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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 OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

FINANCIAL HIGHLIGHTS FOR THE PERIOD

- Revenue for the Period amounted to approximately RMB5,595.5 million, representing an increase of approximately 150.1% as compared with 2020.
- Profit attributable to owners of the Company for the Period amounted to approximately RMB111.3 million, representing an increase of approximately 2.3% as compared with 2020.
- Basic earnings per share for the Period was RMB5.8 cents, as compared with RMB10.3 cents for 2020.

The board (the “Board”) of directors (the “Directors”) of Zensun Enterprises Limited (the “Company”), is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021 together with the comparative figures for the corresponding period in 2020, which have been reviewed by the Company’s audit committee (the “Audit Committee”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

		Unaudited	
		Six months ended 30 June	
		2021	2020
	<i>Notes</i>	RMB'000	RMB'000
REVENUE	4	5,595,511	2,237,563
Cost of sales		<u>(5,161,644)</u>	<u>(1,627,916)</u>
Gross profit		433,867	609,647
Other income		11,929	10,472
Other gains and losses, net	5	13,175	(83,656)
Administrative expenses		(113,674)	(90,033)
Sales and marketing expenses		(120,323)	(33,628)
Finance costs	6	<u>(21,947)</u>	<u>(52,978)</u>
PROFIT BEFORE TAX	7	203,027	359,824
Income tax expense	8	<u>(97,525)</u>	<u>(250,738)</u>
PROFIT FOR THE PERIOD		<u>105,502</u>	<u>109,086</u>
Attributable to:			
Owners of the Company		111,349	108,881
Non-controlling interests		<u>(5,847)</u>	<u>205</u>
		<u>105,502</u>	<u>109,086</u>
			(Restated)
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic (RMB cents)	10	5.8	10.3
Diluted		<u>N/A</u>	<u>N/A</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Unaudited	
	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
PROFIT FOR THE PERIOD	105,502	109,086
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>25,743</u>	<u>(24,657)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	<u>25,743</u>	<u>(24,657)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>131,245</u>	<u>84,429</u>
Attributable to:		
Owners of the Company	137,171	84,942
Non-controlling interests	<u>(5,926)</u>	<u>(513)</u>
	<u>131,245</u>	<u>84,429</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		Unaudited	Audited
		30 June	31 December
		2021	2020
	<i>Notes</i>	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	<i>11</i>	46,360	47,322
Investment properties	<i>11</i>	540,776	552,154
Goodwill		424,722	424,722
Intangible assets		188,526	199,000
Deferred tax assets		368,038	324,652
Pledged deposits		17,200	27,935
		<hr/>	<hr/>
Total non-current assets		1,585,622	1,575,785
CURRENT ASSETS			
Completed properties held for sale		10,068,424	6,791,108
Properties under development		48,393,181	48,446,684
Deposits and prepayments paid for land acquisitions		1,438,980	2,646,093
Accounts receivable, other receivables and other assets	<i>12</i>	2,750,515	2,113,132
Financial assets at fair value through profit or loss		358,639	321,590
Prepaid income tax and tax recoverable		1,394,354	1,060,382
Pledged deposits		383,171	330,336
Restricted bank balances		1,151,677	648,635
Cash and cash equivalents		1,671,735	3,218,611
		<hr/>	<hr/>
Total current assets		67,610,676	65,576,571
CURRENT LIABILITIES			
Accounts payable, deposits received and accruals	<i>13</i>	7,330,407	7,299,395
Contract liabilities		29,286,513	23,379,862
Amounts due to related companies	<i>14</i>	3,533,835	4,100,961
Loans from a related company	<i>15</i>	6,892,256	8,374,973
Bank and other borrowings		6,823,332	6,351,627
Tax liabilities		495,502	509,833
		<hr/>	<hr/>
Total current liabilities		54,361,845	50,016,651
NET CURRENT ASSETS		<hr/> 13,248,831	<hr/> 15,559,920
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 14,834,453	<hr/> 17,135,705

		Unaudited	Audited
		30 June	31 December
		2021	2020
	<i>Notes</i>	RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Rental deposits received	<i>13</i>	5,426	4,866
Bank and other borrowings		6,507,862	8,784,298
Deferred tax liabilities		456,089	457,726
		<hr/>	<hr/>
Total non-current liabilities		6,969,377	9,246,890
		<hr/>	<hr/>
Net assets		7,865,076	7,888,815
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>16</i>	5,326,923	5,326,923
Reserves		2,529,194	2,547,007
		<hr/>	<hr/>
Non-controlling interests		7,856,117	7,873,930
		8,959	14,885
		<hr/>	<hr/>
Total equity		7,865,076	7,888,815
		<hr/>	<hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021

1. GENERAL

Zensun Enterprises Limited (referred to as the “Company”) is a public limited liability company incorporated in Hong Kong with its shares listed on Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Company and its subsidiaries (collectively, the “Group”) include property development, property investment, project management and sales services and securities trading and investment in Hong Kong, the People’s Republic of China (the “PRC”) and overseas.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial information for the six months ended 30 June 2021 was approved for issue by the board (the “Board”) of directors of the Company (the “Directors”) on 26 August 2021. The interim condensed consolidated financial information is unaudited, but has been reviewed by the Company’s audit committee (“Audit Committee”).

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with HKAS 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 2020.

