

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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: 5862)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**FINANCIAL HIGHLIGHTS FOR THE PERIOD**

- Revenue for the Period amounted to approximately RMB2,624.1 million, representing an increase of approximately 1,326.8% as compared with 2024.
- Loss attributable to owners of the Company for the Period amounted to approximately RMB502.2 million, representing a decrease of approximately 68.6% compared with the loss attributable to owners of the Company for 2024 of approximately RMB1,597.1 million.
- Basic loss per share for the Period was RMB26.2 cents, as compared with basic loss per share of RMB83.5 cents for 2024.

The board (the “Board”) of directors (the “Directors”) of Zensun Enterprises Limited (the “Company”) hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 (the “Period”) together with the comparative figures for the corresponding period in 2024, which have been reviewed by the Company’s audit committee (the “Audit Committee”), as set out in this announcement.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>REVENUE</b>	4	<b>2,624,066</b>	183,915
Cost of sales		<u>(2,564,604)</u>	<u>(170,441)</u>
Gross profit		<b>59,462</b>	13,474
Other income		<b>2,417</b>	4,230
Other gains and losses, net	5	<b>(270,213)</b>	(1,439,250)
Administrative expenses		<b>(64,891)</b>	(66,203)
Sales and marketing expenses		<b>(25,066)</b>	(26,426)
Finance costs	6	<u><b>(154,338)</b></u>	<u>(86,818)</u>
<b>LOSS BEFORE TAX</b>	7	<b>(452,629)</b>	(1,600,993)
Income tax expense	8	<u><b>(51,699)</b></u>	<u>(233)</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(504,328)</b></u>	<u>(1,601,226)</u>
Attributable to:			
Owners of the Company		<b>(502,177)</b>	(1,597,101)
Non-controlling interests		<u><b>(2,151)</b></u>	<u>(4,125)</u>
		<u><b>(504,328)</b></u>	<u>(1,601,226)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic (RMB cents)	10	<b>(26.2)</b>	(83.5)
Diluted		<u><b>NA</b></u>	<u><b>NA</b></u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*For the six months ended 30 June 2025*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>LOSS FOR THE PERIOD</b>	<b><u>(504,328)</u></b>	<b><u>(1,601,226)</u></b>
<b>OTHER COMPREHENSIVE LOSS</b>		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u><b>63,986</b></u>	<u>18,086</u>
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of non-foreign operations	<u><b>(372,226)</b></u>	<u>(200,308)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>	<b><u>(308,240)</u></b>	<b><u>(182,222)</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b><u>(812,568)</u></b>	<b><u>(1,783,448)</u></b>
Attributable to:		
Owners of the Company	<u><b>(810,283)</b></u>	<u>(1,780,688)</u>
Non-controlling interests	<u><b>(2,285)</b></u>	<u>(2,760)</u>
	<b><u>(812,568)</u></b>	<b><u>(1,783,448)</u></b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**30 June 2025**

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>338,417</b>	345,968
Investment properties	11	<b>637,915</b>	719,918
Intangible assets		–	22,452
Deferred tax assets		<b>107,100</b>	125,620
<b>Total non-current assets</b>		<b>1,083,432</b>	1,213,958
<b>CURRENT ASSETS</b>			
Completed properties held for sale		<b>7,816,049</b>	9,279,745
Properties under development	12	<b>23,509,446</b>	24,349,024
Accounts receivable, other receivables and other assets	13	<b>3,083,055</b>	2,331,394
Financial assets at fair value through profit or loss		<b>188,929</b>	213,387
Prepaid income tax and tax recoverable		<b>1,071,876</b>	1,127,057
Pledged deposits		<b>121,995</b>	123,711
Restricted bank balances		<b>628,742</b>	541,908
Cash and cash equivalents		<b>306,903</b>	317,544
<b>Total current assets</b>		<b>36,726,995</b>	38,283,770
<b>CURRENT LIABILITIES</b>			
Accounts payable, deposits received and accruals	14	<b>9,242,604</b>	9,664,071
Contract liabilities		<b>11,904,427</b>	12,954,604
Amounts due to related companies	15	<b>2,442,614</b>	1,651,058
Loans from a related company	16	<b>7,223,176</b>	7,223,176
Bank and other borrowings		<b>4,503,903</b>	4,579,244
Tax liabilities		<b>1,012,687</b>	1,070,749
<b>Total current liabilities</b>		<b>36,329,411</b>	37,142,902
<b>NET CURRENT ASSETS</b>		<b>397,584</b>	1,140,868
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,481,016</b>	2,354,826

