon the earlier of (i) the transfer of the relevant real estate ownership certificates to the customers, or (ii) the settlement of the mortgage loans by the customers. If a purchaser defaults on a mortgage loan, the Group is typically required to repurchase the underlying property by paying off the mortgage loan. If it fails to do so, the mortgagee banks will auction the underlying property and recover any shortfall from the Group if the outstanding loan amount exceeds the net foreclosure sale proceeds.

As at 30 June 2026, the material contingent liabilities incurred by the Group for the provision of guarantees to financial institutions in respect of mortgage loans granted to the Group's customers amounted to RMB19,955.4 million (31 December 2025: RMB20,419.4 million).

The Directors confirm that the Group has not encountered defaults by purchasers for whom it has provided mortgage guarantees that, in aggregate, had a material adverse effect on the financial condition and results of operations of the Group.

Other Financial Guarantees

As at 30 June 2026, guarantees given to banks and other institutions in connection with borrowings made by related companies and third parties amounted to RMB2,332.3 million (31 December 2025: RMB2,453.7 million).

Legal Contingents

The Group may be involved in lawsuits and other proceedings in its ordinary course of business from time to time. The Group considers that, as at the date of this announcement, no liabilities resulting from these proceedings will have a material adverse effect on business, financial condition or results of operations of the Group.

Commitments

As at 30 June 2026, the Group's capital commitment it had contracted but had not yet provided for was RMB3,251.3 million (31 December 2025: RMB3,860.2 million).

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except for the contingent liabilities disclosed above and the matters disclosed in the consolidated financial statements and the notes thereto, as at 30 June 2026, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

NON-PAYMENT OF PRINCIPAL, INTEREST AND/OR DISTRIBUTION OF CERTAIN SENIOR NOTES AND PCS

References are made to the announcements of the Company dated 10 April 2022, 31 May 2022, 30 June 2022, 3 August 2022, 30 August 2022, 9 November 2022, 12 December 2022, 6 March 2023, 14 March 2023, 31 March 2023, 5 May 2023, 15 September 2023, 6 March 2024, 12 April 2024, 10 September 2024, 4 February 2025, 6 January 2026 and 3 August 2026.

As at the date of this announcement, the Company had not made payment of the outstanding principal and/or the accrued distribution and/or the accrued interest due for the securities as set out in the following table:

Description of Debt Securities	Payment Status
7.125% Senior Notes due June 2022 (the “ 2021 RMB Notes ”)	Did not make payment for outstanding principal of RMB10,020,000 and accrued interest that were due
5.98% Senior Notes due April 2022 (the “ April 2021 Notes ”)	Did not make payment for outstanding principal of US\$23,361,000 and accrued interest that were due
8.3% Senior Notes due September 2023 (the “ June 2020 Notes ”)	Did not make payment for outstanding principal of US\$200,000,000 and accrued interest that were due
8.35% Senior Notes due March 2024 (the “ May 2020 Notes ”)	Did not make payment for outstanding principal of US\$200,000,000 and accrued interest that were due
7.875% Senior Notes due April 2024 (the “ January 2020 Notes ”)	Did not make payment for outstanding principal of US\$290,000,000 and accrued interest that were due
7.1% Senior Notes due September 2024 (the “ June 2021 Notes ”)	Did not make payment for outstanding principal of US\$340,000,000 and accrued interest that were due

Description of Debt Securities	Payment Status
7.35% Senior Notes due February 2025 (the “ September 2020 Notes ”)	Did not make payment for outstanding principal of US\$350,000,000 and accrued interest that were due
9.15% Senior Notes due May 2023 (the “ November 2019 Notes ”)	Did not make payment for outstanding principal of US\$300,000,000 and accrued interest that were due
8.7% Senior Notes due August 2022 (the “ October 2019 Notes ”)	Did not make payment for outstanding principal of US\$29,777,000 and accrued interest that were due
6.63% Senior Notes due January 2026 (the “ January 2021 Notes ”)	Did not make payment for outstanding principal of US\$400,000,000 and accrued interest that were due
6.7% Senior Notes due August 2026 (the “ February 2021 Notes ”)	Did not make payment for outstanding principal of US\$300,000,000 and accrued interest that were due
6.50% Senior Notes due September 2022 (the “ September 2021 Notes ”)	Did not make payment for outstanding principal of US\$31,239,000 and accrued interest that were due
PCS	Did not make payment for outstanding principal of US\$200,000,000 and accrued distribution that were due
8.0% Senior Notes due March 2023 (the “ March 2022 Notes ”)	Did not make payment for outstanding principal of US\$728,623,000 and accrued interest that were due
8.0% Senior Notes due March 2023 (the “ March 2022 RMB Notes ”)	Did not make payment for outstanding principal of RMB1,589,980,000 and accrued interest that were due