The financial information relating to the year ended 31 December 2020 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company’s auditors have reported on the financial statements for the year ended 31 December 2020. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

3. CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

Adoption of the new and revised Hong Kong Financial Reporting Standards

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 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i>

The revised HKFRSs did not impact on the Group's interim condensed consolidated financial information.

4. REVENUE AND OPERATING SEGMENT INFORMATION

Unaudited
Six months ended 30 June
2021 **2020**
RMB'000 **RMB'000**

An analysis of revenue is as follows:

Sale of properties in the PRC	5,542,023	2,104,607
Project management and sales services in the PRC	33,640	83,597
Rental income	12,196	13,567
Property management income	–	28,362
Dividend income from financial assets at fair value through profit or loss	7,652	7,430
	<u>5,595,511</u>	<u>2,237,563</u>

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) Property development in the PRC
- (b) Project management and sales services in the PRC
- (c) Property investment and management in the United States of America ("USA" or "US") in American Housing REIT, Inc. ("AHR") and property management in the USA provided to Global Medical REIT, Inc. ("GMR")
- (d) Property investment other than AHR
- (e) Securities trading and investment

The Group has property investment and/or management businesses in Hong Kong, the USA and Singapore. Other than AHR which is operated in the USA, the property investment businesses in other regions are evaluated together and assessed as one operating segment by the management.

Following the disposal of a subsidiary engaging in the property management business in the USA in July 2020, the Group no longer provided property management services to and received management fee income from GMR thereafter.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that certain other gains and losses, corporate and unallocated income and expenses are excluded from this measurement.

Segment assets exclude deferred tax assets, unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities, tax liabilities and unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Except for termination of property management business in the USA since July 2020, there are no differences from the Group's annual financial statements for the year ended 31 December 2020 on the basis of segmentation or on the basis of measurement of segment profit or loss, segment assets and liabilities.

Segment revenue and segment results

	Unaudited			
	Six months ended 30 June			
	Segment revenue		Segment results	
	2021	2020	2021	2020
	RMB'000	<i>RMB'000</i>	RMB'000	<i>RMB'000</i>
Property development in the PRC	5,542,023	2,104,607	124,637	354,257
Project management and sales services in the PRC	33,640	83,597	31,990	80,554
Property investment and management in the USA in AHR and property management provided to GMR	7,438	36,725	4,357	1,474
Property investment other than AHR	4,758	5,204	1,473	(20,260)
Securities trading and investment	7,652	7,430	48,463	(44,230)
	5,595,511	2,237,563	210,920	371,795
Unallocated corporate income			9	7,394
Other gains and losses, net			(2,364)	(4,116)
Unallocated corporate expenses			(5,538)	(15,249)
Profit before tax			203,027	359,824

Segment assets

	Unaudited	Audited
	30 June	31 December
	2021	2020
	RMB'000	<i>RMB'000</i>
Property development in the PRC	67,777,441	65,699,030
Project management and sales services in the PRC	34,008	125,026
Property investment and management in the USA in AHR and property management provided to GMR	201,923	210,755
Property investment other than AHR	364,447	375,026
Securities trading and investment	362,205	325,098
Unallocated assets	68,740,024	66,734,935
	456,274	417,421
	69,196,298	67,152,356

Segment liabilities

	Unaudited 30 June 2021 <i>RMB'000</i>	Audited 31 December 2020 <i>RMB'000</i>
Property development in the PRC	60,033,174	58,081,282
Project management and sales services in the PRC	2,018	2,395
Property investment and management in the USA in AHR and property management provided to GMR	66,464	82,514
Property investment other than AHR	119,484	126,071
	60,221,140	58,292,262
Unallocated liabilities	1,110,082	971,279
	61,331,222	59,263,541

5. OTHER GAINS AND LOSSES, NET

	Unaudited Six months ended 30 June 2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Fair value gain/(loss) on financial assets at fair value through profit or loss	40,812	(51,659)
Fair value loss on investment properties	(263)	(27,881)
Exchange losses	(2,364)	(4,116)
Write-down of completed properties held for sale to net realisable value	(25,000)	–
Loss on disposal of property, plant and equipment	(10)	–
	13,175	(83,656)

6. FINANCE COSTS

	Unaudited Six months ended 30 June 2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Interest on bank and other borrowings	705,437	774,616
Interest arising from revenue contracts	643,569	428,191
Less: Capitalised in properties under development	(1,327,059)	(1,150,023)
Interest arising from lease liabilities	–	194
	21,947	52,978

Borrowing costs from bank and other borrowings have been capitalised at rates ranging from 4.95% to 12.80% (30 June 2020: 4.95% to 12.80%) per annum during the six months ended 30 June 2021.

7. PROFIT BEFORE TAX

	Unaudited	
	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
The Group's profit before tax is arrived at after charging:		
Cost of properties sold	5,158,509	1,623,217
Cost of services	1,650	4,699
Depreciation of property, plant and equipment	1,100	1,338
Depreciation of right-of-use assets	–	838
The Group's profit before tax is arrived at after crediting:		
Interest income	5,027	7,382
Gross rental income from investment properties	12,196	13,567
Less: direct operating expenses incurred for:		
– investment properties generated rental income	(1,343)	(1,493)
– investment properties that did not generate rental income	(142)	(163)
	(1,485)	(1,656)
	10,711	11,911

8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax – charge for the period		
– Hong Kong Profits Tax	–	–
– PRC Corporate Income Tax (“PRC CIT”)	82,467	179,796
– PRC Land Appreciation Tax (“PRC LAT”)	60,125	175,078
– Overseas Corporate Income Tax	6	–
(Over)/under-provision in prior years	(61)	2,666
Deferred tax	142,537	357,540
	(45,012)	(106,802)
Total tax charge for the period	97,525	250,738

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits generated in Hong Kong for both periods.