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT LIABILITIES</b>			
Rental deposits received	14	667	444
Bank and other borrowings		1,062,556	1,120,348
Deferred tax liabilities		267,684	271,357
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>1,330,907</b>	<b>1,392,149</b>
		<hr/>	<hr/>
<b>Net assets</b>		<b>150,109</b>	<b>962,677</b>
		<hr/>	<hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	17	5,326,923	5,326,923
Reserves		(5,239,400)	(4,429,117)
		<hr/>	<hr/>
		87,523	897,806
<b>Non-controlling interests</b>		62,586	64,871
		<hr/>	<hr/>
<b>Total equity</b>		<b>150,109</b>	<b>962,677</b>
		<hr/>	<hr/>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 30 June 2025

### 1. CORPORATE INFORMATION

Zensun Enterprises Limited (the “Company”) is a public limited liability company incorporated in Hong Kong with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong. In the opinion of the directors of the Company, the immediate holding company of the Company is Joy Town Inc., a private limited liability company incorporated in the British Virgin Islands (“BVI”). The ultimate holding company of the Company is Vistra Trust (Singapore) Pte Limited, a private limited liability company incorporated in Singapore, as trustee of a discretionary trust which is set up by Ms. Huang Yanping (“Ms. Huang”), a non-executive director of the Company. Ms. Huang is the settlor and protector of the discretionary trust. Mr. Zhang Jingguo (“Mr. Zhang”), the Chairman and an executive director of the Company is the spouse of Ms. Huang.

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

### 2.1 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 2025 was approved for issue by the board of Directors on 29 August 2025. The interim condensed consolidated financial information is unaudited, but has been reviewed by the Company’s audit committee.

The interim condensed consolidated financial information for the six months ended 30 June 2025 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 2024.

The financial information relating to the year ended 31 December 2024 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.

#### Going concern basis

For the period ended 30 June 2025, the Group incurred a net loss of approximately RMB504,328,000, and as of that date, the Group’s current portion of bank and other borrowings amounted to RMB4,503,903,000, while its cash and cash equivalents amounted to RMB306,903,000.

As of 30 June 2025, the Group did not make payments on certain principal and interest payable of its USD denominated senior notes due in 2023, which had been delisted upon maturity on 13 September 2023; the principal and interest payable of its USD denominated senior notes due in 2024 (“2024 Senior Notes”), which had also been delisted upon maturity on 23 April 2024, and the interest payable of its USD denominated senior notes due in 2025 (“2025 Senior Notes”), triggering an event of default or cross default of various borrowings pursuant to the terms and conditions of respective agreements. The Company had suspended the trading of its USD denominated senior notes due in 2025 on 2 April 2024.

As of 30 June 2025, the aggregate principal amount and interest payables of the said USD denominated senior notes and bank and other borrowings in default or cross default was approximately RMB4,385,657,000.

These events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern. The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (a) The Group will continue to communicate proactively with its creditors, especially noteholders, on mutually agreeable arrangements on payments of outstanding principal and interests;
- (b) The Group will implement various strategies to improve the Group's income from sales of properties, project management and sales, hotel operations, rentals from investment properties and dividend income from financial assets at fair value through profit or loss to generate additional operating cash inflows and putting extra efforts on the collection of outstanding sales proceeds and other receivables;
- (c) The Group is actively reviewing its debt structure and looking for funding opportunities, including actively negotiating with several financial institutions to obtain new loans at a reasonable cost;
- (d) The Group will continue to take active measures to control administrative costs and unnecessary capital expenditures to relieve liquidity to support operations; and
- (e) The Group is actively negotiating with contractors for repayment schedules and/or settlement arrangements regarding outstanding payable construction fees.

The directors of the Company have reviewed the Group's cash flow forecast covering a period of not less than twelve months from the end of the reporting period. They are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors believe it is appropriate to prepare the condensed consolidated financial statements of the Group for the period ended 30 June 2025 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in China and the uncertainties to obtain continuous support by the banks and the Group's creditors, material uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that 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 condensed consolidated financial statements.

## 2.2 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 2024, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS7	<i>Supplier Finance Arrangements</i>

The adoption of the above new and revised HKFRSs has had no significant financial effect on the financial information and reference of the Group.

### 3. OPERATING SEGMENT INFORMATION

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

- (a) Property development in the PRC
- (b) Project management services in the PRC
- (c) Hotel operations in the PRC
- (d) Property investment and management in the United States of America (“USA” or “US”) in American Housing REIT, Inc. (“AHR”)
- (e) Property investment other than AHR
- (f) 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.

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.

