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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)

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 preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2022 (the “**Relevant Year**”) and other information currently available to the Board, the Group is expected to record a net loss ranging from approximately RMB2.5 billion to RMB3.0 billion for the Relevant Year, as compared to the net profit of approximately RMB0.4 billion for the year ended 31 December 2021.

Based on the information currently available, the Board considers that such expected loss was primarily due to: (i) the decline in delivery and decrease in income during the year as the COVID-19 pandemic caused by delays in the construction progress; (ii) the year-on-year decline in sales due to the continuing downturn of the real estate industry; (iii) the impairment provision made for the property projects; (iv) decrease in the fair value of the financial assets at fair value through profit or loss; and (v) exchange losses on the debts denominated in USD under the impact of changes in the exchange rate between USD and RMB.

As at the date of this announcement, the Company is in the process of finalising the consolidated annual results of the Group for the Relevant Year. The information contained in this announcement is only based on a preliminary review by the management of the Company with reference to currently available information and the unaudited management accounts of the Group for the Relevant Year, which has not been audited or reviewed by the auditors and the audit committee of Company. Actual financial results of the Group may be different from what being disclosed in this announcement. Shareholders of the Company and potential investors are advised to read carefully the announcement of the annual results of the Group for the Relevant Year which is expected to be released by the end of March 2023.

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, 22 March 2023

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.