Taxes on profits assessable have been calculated at the rates of tax prevailing in the countries/places in which the Group's entities operate for both periods.

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

9. DIVIDENDS

The Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2021 (30 June 2020: Nil).

The final dividend in respect of the year ended 31 December 2020 of RMB0.81 cents per ordinary share was declared and approved at the annual general meeting of the Company on 8 June 2021. The final dividend amounting to approximately RMB154,984,000 has been distributed out of the Company's retained earnings and subsequently paid in July 2021.

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on:

	Unaudited	
	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Earnings		
Profit attributable to owners of the Company used in the basic earnings per share calculation	<u>111,349</u>	<u>108,881</u>
	<i>'000</i>	<i>'000</i> (Restated)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>1,913,387</u>	<u>1,053,227</u>

The weighted average number of ordinary shares in issue for both current and prior periods used in the basic earnings per share calculation has been adjusted for the share consolidation of every ten ordinary shares into one consolidated ordinary share (as detailed in note 18) which became effective on 9 August 2021.

No diluted earnings per share was presented for the six months ended 30 June 2021 and 2020 as the Group had no potentially dilutive ordinary shares in issue during these periods.

11. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired investment properties and property, plant and equipment of approximately RMB1.6 million (30 June 2020: approximately RMB1.7 million).

During the six months ended 30 June 2021, there was no material disposal of the Group's investment properties and property, plant and equipment (30 June 2020: The Group disposed of investment properties and property, plant and equipment with an aggregate carrying amount of approximately RMB3.3 million).

12. ACCOUNTS RECEIVABLE, OTHER RECEIVABLES AND OTHER ASSETS

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 <i>RMB'000</i>
Accounts receivable	12,836	14,204
Less: Impairment	—	—
	<u>12,836</u>	<u>14,204</u>
Prepaid value-added taxes and other taxes	1,971,064	1,566,028
Deposits and prepayments	390,218	220,941
Costs of obtaining contracts	249,065	203,346
Other receivables	127,982	109,263
	<u>2,738,329</u>	<u>2,099,578</u>
Less: Impairment	(650)	(650)
	<u>2,737,679</u>	<u>2,098,928</u>
Accounts receivable, other receivables and other assets	<u>2,750,515</u>	<u>2,113,132</u>

All accounts receivable were aged less than 3 months (31 December 2020: less than 3 months), based on the revenue recognition date or invoice date.

No provision for impairment of accounts receivable and other receivables was provided during the six months ended 30 June 2021 as the Directors consider that the expected credit loss is insignificant. The maximum exposure to credit risk at the end of the reporting period is the carrying value of each class of the above receivables.

13. ACCOUNTS PAYABLE, DEPOSITS RECEIVED AND ACCRUALS

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Accounts payable	286,382	494,346
Accrued construction costs (<i>note i</i>)	6,122,762	6,221,656
Rental deposits received	6,116	5,749
Retention deposits and payable	97,544	109,498
Real estate and other taxes payable	177,439	47,428
Other payables and accruals	488,216	425,584
Dividends payable (<i>note ii</i>)	157,374	–
	<u>7,335,833</u>	<u>7,304,261</u>
Less: Rental deposits received – non-current	<u>(5,426)</u>	<u>(4,866)</u>
	<u>7,330,407</u>	<u>7,299,395</u>

The average credit period of accounts payable ranges from 30 to 90 days (31 December 2020: 30 to 90 days). All accounts payable were aged within one year, based on invoice dates.

Notes:

- (i) Included in accrued construction costs was amounts due to a related company ultimately controlled by Ms. Huang Yanping's daughter, Ms. Zhang Huiqi ("Ms. Zhang") of approximately RMB212,179,000 (31 December 2020: approximately RMB1,227,889,000) for its construction work.
- (ii) Dividends payable in respect of 31 December 2020 was subsequently paid in July 2021.

14. AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies were unsecured, interest-free and repayable on demand.

Ms. Huang Yanping ("Ms. Huang") and together with her spouse, Mr. Zhang Jingguo ("Mr. Zhang") and her daughter, Ms. Zhang, have the controlling interests over these related companies.

15. LOANS FROM A RELATED COMPANY

The Group has entered into loan agreements with a related company, Henan Zensun Real Estate Co., Ltd ("Zensun Real Estate"), which is ultimately controlled by Ms. Huang, pursuant to which Zensun Real Estate will provide unsecured loans to the Group.

Those amounts were unsecured, interest-free and repayable on demand. Those amounts were shown under the current liabilities as Zensun Real Estate had the discretionary rights to demand immediate repayment.

In the opinion of the Directors, the carrying amounts of the loans approximated to their fair values at initial recognition.