#### Segment revenue and segment results

	Six months ended 30 June			
	Segment revenue		Segment results	
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Property development in the PRC	2,572,886	131,338	(432,444)	(1,370,719)
Project management services in the PRC	7,003	9,651	1,103	3,557
Hotel operations in the PRC	17,738	17,269	10,872	5,669
Property investment and management in the USA on AHR	5,163	5,717	6,668	3,962
Property investment other than AHR	12,387	10,520	(5,099)	7,677
Securities trading and investment	8,889	9,420	(12,265)	(44,988)
	<u>2,624,066</u>	<u>183,915</u>	<u>(431,165)</u>	<u>(1,394,842)</u>
Unallocated corporate income			–	72
Unallocated corporate expenses			<u>(21,464)</u>	<u>(206,223)</u>
Loss before tax			<u>(452,629)</u>	<u>(1,600,993)</u>



	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
<b>Segment assets</b>		
Property development in the PRC	<b>36,757,404</b>	38,365,212
Project management services in the PRC	<b>2,518</b>	3,248
Hotel operations in the PRC	<b>137,862</b>	135,353
Property investment and management in the USA on AHR	<b>242,801</b>	248,393
Property investment other than AHR	<b>311,340</b>	352,819
Securities trading and investment	<b>189,070</b>	213,533
	<hr/>	<hr/>
Segment assets	<b>37,640,995</b>	39,318,558
Unallocated assets	<b>169,432</b>	179,170
	<hr/>	<hr/>
Total assets	<b>37,810,427</b>	39,497,728
	<hr/>	<hr/>
<b>Segment liabilities</b>		
Property development in the PRC	<b>35,602,617</b>	36,366,713
Project management services in the PRC	<b>896</b>	994
Hotel operations in the PRC	<b>1,908</b>	1,608
Property investment and management in the USA on AHR	<b>113,904</b>	128,559
Property investment other than AHR	<b>9,144</b>	70,453
	<hr/>	<hr/>
Segment liabilities	<b>35,728,469</b>	36,568,327
Unallocated liabilities	<b>1,931,849</b>	1,966,724
	<hr/>	<hr/>
Total liabilities	<b>37,660,318</b>	38,535,051
	<hr/>	<hr/>

#### 4. REVENUE

An analysis of revenue is as follows:

	<b>Six months ended 30 June 2025 RMB'000 (Unaudited)</b>	2024 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of properties in the PRC	<b>2,572,886</b>	131,338
Project management services in the PRC	<b>7,003</b>	9,651
Hotel operations in the PRC	<b>17,738</b>	17,269
<i>Revenue from other sources</i>		
Gross rental income from investment properties	<b>17,550</b>	16,237
Dividend income from financial assets at fair value through profit or loss	<b>8,889</b>	9,420
	<hr/>	<hr/>
	<b>2,624,066</b>	183,915
	<hr/>	<hr/>

# Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2025				
Segments	Sales of properties in the PRC RMB'000 (Unaudited)	Project management services in the PRC RMB'000 (Unaudited)	Hotel operations in the PRC RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Type of goods or services and geographical markets</b>				
Sales of properties in the PRC	2,572,886	–	–	2,572,886
Project management services in the PRC	–	7,003	–	7,003
Hotel operations in the PRC	–	–	17,738	17,738
Total revenue from contracts with external customers	<u>2,572,886</u>	<u>7,003</u>	<u>17,738</u>	<u>2,597,627</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	2,572,886	–	7,147	2,580,033
Services transferred over time	–	7,003	10,591	17,594
Total revenue from contracts with external customers	<u>2,572,886</u>	<u>7,003</u>	<u>17,738</u>	<u>2,597,627</u>
For the six months ended 30 June 2024				
Segments	Sales of properties in the PRC RMB'000 (Unaudited)	Project management services in the PRC RMB'000 (Unaudited)	Hotel operations in the PRC RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Type of goods or services and geographical markets</b>				
Sales of properties in the PRC	131,338	–	–	131,338
Project management services in the PRC	–	9,651	–	9,651
Hotel operations in the PRC	–	–	17,269	17,269
Total revenue from contracts with external customers	<u>131,338</u>	<u>9,651</u>	<u>17,269</u>	<u>158,258</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	131,338	–	6,469	137,807
Services transferred over time	–	9,651	10,800	20,451
Total revenue from contracts with external customers	<u>131,338</u>	<u>9,651</u>	<u>17,269</u>	<u>158,258</u>

## 5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Fair value loss on financial assets at fair value through profit or loss	(21,153)	(54,371)
Fair value gain on investment properties	2,914	7,311
Foreign exchange differences, net	22,172	(147,874)
Write-down of completed properties held for sale and properties under development to net realisable value	(268,522)	(1,241,495)
Impairment losses on accounts receivable and other receivables	(5,624)	(2,821)
	<u>(270,213)</u>	<u>(1,439,250)</u>

## 6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interests on:		
Bank and other borrowings	245,143	363,598
Interest arising from revenue contracts	108,026	521,814
Less: Capitalised in properties under development	(198,831)	(798,594)
	<u>154,338</u>	<u>86,818</u>

Borrowing costs from bank and other borrowings have been capitalised at rates ranging from 2.80% to 13.54% (six months ended 30 June 2024: 2.80% to 12.50%) per annum during the six months ended 30 June 2025.