2021 RMB Notes, April 2021 Notes, October 2019 Notes and September 2021 Notes: Failure to pay the outstanding principal at maturity, and accrued interest upon expiration of the 30-day grace period, both constituted events of default under the 2021 RMB Notes, the April 2021 Notes, the October 2019 Notes and the September 2021 Notes. However, the non-payment under the respective senior notes has not triggered, and will not trigger, any cross-default under the terms of other senior notes and the PCS issued by the Company.

June 2020 Notes, May 2020 Notes, January 2020 Notes, June 2021 Notes, September 2020 Notes, November 2019 Notes, January 2021 Notes, February 2021 Notes, the PCS, March 2022 Notes and March 2022 RMB Notes: Failure to pay the outstanding principal at maturity, and accrued distribution and/or accrued interest upon expiration of the respective grace periods, both constituted events of default under the PCS and respective senior notes (as the case may be). If an event of default has occurred (such as 30-day grace period lapses) and is continuing, the trustee or holders of at least 25% in aggregate principal amount of the PCS and/or 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 distribution and/or interest on the relevant PCS and senior notes to be immediately due and

payable (the “**Acceleration Notice**”). As at 30 June 2026 and up to the date of this announcement, the Company has not received any Acceleration Notice as a result of the non-payment under the respective PCS and/or senior notes.

THE 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, 6 March 2023, 14 March 2023, 31 March 2023, 5 May 2023, 10 August 2023, 15 September 2023, 1 November 2023, 2 January 2024, 24 January 2024, 31 January 2024, 6 March 2024, 11 April 2024, 2 July 2024, 15 July 2024, 29 July 2024, 9 August 2024, 12 August 2024, 16 August 2024, 22 August 2024, 30 August 2024, 6 September 2024, 13 September 2024, 19 September 2024, 31 October 2024, 28 November 2024, 2 January 2025, 30 June 2025, 6 August 2025, 30 September 2025, 31 December 2025 and 20 August 2026 (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Company will make further announcement(s) on the progress of the Offshore Holistic Liability Management Solutions as and when appropriate.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Period, there were no significant investments held by the Group.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently has no plan to make any significant investment or acquisition of capital assets.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 458 employees, including management, sales personnel, etc. (31 December 2025: 499 employees).

The Group recruits skilled and qualified personnel in local markets through various channels, such as recruiting firms, internal referrals and online advertisements. The Group values employees who demonstrate loyalty, embrace corporate culture, and possess relevant work experience. The Group’s future development depends significantly on its ability to identify, hire, train and retain suitable employees, including management personnel with relevant professional skills. Therefore, the Group has established systematic training programs for employees based on their positions and expertise.

The Group enters into labour contracts with all employees and offers employees competitive remuneration packages, including basic salaries, discretionary bonuses and performance-based payments. The Company has also adopted a share option scheme.

Under the applicable PRC laws and regulations, the Group participates in social insurance contribution plans. The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all employees in Hong Kong.

SUBSEQUENT EVENTS

Save for the matters as disclosed under the section headed “THE OFFSHORE HOLISTIC LIABILITY MANAGEMENT SOLUTIONS” above, no material events were undertaken by the Group subsequent to 30 June 2026 and up to the date of this announcement.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

References are made to the announcements of the Company dated 5 July 2019, 7 August 2020 and 29 September 2020.

In July 2019, pursuant to a facility agreement (the “**2019 Facility Agreement**”) entered into between, among others, the Company as borrower, certain wholly-owned subsidiaries of the Company as original guarantors, Hang Seng Bank Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, The Bank of East Asia, Limited, Goldman Sachs (Asia) L.L.C. and BNP Paribas, acting through its Hong Kong Branch, collectively as original lenders, dual-currency term loan facilities in the amount of HK\$234,000,000 and US\$90,000,000 (totaling approximately US\$120,000,000) (the “**2019 Loan Facilities**”, each a “**2019 Loan Facility**”) were made available to the Company for a term of 36 months from the date of the 2019 Facility Agreement.