16. SHARE CAPITAL

	Number of ordinary shares in issue	Unaudited Amount RMB'000
Ordinary shares with no par value:		
At 1 January 2020	10,294,699,948	2,014,112
Issue of new ordinary shares	1,235,360,000	375,341
Share issue expenses	–	(6,116)
	<u>11,530,059,948</u>	<u>2,383,337</u>
At 30 June 2020		
	<u>19,133,866,698</u>	<u>5,326,923</u>
At 1 January 2021 and 30 June 2021		

17. RELATED PARTY TRANSACTIONS

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
<i>Related companies (Note i)</i>	<i>Transactions (Note ii)</i>	
Relevant members of Ever Diamond Global Company Limited (“Ever Diamond”, and collectively, the “Ever Diamond Group”)	Project management and sales service fee income	
	33,640	83,597
Relevant members of Henan Zensun Corporate Development Company Limited (“Zensun Development”, and collectively, the “Zensun Development Group”)	Construction costs (capitalised in properties under development)	
	1,034,612	987,420
Relevant members of Xingye Wulian Service Group Company Limited (“Xingye Wulian”, and collectively, the “Xingye Wulian Group”)	Property engineering costs (capitalised in properties under development) and property management and value-added services fee	
	<u>17,470</u>	<u>11,997</u>

Notes:

- (i) Ever Diamond Group are entities ultimately controlled by Ms. Huang together with her spouse, Mr. Zhang. Zensun Development Group and Xingye Wulian Group are entities ultimately controlled by Ms. Huang’s daughter, Ms. Zhang.
- (ii) These transactions were based on terms mutually agreed by both parties in individual agreement and constitute continuing connected transactions as defined under Chapter 14A of the Listing Rules.

During the six months ended 30 June 2020, the Group acquired the entire issued share capital of Xingcheng Holdings Limited, from a related company which was ultimately controlled by Ms. Huang at consideration of RMB2,368,000,000. The acquisition was completed on 12 June 2020. The Company has entered into a loan agreement with the controlling shareholder, Joy Town Inc., which is ultimately controlled by Ms. Huang, to provide unsecured, interest-free loan of RMB2,368,000,000 as financial assistance to the Group to finance the acquisition.

The Group's senior notes, and certain bank and financial institutions facilities to the Group were guaranteed by related companies, which were controlled by Ms. Huang together with her spouse, Mr. Zhang and her daughter, Ms. Zhang. No asset of the Group was pledged to these related companies in respect of these guarantees.

The Group is licensed by Zensun Real Estate to use the trademark of “Zensun” and “正商” on a royalty – free basis until July 2025.

Details of the Group's balances with related parties as at the end of the reporting period are included in notes 13, 14, and 15 of this announcement.

Save as above, no transaction has been entered into with the Directors (being the key management personnel) during the period other than the emoluments paid to them (being key management personnel compensation) (30 June 2020: Nil).

18. IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The implementation of the share consolidation (the “Share Consolidation”) on the basis that every ten (10) issued ordinary shares in the share capital of the Company (“Existing Shares”) be consolidated into one (1) ordinary share in the share capital of the Company (“Consolidated Shares”) was approved at the extraordinary general meeting of the Company on 5 August 2021 and became effective on 9 August 2021. Accordingly, upon the Share Consolidation becoming effective, the change in board lot size for trading on the Stock Exchange from 10,000 Existing Shares to 1,000 Consolidated Shares also became effective on 9 August 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS AND DIVIDEND

For the six months ended 30 June 2021 (the “Period”), the Group recorded revenue of approximately RMB5,595.5 million and gross profit of approximately RMB433.9 million, with an increase of approximately 150.1% as compared to revenue of approximately RMB2,237.6 million for the corresponding period of 2020. Revenue and gross profit of both periods were primarily derived from the property development business in the PRC. The substantial growth in revenue was arising from the delivery of the Group’s newly completed property development projects in the second half year of 2020 and first half year of 2021. During the Period, the Group newly completed four property development projects and delivered approximately 367,000 square meters (“sq.m.”) booked saleable/leasable gross floor area (“GFA”) as compared to that of approximately 170,000 sq.m. for the corresponding period of 2020. Gross profit recorded for the Period of approximately RMB433.9 million was decreased by approximately 28.8% as compared to that of approximately RMB609.6 million for the corresponding period of 2020. The decrease in gross profit was resulted from the recognition of certain lower profit margin property projects during the Period, which included (i) property projects which are designated as policy-related housing of which the selling prices are strictly controlled by the government; and (ii) property projects which had a higher unexpected construction cost due to the outbreak of COVID-19 pandemic in 2020 which prolonged development progress and resulted a lower profit margin at the time of recognition during the Period.

The Group had net other gains of approximately RMB13.2 million during the Period, as compared to net other losses of approximately RMB83.7 million for the corresponding period of 2020. The Group’s net other gains during the Period were attributable to the fair value gain on financial assets at fair value through profit or loss of approximately RMB40.8 million (2020: fair value loss of approximately RMB51.7 million), offsetting with (i) write-down of completed properties held for sale of approximately RMB25.0 million (2020: Nil) and (ii) net exchange losses of approximately RMB2.4 million (2020: net exchange losses of approximately RMB4.1 million).

The Group’s sales and marketing expenses increased by approximately 257.8% from approximately RMB33.6 million for the corresponding period of 2020 to approximately RMB120.3 million for the Period. The Group’s administrative expenses increased by approximately 26.3% from approximately RMB90.0 million for the corresponding period of 2020 to approximately RMB113.7 million for the Period. Such increases were in line with the business expansion of the Group in relation to its property development business in the PRC which is illustrated by the increasing number of ongoing property projects under development during the Period.

The Group’s income tax expenses decreased from approximately RMB250.7 million for the corresponding period of 2020 to approximately RMB97.5 million for the Period are due to a decrease on PRC CIT and PRC LAT resulting from lower operating net profits generated from the completed property development projects delivered during the Period in the PRC.