## 7. LOSS BEFORE TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The Group's loss before tax is arrived at after charging:		
Cost of properties sold	2,549,161	158,398
Cost of services	12,749	10,671
Depreciation of property, plant and equipment	4,861	3,059
Amortisation of intangible assets	22,452	22,458

The Group's loss before tax is arrived at after crediting:

Interest income	173	1,567
Gross rental income from investment properties	17,550	16,237
Less: Direct operating expenses incurred for:		
– investment properties generated rental income	(1,663)	(1,512)
– investment properties that did not generate rental income	(275)	(528)
	(1,938)	(2,040)
	15,612	14,197

## 8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax – charge for the period		
– Hong Kong Profits Tax	–	–
– PRC Corporate Income Tax (“PRC CIT”)	10,680	23,268
– PRC Land Appreciation Tax (“PRC LAT”)	24,993	65,731
– Overseas Corporate Income Tax	1,024	1,066
	36,697	90,065
Deferred tax	15,002	(89,832)
Total tax charge for the period	51,699	233

No provision for Hong Kong Profits Tax has been made in the interim condensed consolidated financial statements as the Group had no assessable profits generated in Hong Kong for both periods.

PRC CIT is calculated at the applicable income tax rate of 25% on the assessable profits for both periods. In accordance with the PRC Corporate Income Tax Law, a 10% withholding income tax will be levied on dividends declared to foreign investors from the enterprises with foreign investments established in the PRC. The Group is therefore liable to withholding taxes on dividends distributable by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008.

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.

The subsidiaries in the USA are generally subject to Federal Income Tax at a rate of 21% (six months ended 30 June 2024: 21%) on the taxable income and the statutory regulation of State Income Tax in different jurisdiction for the six months ended 30 June 2025. Certain of these subsidiaries retained with undistributed income are also subjected to an additional personal holding company tax at 20% on the taxable income. Certain subsidiaries are limited liability companies which are by default disregarded entities (i.e. viewed as divisions of the holding company) and would be taxed as part of their holding company for federal tax purposes.

## 9. DIVIDENDS

The directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

## 10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share is based on:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss</b>		
Loss attributable to owners of the Company used in the basic loss per share calculation	<u>(502,177)</u>	<u>(1,597,101)</u>
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	<u>1,913,387</u>	<u>1,913,387</u>

No diluted loss per share amounts were presented for the six months ended 30 June 2025 and 2024 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 2025, the Group did not acquire any property, plant and equipment (six months ended 30 June 2024: Nil).

In addition, there was no disposal of investment properties and property, plant and equipment during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## 12. PROPERTIES UNDER DEVELOPMENT

Properties under development are all situated in the PRC. As at 30 June 2025, the Group carried out assessment and provision for write-down of properties under development to net realisable value amounted to approximately RMB1,540,883,000 (31 December 2024: RMB1,410,613,000).

### 13. ACCOUNTS RECEIVABLE, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Accounts receivable	10,090	15,801
Less: Impairment	(1,068)	(2,746)
	<u>9,022</u>	<u>13,055</u>
Prepaid value-added taxes and other taxes	1,448,290	1,071,076
Deposits and prepayments	449,811	416,368
Costs of obtaining contracts	99,957	93,581
Other receivables	1,125,640	779,677
	<u>3,123,698</u>	<u>2,360,702</u>
Less: Impairment	(49,665)	(42,363)
	<u>3,074,033</u>	<u>2,318,339</u>
	<u>3,083,055</u>	<u>2,331,394</u>

Accounts receivable represent receivables from sales of properties, project management services, dividend receivables and rental receivables. Receivables arising from sales of properties and project management fee receivables are due for settlement in accordance with the terms of the related agreements. The settlement terms of rental receivables are upon presentation of demand notes.

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	1,621	4,034
1 to 2 years	3,510	562
2 to 3 years	509	8,251
Over 3 years	3,382	208
	<u>9,022</u>	<u>13,055</u>
At end of period/year	<u>9,022</u>	<u>13,055</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### 14. ACCOUNTS PAYABLE, DEPOSITS RECEIVED AND ACCRUALS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Accounts payable	173,250	169,165
Accrued construction costs ( <i>Note</i> )	7,554,669	7,825,836
Rental deposits received	8,544	9,201
Retention deposits and payable	148,394	173,967
Real estate and other taxes payable	539,171	647,541
Other payables and accruals	819,243	838,805
	<b>9,243,271</b>	<b>9,664,515</b>
Less: Rental deposits received – non-current	<b>(667)</b>	<b>(444)</b>
	<b>9,242,604</b>	<b>9,664,071</b>

*Note:* Included in accrued construction costs are amounts due to a related company controlled by Ms. Huang's daughter, Ms. Zhang Huiqi ("Ms. Zhang"), of approximately RMB444,012,000 (31 December 2024: RMB676,068,000) for its construction work.