As provided in the 2019 Facility Agreement, if Mr. OU Zongrong, Mr. OU Guoqiang and Mr. OU Guowei collectively (a) do not or cease to, directly or indirectly, own at least 51% of the beneficial shareholding in the Company, carrying at least 51% of the voting right in the Company, of which at least 45% beneficial shareholding must, at any time on or after the first date of utilisation of the 2019 Loan Facility, be free from any security; (b) are not or cease to be the single largest shareholder of the Company; and/or (c) do not or cease to have management control over the Company, the commitments under the 2019 Loan Facilities may be cancelled and all amounts outstanding together with accrued interest and all other amounts accrued under the 2019 Loan Facilities may become immediately due and payable.

In August 2020, a facility agreement (the “**2020 Facility Agreement**”) was entered into between, among others, the Company as borrower, certain wholly-owned subsidiaries of the Company as the original guarantors, Bank of China (Hong Kong) Limited, CMB Wing Lung Bank Limited, Hang Seng Bank Limited and certain other financial institutions, collectively as lenders, whereby dual-currency term loan facilities in the amount of HK\$273,000,000 and US\$106,000,000 (totaling approximately US\$141,000,000) were made available to the Company for a term of 36 months from the date of the first utilisation of the loan facility. In September 2020, Chong Hing Bank Limited (as lender) acceded to the 2020 Facility Agreement in accordance with the terms of the 2020 Facility Agreement (the

“**Accession**”). Following the execution of the Accession, the total amount of loan facilities made available to the Company under the 2020 Facility Agreement was approximately US\$161,000,000 (the “**2020 Loan Facilities**”, each a “**2020 Loan Facility**”).

As provided in the 2020 Facility Agreement, if (i) Mr Ou Zongrong, Mr Ou Guoqiang and Mr Ou Guowei (collectively, the “**Relevant Persons**”) collectively (a) do not or cease to, directly or indirectly, own at least 51% of the beneficial shareholding in the Company, carrying at least 51% of the voting right in the Company, of which at least 45% of the beneficial shareholding must, at all times from the date of the 2020 Facility Agreement for so long as any liability is outstanding or any commitment is in force, be free from any security; (b) are not or cease to be the single largest shareholder of the Company; and/or (c) do not or cease to have management control over the Company; and/or (ii) the chairman of the Company is not any of Mr Huang Xianzhi, Mr Liu Weiliang (being a then executive Director) or Mr Chan Wai Kin or any of the Relevant Persons, the commitments under the loan facilities may be cancelled and all amounts outstanding together with accrued interest and all other amounts accrued under the loan facilities may become immediately due and payable.

As at 30 June 2026 and up to the date of this announcement, the Company had not made payment of the outstanding principal and/or the accrued interest that were due for the 2019 Loan Facilities and the 2020 Loan Facilities, which constituted an event of default under the 2019 Loan Facilities and the 2020 Loan Facilities. The Company has been working on the Offshore Holistic Liability Management Solutions, details of which are set out in the section headed “THE OFFSHORE HOLISTIC LIABILITY MANAGEMENT SOLUTIONS” above.

Save as disclosed in this announcement, as at 30 June 2026, the Directors were not aware of any circumstances that would trigger the disclosure requirements under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound governance policies and measures with the Board being responsible for performing such corporate governance duties. The Company has adopted the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”) as the basis of the Company’s corporate governance practices. The Board will continue to review and monitor the governance of the Company with reference to the principles and requirements set out in the Corporate Governance Code so as to maintain a high standard of corporate governance practices of the Company. So far as the Directors are aware, during the Period, the Company has complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding Directors’ securities transactions. All Directors have confirmed, following specific enquiry made by the Company, that they have complied with the Model Code during the Period.

PURCHASE, SALE OR REDEMPTION OF THE GROUP’S LISTED SECURITIES

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Group during the Period (including the sale of treasury shares). As at 30 June 2026, the Company did not have any treasury shares.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the Period (for the six months ended 30 June 2025: Nil).

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee consists of three members, namely Ms Yang Yongyi, Mr Wang Chuanxu and Mr Xie Jun, each of them an independent non-executive Director. Ms Yang Yongyi has been appointed as the chairman of the Audit Committee, and is an independent non-executive Director possessing the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules. The primary duties of the Audit Committee include: (i) making recommendations regarding the appointment and removal of external auditors of the Company; (ii) reviewing the accounting policies and financial position of the Company; (iii) reviewing and supervising the internal audit functions and internal control structure of the Company; and (iv) reviewing and overseeing the risk management of the Company.

The Company's unaudited condensed consolidated interim results and interim report for the six months ended 30 June 2026 were reviewed by the Audit Committee before recommendation to the Board for approval.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zhenrodc.com). The interim report will be made available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Zhenro Properties Group Limited
CHAN King Tak
Chairman of the Board

Shanghai, PRC, 26 August 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.