As a result of the foregoing, the Group’s profit attributable to owners of the Company for the Period amounted to approximately RMB111.3 million (2020: approximately RMB108.9 million). The basic earnings per share for the Period was approximately RMB5.8 cents (2020: approximately RMB10.3 cents).

The Board did not recommend the payment of an interim dividend in respect of the Period (2020: Nil). Final dividends in relation to profit attributable to year ended 31 December 2020 of approximately RMB155.0 million have been subsequently paid in July 2021.

BUSINESS REVIEW

Property Development in the PRC

During the Period, the property development business in the PRC contributed revenue of approximately RMB5,542.0 million (2020: approximately RMB2,104.6 million) and segment profit of approximately RMB124.6 million (2020: approximately RMB354.3 million) to the Group. The increase in segment revenue was attributable to the increase of booked GFA delivered to the property owners during the Period, which was contributed from the Group's four newly completed property development projects, namely, Beijing Zensun Grand Garden* (北京正商明苑), Beijing Zensun Yazhu Garden* (北京正商雅築佳苑), Zhengzhou Zensun Voyage International Plaza (Phase I)* (鄭州正商啟航國際廣場一期) and Zhengzhou Zensun Orchids Mansion (Valley-view Garden)* (鄭州正商蘭庭華府(峪景佳苑)). Together with our existing property projects completed in prior years, there were approximately 367,000 sq.m. booked GFA delivered and recognised into the revenue during the Period as compared to that of approximately 170,000 sq.m. booked GFA delivered and recognised during the corresponding period of 2020.

Though there was an overall increase in the booked GFA, decrease in gross profit resulted from the recognition of certain lower profit margin property projects during the Period, which included (i) property projects which are designated as policy-related housing of which the selling prices are strictly controlled by the government; and (ii) property projects which had a higher unexpected construction cost due to the outbreak of COVID-19 pandemic in 2020 which prolonged development progress and resulted a lower profit margin at the time of recognition during the Period. In addition, as a result of the implementation of the national regulatory control measures causing selling price of the certain property projects to be lower than expected, write-down of completed property held for sale of approximately RMB25.0 million was provided during the Period. In addition, following to the increasing number of ongoing property projects under development in support of our land reserves, sales and marketing and administrative expenses in property development business in the PRC increased accordingly and resulted an overall decrease in segment profit.

The Group maintained its concrete expansion strategy and persisted continuing effort to expand its land reserves. During the Period, the Group attended different public auctions with listings for sale processes held by local governmental land bureaus and successfully completed 12 land acquisitions contributing an aggregate site area of approximately 505,801 sq.m. and aggregate saleable/leasable GFA of approximately 1.24 million sq.m. in support of its land reserves in the PRC. These successful land acquisitions further complemented the Group's strategy in expanding its business operation with focus on Zhengzhou City, Henan Province and other first and second tier cities in the PRC.

In line with the concrete expansion strategy adopted since 2017, the Group's land resources have been sufficiently accumulated. As at 30 June 2021, the Group had 23 completed property projects and/or sub-phases and 62 on-going complex property projects on hand with 127 land parcels under development and planning with an aggregate site area of approximately 5.39 million sq.m. and aggregate estimated GFA of approximately 11.30 million sq.m. in the PRC. In return, the land reserves will bring to the Group with estimated saleable/leasable GFA under development of approximately 6.93 million sq.m. and estimated GFA under planning of approximately 4.37 million sq.m.. The Group will adjust its pace of business expansion and project development progress as and when appropriate.

Project management and sales services in the PRC

During the Period, the Group provided project management and sales services in the PRC and recorded revenue of approximately RMB33.6 million (2020: RMB83.6 million) and segment profit of approximately RMB32.0 million (2020: RMB80.6 million). The project management and sales services were provided directly to certain property projects under development owned by the related companies and receiving fixed percentage project management fees of the sales price of the total GFA under development and fixed percentage sales services fee of the sales price of the total GFA to be sold during the Period. Following the decrease in available GFA to be sold, the decrease in segment revenue and segment profit was led by the decrease in sales services fee.

Property Investment and/or Management in the USA in AHR and GMR

Since July 2020, the Group no longer provided property management services to GMR in the USA as a result of the sale of its subsidiary, and only maintained the management of AHR's property investment in the USA through internal resources. Accordingly, the Group recorded a decrease in segment revenue from approximately RMB36.7 million for the corresponding period of 2020 to approximately RMB7.4 million for the Period and an increase in segment profit from approximately RMB1.5 million for the corresponding period of 2020 to approximately RMB4.4 million for the Period. The increase in segment profit was due to lesser impact from fair value loss on investment properties in this division during the Period of approximately RMB0.5 million (2020: fair value loss of approximately RMB6.3 million).

Property Investment other than AHR

During the Period, the property investment other than AHR division contributed segment revenue of approximately RMB4.8 million (2020: approximately RMB5.2 million) and segment profit of approximately RMB1.5 million (2020: segment loss of approximately RMB20.3 million) to the Group. The increase in segment profit was primarily attributable to fair value gain on investment properties in this division during the Period of approximately RMB0.3 million as compared to fair value loss of approximately RMB21.6 million during the corresponding period of 2020.