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	3,750,356	4,122,193
1 to 2 years	1,936,132	1,950,354
2 to 3 years	1,527,501	1,523,681
Over 3 years	513,930	398,773
	<b>7,727,919</b>	<b>7,995,001</b>

#### 15. AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies are unsecured, interest-free and repayable on demand. Ms. Huang and together with her spouse, Mr. Zhang, and her daughter, Ms. Zhang, have the controlling interests over these related companies.

#### 16. LOANS FROM A RELATED COMPANY

The Group has entered into loan agreements with a related company, Henan Zensun Real Estate Co., Ltd.\* (河南正商置業有限公司) ("Zensun Real Estate"), which is ultimately controlled by Ms. Huang, pursuant to which Zensun Real Estate will provide unsecured loans to the Group.

The amounts are 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 of the Company, the carrying amounts of the loans approximated their fair values at initial recognition.

## 17. SHARE CAPITAL

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Issued and fully paid:		
1,913,386,669 (31 December 2024: 1,913,386,669) ordinary shares	<b><u>5,326,923</u></b>	<u>5,326,923</u>

## 18. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Contracted for, but not provided in respect of:		
Property development expenditures	<b><u>4,245,847</u></b>	<u>4,926,377</u>

## 19. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in this interim financial information, the Group had the following transactions with related parties during the period:

<b>Related companies (Note (i))</b>	<b>Transactions (Note (ii))</b>	<b>Six months ended 30 June 2025 RMB'000 (Unaudited)</b>	2024 RMB'000 (Unaudited)
Relevant members of Henan Zensun Corporate Development Company Limited ("Zensun Development") together with its subsidiaries (collectively, the "Zensun Development Group")	Construction costs (capitalised in properties under development)	<b><u>280,432</u></b>	<u>764,331</u>
Relevant members of Xingye Wulian Service Group Company Limited ("Xingye Wulian") together with its subsidiaries (collectively, the "Xingye Wulian Group")	Property engineering costs (capitalised in properties under development) and property management and value-added services fee	<b><u>11,491</u></b>	<u>7,762</u>

Notes:

- (i) 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. These transactions constitute continuing connected transactions as defined under Chapter 14A of the Listing Rules.



As at 30 June 2025, the Group's senior notes and bank and other borrowings amounted to approximately RMB3,514,620,000 (31 December 2024: approximately RMB5,635,866,000) were guaranteed by related companies which are 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 2030.

(b) Outstanding balances with related parties:

Details of the Group's balance with related parties as at the end of the reporting period are included in notes 14, 15 and 16 to the interim financial information.

(c) Compensation of key management personnel of the Group:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Short term employee benefits	<b>343</b>	442
Post-employment benefits	<b>16</b>	16
	<hr/>	<hr/>
Total compensation paid to key management personnel	<b>359</b>	458
	<hr/>	<hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

### INTERIM RESULTS AND DIVIDEND

During the Period, the Group recorded revenue of approximately RMB2,624.1 million and gross profit of approximately RMB59.5 million, with an increase of approximately 1,326.9% as compared to revenue of approximately RMB183.9 million and an increase of approximately 340.7% as compared to gross profit of approximately RMB13.5 million for the corresponding period of 2024, respectively. Revenue and gross profit of the Period and the corresponding period of 2024 were primarily derived from the property development business in the PRC. The increase in revenue during the Period was mainly contributed by more delivery of saleable/leasable gross floor area (“GFA”) from the delivery of the Group’s completed property development projects during the Period as compared to the corresponding period of 2024. The increase in gross profit during the Period as compared to the corresponding period of 2024 was resulted from more delivery of the GFA. The lower gross profit margin of approximately 2.3% for the Period as compared to 7.3% for the corresponding period of 2024 was resulted from recognition of certain lower profit margin property projects during the Period, which was caused by unexpected higher construction cost and suppressed selling prices under the decreasing public purchasing desires and power derived from the macroeconomic downturn and the continued depletion of demand in real estate properties.

The Group had other income of approximately RMB2.4 million during the Period, with a decrease of approximately 42.9% as compared to approximately RMB4.2 million for the corresponding period of 2024.

The Group had net other losses of approximately RMB270.2 million during the Period, as compared to net other losses of approximately RMB1,439.3 million for the corresponding period of 2024. The Group’s net other losses during the Period were attributable to the combination effects of (i) write-down of completed properties held for sale and properties under development to net realisable value of approximately RMB268.5 million (2024: approximately RMB1,241.5 million), (ii) net foreign exchange gains of approximately RMB22.2 million (2024: net foreign exchange losses approximately RMB147.9 million), (iii) the fair value loss on financial assets at fair value through profit or loss of approximately RMB21.2 million (2024: approximately RMB54.4 million), (iv) impairment losses on accounts receivable and other receivables of approximately RMB5.6 million (2024: approximately RMB2.8 million); and (v) fair value gain on investment properties of approximately RMB2.9 million (2024: approximately RMB7.3 million).

