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ZENSUN ENTERPRISES LIMITED

正商實業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

ANNOUNCEMENT PROFIT WARNING

This announcement is made by Zensun Enterprises Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on review on the unaudited consolidated management accounts of the Group and the latest information currently available to the Board, the Company is expecting to record a decrease in consolidated net profit in the range of approximately 35% to 45% for the year ended 31 December 2020 (the “**Year**”), as compared with the consolidated net profit of approximately RMB 1,151.5 million for the year ended 31 December 2019.

The Board believes that such decrease in consolidated net profit of the Group is mainly attributable to (i) delays in development progress of certain property projects and the delivery of residential properties caused by the outbreak of COVID-19 pandemic and national regulatory control measures (including home purchase restriction and price restriction policies) imposed on the real estate sector which led to decrease in revenue and increased pressure on gross profit for certain properties delivered during the Year; and (ii) impairment provision being made for properties under development as a result of the national regulatory control

measures causing selling price of the property projects to be lower than expected.

The Board remains optimistic about the long-term development of the Group in view of the challenges posed by the economic environment under the COVID-19 pandemic, fierce competition and evolving national regulatory control measures.

The information contained in this announcement is only based on a preliminary assessment by the Board based on the latest information available and the unaudited consolidated management accounts of the Group. The audited consolidated financial results of the Group for the Year have not been finalised and are subject to revision and confirmation with the auditors of the Company. Details of the Group's performance will be disclosed in the annual results announcement of the Company, which is expected to be published around end of March 2021.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Zensun Enterprises Limited
Zhang Jingguo
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 8 March 2021

As at the date of this announcement, the executive Directors are Mr. Zhang Jingguo and Mr. Zhang Guoqiang; the non-executive Director is Ms. Huang Yanping and the independent non-executive Directors are Mr. Liu Da, Dr. Liu Qiao and Mr. Ma Yuntao.