Securities Trading and Investment

During the Period, the Group's securities business recorded segment revenue of approximately RMB7.7 million with segment profit of approximately RMB48.5 million as compared to segment revenue of approximately RMB7.4 million with segment loss of approximately RMB44.2 million for the corresponding period of 2020. The turnaround of segment loss into segment profit was primarily stemming from the fair value gain on financial assets at fair value through profit or loss during the Period of approximately RMB40.8 million (2020: fair value loss of approximately RMB51.7 million).

FINANCIAL REVIEW

Liquidity and Capital Resources

Liquidity Position

As at 30 June 2021, the carrying amount of the Group's total cash and bank balances including pledged deposits and restricted bank balances was approximately RMB3,223.8 million (31 December 2020: approximately RMB4,225.5 million). The total cash and bank balances were mainly denominated in Renminbi, Hong Kong dollars, US dollars and Singapore dollars.

As at 30 June 2021, certain bank balances and deposits of the Group were pledged to certain banks and financial institutions as securities for the bank and financial institutions facilities granted to the Group and also the mortgage loan facilities granted to the property buyers of the Group. The total pledged deposits was approximately RMB400.4 million as at 30 June 2021 (31 December 2020: approximately RMB358.3 million).

Capital Structure, Borrowings and Charges on the Group's assets

The capital structure of the Group consists of net debt, which includes bank and other borrowings, loans from a related company, and amounts due to related companies, net of the aggregate of cash and cash equivalents, restricted bank balances and pledged deposits. The equity attributable to owners of the Company comprised of issued share capital and reserves. As at 30 June 2021, net debt and equity attributable to owners of the Company were approximately RMB20,533.5 million (31 December 2020: approximately RMB23,386.3 million) and approximately RMB7,856.1 million (31 December 2020: approximately RMB7,873.9 million), respectively.

As at 30 June 2021, the Group's aggregate borrowings including bank and other borrowings, loans from a related company, and amounts due to related companies amounted to approximately RMB23,757.3 million (31 December 2020: approximately RMB27,611.9 million), of which approximately RMB17,249.4 million (31 December 2020: approximately RMB18,827.6 million) were repayable within one year or on demand, and approximately RMB6,507.9 million (31 December 2020: approximately RMB8,784.3 million) were repayable after one year. The aggregate borrowings were mainly denominated in Renminbi, US dollars, Singapore dollars and Hong Kong dollars.

In addition to the fixed-rate interest for the US\$340 million senior notes of 12.8% per annum and the US\$200 million senior notes of 12.5% per annum, the Group's bank and other borrowings carried fixed interest rates ranging from 4.95% to 11.0% per annum and also various floating interest rates linking up with international lending rates including Hong Kong Interbank Offered Rate, Singapore Dollar Swap Offered Rate, Singapore Interbank Offered Rate, London Interbank Offered Rate, the base lending rate of the People's Bank of China and the Loan Prime Rate in the PRC as at 30 June 2021. The Group's interest rate risk is mainly driven by the bank and other borrowings with floating interest rates.

As at 30 June 2021, certain bank and financial institutions facilities granted to the Group together with the mortgage loan facilities granted to the property buyers of the Group were secured by certain investment properties, properties under development and pledged deposits with total carrying values of approximately RMB12,566.6 million (31 December 2020: approximately RMB17,443.9 million).

Shares of certain subsidiaries of the Group are pledged to secure certain bank and financial institutions facilities granted to the Group as at 30 June 2021. The Group's senior notes and certain bank and financial institutions facilities to the Group were guaranteed by related companies which are ultimately controlled by Ms. Huang, together with her spouse, Mr. Zhang and her daughter, Ms. Zhang as at 30 June 2021. No asset of the Group was pledged to these related companies in respect of the guarantees.

As at 30 June 2021, loans from a related company and the amounts due to related companies were unsecured and interest-free.

The Group did not use any financial instruments for hedging purpose during the Period.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. In view of the Group's expansion strategy, the Group has sourced funding from its related companies and continued to look for external financing sources. The Group's overall strategy remains unchanged from previous year.

Key Financial Ratios

As at 30 June 2021, the Group recorded a current ratio of approximately 1.2 (31 December 2020: approximately 1.3) and a gearing ratio of approximately 29.7% (31 December 2020: approximately 34.8%). Gearing ratio is defined as the ratio of total borrowings less the aggregate of cash and cash equivalents, restricted bank balances and pledged deposits to total assets.

Capital Commitments

As at 30 June 2021, the capital commitments of the Group in connection with the property development expenditures was approximately RMB12,875.6 million (31 December 2020: approximately RMB12,344.5 million) and acquisition of land use rights was approximately RMB251.8 million (31 December 2020: RMB549.5 million), respectively.

Contingent Liabilities

As at 30 June 2021, the Group had contingent liabilities relating to guarantees amounting to approximately RMB15,624.9 million (31 December 2020: RMB13,559.9 million) in respect of mortgage facilities provided by certain banks in connection with the mortgage loans entered into by property buyers of the Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group would be responsible for repaying the outstanding mortgage principal together with the accrued interest thereon and any penalties owed by the defaulted buyers to the banks. The Group would be entitled to take over the legal titles to and possession of the related properties. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the property buyers; or (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage. In the opinion of the Directors, no provision for the guarantees was recognised in the financial statements for the Period as the default risk is low.

Foreign Exchange Exposure

The revenues, expenses, assets and liabilities are denominated substantially in Renminbi, Hong Kong dollars, US dollars and Singapore dollars in its respective group entities. Due to the currency peg of the Hong Kong dollars to the US dollars, the exchange rate between these two currencies has remained stable and thus the Group currently does not implement any hedging or other alternatives. Going forward, the Group may formulate a foreign currency hedging policy to provide a reasonable margin of safety for its exposure to Renminbi and Singapore dollars through transactions, assets and liabilities should the need arise.