The Group’s sales and marketing expenses decreased by approximately 5.1% from approximately RMB26.4 million for the corresponding period of 2024 to approximately RMB25.1 million for the Period. The Group’s administrative expenses decreased by approximately 2.0% from approximately RMB66.2 million for the corresponding period of 2024 to approximately RMB64.9 million for the Period. Such decreases were in line with less sales activities in the market and the cost-cutting measures implemented by the Group in view of the recent downturn in the property market of the PRC during the Period.

The Group's finance costs increased by approximately 77.8% from approximately RMB86.8 million for the corresponding period of 2024 to approximately RMB154.3 million for the Period. The increase was primarily attributable to the larger extent of decrease in interest which are eligible for capitalisation to properties under development during the Period.

The Group recorded income tax expenses of approximately RMB0.2 million for the corresponding period of 2024 and income tax expenses of approximately RMB51.7 million for the Period. The increase was primarily attributable to the increase in deferred tax liabilities and offset by the decrease in PRC LAT during the Period.

As a result of the foregoing, the Group's loss attributable to owners of the Company for the Period amounted to approximately RMB502.2 million (2024: approximately RMB1,597.1 million).

The basic loss per share for the Period decreased by approximately 68.6% from RMB83.5 cents for the corresponding period of 2024 to RMB26.2 cents for the Period was resulted from the decrease in loss attributable to owners of the Company during the Period.

The Board does not recommend the payment of an interim dividend in respect of the Period (2024: Nil).

## **BUSINESS REVIEW**

### **Property Development in the PRC**

During the Period, the property development business in the PRC contributed revenue of approximately RMB2,572.9 million (2024: approximately RMB131.3 million) and segment loss of approximately RMB432.4 million (2024: approximately RMB1,370.7 million) to the Group. The increase in segment revenue was attributable to the increase in GFA delivered to the property owners during the Period. The decrease in segment loss was mainly due to the decrease in write-down of completed properties held for sale and properties under development during the Period.

There were two newly completed property development projects in phases/sub-phases delivered during the Period, namely Zhengzhou Zensun Boyue Commercial Centre (正商博悅商業中心) and Zhengzhou Zensun River Home Horizon (鄭州正商家河寬境), while during corresponding period of 2024 there were two newly completed projects delivered.

Together with the existing property projects completed in prior years, there were approximately 316,800 sq.m. GFA delivered with average selling price ("ASP") of approximately RMB8,120 per sq.m. and recognised into revenue during the Period as compared to that of approximately 25,000 sq.m. GFA delivered with ASP of approximately RMB5,300 per sq.m. and recognised into revenue during corresponding period of 2024.

During the Period, with the continuous impact of economy downturn, the overall real estate market in the PRC continued to experience a decrease in public purchasing power. The selling prices of property projects were inevitably suppressed which led to slowing down of sales and such situation was especially worsened for non-core city locations. As a result of the foregoing, a write-down of properties under development and completed properties held for sale of approximately RMB268.5 million (2024: approximately RMB1,241.5 million) for certain properties whose selling price was not recoverable as expected to net realisable value was provided during the Period.

In view of the abovementioned, the Group is adopting a more conservative approach and implementing cost-cutting schemes to maintain its competitive and sustainable business development plan. Given the current severe real estate market environment, the Group will remain conservative in reviewing its pace of business expansion, and may adjust its project development plans and schedules in response to the changing market conditions, as and when appropriate.

### **Project Management Services in the PRC**

During the Period, the Group provided project management services in the PRC and recorded revenue of approximately RMB7.0 million (2024: approximately RMB9.7 million) and segment profit of approximately RMB1.1 million (2024: approximately RMB3.6 million) from the provision of project management services in the PRC to independent property owners. The decrease is primarily resulted from fewer project management services contracts entered into during the Period.

### **Hotel Operations in the PRC**

The Group operated a hotel in Zhengzhou City in the PRC and generated revenue of approximately RMB17.7 million during the Period as compared to approximately RMB17.3 million for the corresponding period of 2024 and segment profit of approximately RMB10.9 million during the Period as compared to approximately RMB5.7 million for the corresponding period of 2024. The improved performance of this segment was mainly resulted from more stringent controls on the operating costs during the Period as compared to the corresponding period of 2024.

