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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 and Debt Stock Code: 40189, 40836, 40859)

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 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 45% to 55% for the year ended 31 December 2021 (the “**Year**”), as compared with the consolidated net profit of approximately RMB 778.4 million for the year ended 31 December 2020.

The Board believes that such decrease in consolidated net profit of the Group was mainly attributable to the recognition of certain lower profit margin property projects during the Year, which included (i) property projects which are designated as policy-related housing of which the selling prices are strictly controlled by the government; (ii) property projects which had a higher unexpected construction cost due to the outbreak of COVID-19 pandemic which prolonged development progress and resulted in a lower profit margin at the time of recognition upon delivery during the Year; and (iii) property projects with suppressed selling prices under the impact of the general downturn in the property market as affected by national regulatory

control measures and policies restricting the purchase of properties and the COVID-19 pandemic.

In light of the conditions of the property market at present, the local governments have started to adopt relevant policies to facilitate the stable and healthy development of the real estate sector. 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 and policies.

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 2022.

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, 15 March 2022

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, Mr. Ma Yuntao and Dr. Li Huiqun.