Employee and Remuneration Policy

Remuneration packages are generally structured with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance-related bonuses. The Company has continued to receive awards issued by the Mandatory Provident Fund Authority (“MPFA”), namely, the “Good MPF Employer 5 Years+” for the 5th consecutive year since MPFA launched the Good MPF Employer Scheme in 2015 in recognition of the Company’s compliance with employer’s statutory obligations and provision of better retirement protection for employees, the “e-Contribution Award” and the “MPF Support Award” for the Company’s adoption of the electronic means for MPF administration, and has striven to encourage employees to actively manage their mandatory provident fund. Moreover, the Company has also continued to receive an award, the Certificate of the Good Employer Charter, from the Labour Department in recognition of the Company’s adoption of an employee-oriented and progressive human resource management practices. These practices can help boost staff morale, enhance employees’ sense of belonging and hence lay a solid foundation for business growth. The Company adopted a share option scheme on 28 August 2013 and share options may also be granted to eligible employees of the Group. Total staff costs, including Directors’ emoluments during the Period, amounted to approximately RMB55.4 million (30 June 2020: RMB51.7 million).

As at 30 June 2021, the Group had 1,198 employees.

Significant Investment Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Venture and Future Plans for Material Investments or Capital Assets

- (a) During the Period, the Group acquired land use rights of land parcels in Henan Province with expected completion periods between the fourth quarter of 2023 to the second quarter of 2026 through respective public auctions held by various PRC governmental land bureau, and other mergers and acquisitions, as set out in the below summary:

Time of acquisition during the Period	City/County	Designated land usage(s)	Site area (sq.m.) Approximately	Consideration (RMB' million) Approximately
February	Dengzhou	Residential	41,127	97.5
March	Yuanyang	Residential, commercial	51,293	100.0
April	Huaiyang, Dengfeng, Shangcheng, Huaibin, Luoyang	Residential, commercial/ residential and underground transport service station site usage/residential, commercial, underground car parking spaces and civil air defense facility usage	182,999	1,071.1
May	Luohe, Shangqiu, Luoshan, Yucheng	Residential, commercial/ residential	178,397	704.4
June	Zhengzhou	Residential	51,985	389.9
			<u>505,801</u>	<u>2,362.9</u>

Save as disclosed above, the Group did not hold other significant investment, make any other material acquisitions and disposals of subsidiaries, associates or joint venture or future plan for material investment or capital assets during the Period.

Outlook and Prospects

In order to pursue sustainable development, the Group is principally engaged in the businesses of property development, property investment, project management and sales services and look for investment opportunities which strengthen its profitability under the acceptable risk in Hong Kong, the PRC and overseas markets.

The Group will primarily finance the repayments on financial assistance from the controlling shareholder through proceeds from the pre-sale and sale of Group's properties, internally generated cash flows from other operations, and borrowings from commercial banks and financial institutions. Going forward, the Group believes its future funding needs in support of property development and land acquisition activities will be satisfied by the above-mentioned sources and additional issuance of equity securities or other capital market instruments. The Group seeks to manage the level of its liquid assets to ensure the availability of sufficient cash flows to meet any unexpected cash requirements arising from its business. The Group will continue to assess available financial resources in support of its business needs on an ongoing basis, and plan and adjust our development schedule or implement cost control measures if necessitated by its then-existing financial conditions and cash requirements. The Group intends to continue to access existing capital resources, and to seek new sources of funding, to maintain and expand its business on a cost-effective basis.

The PRC

During the Period, four property development projects, namely, Beijing Zensun Grand Garden* (北京正商明苑), Beijing Zensun Yazhu Garden* (北京正商雅築佳苑), Zhengzhou Zensun Voyage International Plaza (Phase I)* (鄭州正商啟航國際廣場一期) and Zhengzhou Zensun Orchids Mansion (Valley-view Garden)* (鄭州正商蘭庭華府(峪景佳苑)) were newly completed and delivered to customers in accordance with the terms and conditions of the purchase agreements. In accordance with the Group's latest development plan and schedule, it is expected that eight to ten property development projects will be completed and delivered in the second half of 2021. The Group's property development projects focus on providing "High quality" products on both standard and deluxe design with full refurbishment so as to meet different customers' preferences and needs. Revenue from the sale of properties are expected to be recognised upon the completion and delivery of the completed properties.

After the ambitious land acquisitions completed in the past years, the Group built up strong land reserves for the Group's property development business in the PRC for the next three to four years with a strong presence in Henan Province, thus, the Group will focus more on developing the existing and new property development projects on its land reserves from 2022 to 2024.

The Board will maintain open-minded in identifying new property development projects and bidding for land use rights of other selective land parcels in the PRC with a focus in Zhengzhou City, Henan Province and other selective first and second tier cities in the PRC in the coming few years.