### **Property Investment and/or Management in the USA on AHR**

The segment revenue derived from property investment and/or management in the USA on AHR recorded by the Group amounted to approximately RMB5.2 million for the Period and approximately RMB5.7 million for the corresponding period of 2024. The segment profit increased from approximately RMB4.0 million for the corresponding period of 2024 to approximately RMB6.7 million for the Period. The increase in segment profit was mainly due to the higher fair value gain on investment properties recognised during the Period.

## **Property Investment other than AHR**

During the Period, the property investment in other regions other than AHR division contributed to segment revenue of approximately RMB12.4 million (2024: approximately RMB10.5 million) and segment loss of approximately RMB5.1 million (2024: segment profit of approximately RMB7.7 million) to the Group. The turnaround of segment profit to loss for the Period is mainly due to the increase in fair value loss of investment properties recognised in Hong Kong.

## **Securities Trading and Investment**

During the Period, the Group's securities business recorded segment revenue of approximately RMB8.9 million with segment loss of approximately RMB12.3 million as compared to segment revenue of approximately RMB9.4 million with segment loss of approximately RMB45.0 million for the corresponding period of 2024. The turnaround of segment profit to segment loss was primarily stemming from the decrease in fair value loss on financial assets at fair value through profit or loss of approximately RMB21.2 million during the Period as compared to fair value loss of approximately RMB54.4 million for the corresponding period of 2024.

## **FINANCIAL REVIEW**

### **Liquidity and Capital Resources**

#### *Liquidity Position*

As at 30 June 2025, the carrying amount of the Group's total cash and bank balances including pledged deposits and restricted bank balances was approximately RMB1,057.6 million (31 December 2024: approximately RMB983.2 million). The total cash and bank balances were mainly denominated in RMB, Hong Kong dollars, US dollars and Singapore dollars.

As at 30 June 2025, 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 RMB122.0 million as at 30 June 2025 (31 December 2024: approximately RMB123.7 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 issued share capital and reserves. As at 30 June 2025, net debt and equity attributable to owners of the Company were approximately RMB14,174.6 million (31 December 2024: approximately RMB13,590.7 million) and approximately RMB87.5 million (31 December 2024: approximately RMB897.8 million), respectively.

As at 30 June 2025, the Group's aggregate borrowings including bank and other borrowings, loans from a related company, and amounts due to related companies amounted to approximately RMB15,232.2 million (31 December 2024: approximately RMB14,573.8 million), of which approximately RMB14,169.7 million (31 December 2024: approximately RMB13,453.5 million) were repayable within one year or on demand, and approximately RMB1,062.6 million (31 December 2024: approximately RMB1,120.3 million) were repayable after one year. The aggregate borrowings were mainly denominated in RMB, US dollars, Singapore dollars and Hong Kong dollars.

As at the date of this announcement, the outstanding principal amount of the 2025 Notes is US\$103,478,000. Under the terms of the 2025 Notes, the non-payment with respect to the 2024 Notes triggered a cross default under the 2025 Notes. In view of the liquidity pressure faced by the Company, the Company has not made interest payment in the amount of US\$3,621,730 under the 2025 Notes which was due and payable on 12 September 2024. As a result, an event of default has occurred under the terms of the 2025 Notes. Furthermore, the subsequent interest in the amount of US\$3,621,730 under the 2025 Notes due on 11 April 2025 has not been paid. As at the date of this announcement, both interest instalments remain outstanding. The Company is in good faith discussion with holders of the 2025 Notes regarding the delay in interest payment and will maintain active communications with creditors and seek to implement an optimal solution. Trading in the 2025 Notes on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024 at the request of the Company and will remain suspended until further notice.

As at 30 June 2025, 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 RMB5,494.7 million (31 December 2024: approximately RMB5,560.5 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 2025. 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 2025. No asset of the Group was pledged to these related companies in respect of the guarantees.

As at 30 June 2025, 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.



## **Key Financial Ratios**

As at 30 June 2025, the Group recorded a current ratio of approximately 1.01 (31 December 2024: approximately 1.03) and a gearing ratio of approximately 37.5% (31 December 2024: approximately 34.4%). Gearing ratio is defined as the ratio of total borrowings less the aggregate value of cash and cash equivalents, restricted bank balances and pledged deposits to total assets.

## *Capital Commitments*

As at 30 June 2025, the capital commitments of the Group in connection with the property development expenditures was approximately RMB4,245.8 million (31 December 2024: approximately RMB4,926.4 million).

## *Contingent Liabilities*

As at 30 June 2025, the Group had contingent liabilities relating to guarantees amounting to approximately RMB16,936.7 million (31 December 2024: RMB18,227.5 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; and (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 in case of default in payments, the net realisable value of the related properties can cover the outstanding principal together with the accrued interest and penalties.