With its strong land reserves for the ongoing property development projects, the demand for the respective construction work for the Group's properties projects on hand are rapidly and substantially increasing. In this regard, the Group will proactively seek quality construction contractors which can offer the best and most favourable terms to cooperate so as to complement the Group's expansion in property development operation in the PRC. In order to cater for the Group's growing needs and requirements, and secure high quality construction services for the Group's property projects, the Group renegotiated new terms with Zensun Development and entered into the 2021 master services agreement to engage Zensun Development Group for construction, engineering and related services for certain selected property development projects. The term of the 2021 master services agreement was for three years, starting from 1 January 2021 and continue up to and including 31 December 2023. As approved in the extraordinary general meeting of the Company (the "EGM") held on 8 December 2020 in regard to the 2021 master services agreement, the approved annual cap for the transactions with Zensun Development Group during the years ending 31 December 2021, 2022 and 2023 are RMB3,212 million, RMB2,555 million and RMB1,778 million, respectively.

The Group and Xingye Wulian entered into the master property engineering framework agreement and master property management framework agreement in 2020 to appoint Xingye Wulian Group as service providers to provide property engineering services and property management and value-added services to the Group with term commencing from 9 March 2020 and up to 31 December 2022. The annual caps for the transactions under the master property engineering framework agreement with Xingye Wulian for the years ending 31 December 2021 and 2022 are RMB26.5 million and RMB34.0 million, respectively, and the annual caps for the transactions under the master property management framework agreement with Xingye Wulian for the years ending 31 December 2021 and 2022 are RMB19.5 million and RMB23.0 million, respectively.

The Group possesses the necessary expertise and know-how in preliminary property project management and sales services through managing its existing property development portfolio. The Group will continue to provide Ever Diamond Group with preliminary project management services and sales services for certain selected property development projects. Thus, the Group can centrally manage and organise the development, branding and marketing of property development projects of the Group and the Ever Diamond Group, which will result in reduced competition for business opportunities between the Group and the Ever Diamond Group. Also, the Board considers providing project management and sales services to other property developers in the PRC shall become popular in the market with prosperous business potential, and the project management and sales services shall diversify the source of income of the Group and provide new driver to profits of the Group. The Board is confident that the Group possesses the necessary expertise and know-how to provide project management and sales services to other property developers in the PRC and will hire additional staff as and when this business segment continues to develop. As approved in the EGM held on 20 December 2019 in regard to the management and sales services framework agreement, the approved annual cap for the transactions with Ever Diamond Group during the year ending 31 December 2021 is RMB200 million.

As such, the Board is of the view that going forward the management can focus their efforts in developing the Group into a flagship group with a focus on property development in the PRC. The Company takes leverage on the PRC property development and investment experience of its management team to seek suitable projects for development or investment with potential to deliver value to its shareholders. In addition to existing business partners, the Company will continue to seek potential partners' cooperation to explore capital resources and reduce the Group's capital investment in property projects at an early stage and facilitate project development. The management remains cautiously optimistic on the long-term prospects of the real estate industry and will expedite its property development and sales of its development projects in the PRC through making use of its own advantages and leveraging on the national network and business resources of Zensun Real Estate, a company controlled by Ms. Huang. The synergistic effect brought by Zensun Real Estate will improve the position of the Group in the real estate industry in the PRC.

The U.S.

As at the date of this announcement, the Group has approximately 5.8% equity interest in a NYSE-listed REIT, GMR in securities trading and investment segment and 99% equity interest in AHR in property investment and management segment.

1. GMR

During the Period, the Group performed regular review on GMR's business performance and its business strategies and prospect. It is considered that the investment in GMR's would achieve long term capital appreciation to the Group with stable average annual yield.

2. AHR

AHR is currently 99%-controlled by the Group. AHR diversified its previous investment in single family houses to senior housing communities in order to seize the potential opportunity for the current strong demand on retirement communities and elderly care industries in the USA for higher-than-average annualised yield.

Other operations

The Group will regularly review the Singapore property market to explore business opportunity in the foreseeable future.

Overall

The Company will make use of the Group's financial, human and technological resources to seize business growth opportunities and enhance its portfolio, asset base and brand image in the PRC, USA and overseas markets.

CHANGES SINCE 31 DECEMBER 2020

Save as disclosed in this announcement, there were no other significant changes in the Group's financial position or from the information disclosed under the management discussion and analysis section in the Company's 2020 annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all code provisions ("Code Provisions") and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules throughout the Period, save for the deviation which is explained below:

Pursuant to Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive of the Company should be segregated. The Company is of the view that it is in the best interest of the Company that Mr. Zhang, with his profound expertise in the property business, shall continue in his dual capacity as chairman and chief executive officer.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. The Company has made specific enquiry with all the Directors and, all the Directors confirmed that they have fully complied with the required standards set out in the Model Code during the Period.

AUDIT COMMITTEE

The Audit Committee is primarily responsible for providing assistance to the Board in reviewing and monitoring the financial reporting process, risk management and internal control systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Liu Da, Dr. Liu Qiao and Mr. Ma Yuntao.

The Audit Committee has reviewed with the management of the Company, the accounting principles and practices adopted by the Group and discussed, among other things, financial reporting matters including a review of the unaudited interim condensed consolidated results for the Period of the Group.

The unaudited interim condensed consolidated results for the Period of the Group have been reviewed by the independent auditor of the Company, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

ACKNOWLEDGEMENT

We would like to thank the management and all of our staff for their hard work and dedication, as well as our shareholders for their continuous support to the Group.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE’S AND COMPANY’S WEBSITE

The Company’s interim report for the Period will be despatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under “Latest Listed Company Information” and on the website of the Company at www.zensunenterprises.com under “Investor Relations” in due course.

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

Hong Kong, 26 August 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 Dr. Liu Qiao, Mr. Liu Da and Mr. Ma Yuntao.

* *For identification purpose only*