## **Foreign Exchange Exposure**

The revenues, expenses, assets and liabilities are denominated substantially in RMB, Hong Kong dollars, US dollars and Singapore dollars in its respective group entities. Due to the currency peg of Hong Kong dollars to 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 RMB 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 also adopted a share option scheme (the “Share Option Scheme”) to provide the Company with a means of providing the eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefits of the Company and its shareholders as a whole, as well as to motivate them to contribute to the success of the Group’s operations. During the Period, the Company did not grant any share options under the Share Option Scheme. Total staff costs, including Directors’ emoluments during the Period, amounted to approximately RMB18.7 million (30 June 2024: RMB21.8 million).

As at 30 June 2025, the Group had 286 employees.

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

As at 30 June 2025, the Group did not hold any significant investment accounting for more than 5% of the Group’s total assets. The Group did not 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**

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

Looking ahead to the second half of 2025, the Chinese property sector may still face an over-supply of stock and tight developer financing, but the Chinese government has continued to implement policies to support the property market. It is also expected that there may be prospect that the consumer confidence and market sentiment can be restored at some point of time, taking into account the time needed for the relevant policies to take effect. Meanwhile, the Group will continue to implement measures to improve operational efficiency and achieve business objectives.



The Group will continue to finance the repayments on financial assistance from the controlling shareholder through proceeds from the pre-sale and sale of the 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 its development schedule or implement cost control measures if necessitated by its then-existing financial conditions and cash requirements. The Group intends to continue to assess existing capital resources, and to seek new sources of funding, in order to maintain and expand its business on a cost-effective basis.

### *The PRC*

After the land acquisitions completed in the past years, the Group built up and maintained strong land reserves for the Group's property development business in the PRC for the next three years with a strong presence in Henan Province, thus, the Group will focus more on developing the existing and new property development projects from its land reserves in the near future. The Board will maintain open mindset 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.

The Group continues to pursue in diversification of its business to a light-asset model by investing more internal resources to further expand the project management business and providing a more integrated project management services in return for management fee income. The Board considers project management business in the PRC shall become popular in the market with prosperous business potential, and the expansion in project management business served as a diversification to light-asset model from our traditional heavy-asset model in the property development business. The diversification allows the Group to gain competitive advantages from managing property projects on behalf of property owners without having to bear heavy investment cost in land acquisition and construction cost.

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 cooperation with potential partners to explore capital resources and reduce the Group's capital investment in property projects at an early stage and facilitate project development. The management of the Group 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.

## *The U.S.*

As at the date of this announcement, the Group has approximately 5.6% equity interest in a real estate investment trust listed on the New York Stock Exchange, Global Medical REIT, Inc. (“GMR”) and approximately 99% equity interest in American Housing REIT, Inc. (“AHR”).

### 1. GMR

GMR has been focusing on acquisition of state-of-the-art, purpose built, licensed and specialised medical facilities in the U.S. 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, primarily focusing on property investment and management segment, 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 has operated a hotel in Zhengzhou City in the PRC and will regularly review the Singapore property market to explore different business opportunities.

## *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. The Group remains optimistic and confident about the future, and believes that with the efforts of all employees, the Group will overcome the current difficult conditions and move forward steadily.

## **CHANGES SINCE 31 DECEMBER 2024**

Save as disclosed in this announcement, there were no other material changes in the Group’s financial position or business performance from the information disclosed under the management discussion and analysis section in the Company’s 2024 annual results announcement.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Period.

## **EVENTS AFTER THE REPORTING PERIOD**

There was no significant event that affected the Group has occurred after the end of the Period and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders of the Company as a whole. The Company has adopted corporate governance practices based on the principles and code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance practices.

The Board is of the view that, the Company has complied with the relevant code provisions contained in the CG Code during the Period, save for deviation from code provision C.2.1 of the CG Code.

Pursuant to Code Provision C.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. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board composition and structure taking into account the background and experience of the Directors.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

## **COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “Model Code”) as set out in Appendix C3 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, Mr. Ma Yuntao and Dr. Li Huiqun.

At the request of the Audit Committee, Prism Hong Kong Limited, the auditor of the Company (the “Auditor”), has performed certain agreed-upon procedures on the Group’s interim condensed consolidated financial statements for the Period in accordance with Hong Kong Standard on Related Services 4400 (Revised) “Agreed-Upon Procedures Engagements”.

The agreed-upon procedures were performed solely to assist the Audit Committee to review the interim results of the Group for the Period. As the agreed-upon procedures did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, the Auditor does not express any assurance on the interim results of the Group. 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.

## **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 ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is available for viewing on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.zensunenterprises.com](http://www.zensunenterprises.com)). The interim report for the six months ended 30 June 2025 (containing all the information required by Appendix D2 to the Listing Rules) will be available on the aforementioned websites in due course and dispatched to Shareholders upon request.

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

Hong Kong, 29 August 2025

*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.*

\* For identification purpose only