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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 FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS FOR THE YEAR

- Revenue for the Year amounted to approximately RMB6,916.9 million, representing a decrease of approximately 27.5% compared with revenue for 2024 of approximately RMB9,542.1 million.
- Gross profit for the Year amounted to approximately RMB548.2 million, representing an increase of approximately 51.0% compared with gross profit for 2024 of approximately RMB363.1 million.
- Loss attributable to owners of the Company for the Year amounted to approximately RMB856.0 million, representing a decrease of approximately 60.8% compared with loss attributable to owners of the Company for 2024 of approximately RMB2,182.0 million.
- Basic loss per share for the Year was approximately RMB44.7 cents, as compared with basic loss per share of approximately RMB114.0 cents for 2024.

RESULTS

The board (the “Board”) of directors (the “Director(s)”) of Zensun Enterprises Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 (the “Year”) together with the comparative figures for 2024 as set out in this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
YEAR ENDED 31 DECEMBER 2025

		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	3	6,916,870	9,542,095
Cost of sales		<u>(6,368,690)</u>	<u>(9,179,011)</u>
Gross profit		548,180	363,084
Other income	4	5,552	7,200
Other gains and losses, net	4	(647,373)	(1,563,595)
Administrative expenses		(134,644)	(142,515)
Sales and marketing expenses		(31,117)	(56,247)
Finance costs	5	<u>(438,450)</u>	<u>(289,651)</u>
LOSS BEFORE TAX	6	(697,852)	(1,681,724)
Income tax expense	7	<u>(161,352)</u>	<u>(491,211)</u>
LOSS FOR THE YEAR		<u>(859,204)</u>	<u>(2,172,935)</u>
Attributable to:			
Owners of the Company		(856,036)	(2,181,963)
Non-controlling interests		<u>(3,168)</u>	<u>9,028</u>
		<u>(859,204)</u>	<u>(2,172,935)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic (RMB cents)	9	(44.7)	(114.0)
Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
LOSS FOR THE YEAR	<u>(859,204)</u>	<u>(2,172,935)</u>
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on translation of foreign operations	28,016	8,247
<i>Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:</i>		
Fair value gains of property, plant and equipment upon transfer to investment properties, net of tax	–	–
Exchange difference on translation of non-foreign operations	<u>(14,904)</u>	<u>3,247</u>
Other comprehensive (loss)/income that may not be reclassified to profit or loss in subsequent periods	<u>(14,904)</u>	<u>3,247</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>13,112</u>	<u>11,494</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(846,092)</u>	<u>(2,161,441)</u>
Attributable to:		
Owners of the Company	<u>(842,536)</u>	<u>(2,170,767)</u>
Non-controlling interests	<u>(3,556)</u>	<u>9,326</u>
	<u>(846,092)</u>	<u>(2,161,441)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2025

		31 December 2025	31 December 2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		332,452	345,968
Investment properties		631,228	719,918
Intangible assets		–	22,452
Deferred tax assets		60,572	125,620
		<hr/>	<hr/>
Total non-current assets		1,024,252	1,213,958
CURRENT ASSETS			
Completed properties held for sale		8,346,350	9,279,745
Properties under development		19,715,327	24,349,024
Accounts receivable, other receivables and other assets	<i>10</i>	1,992,610	2,331,394
Financial assets at fair value through profit or loss		180,061	213,387
Prepaid income tax and tax recoverable		1,071,841	1,127,057
Pledged deposits		83,832	123,711
Restricted bank balances		372,270	541,908
Cash and cash equivalents		210,517	317,544
		<hr/>	<hr/>
Total current assets		31,972,808	38,283,770
CURRENT LIABILITIES			
Accounts payable, deposits received and accruals	<i>11</i>	8,325,161	9,664,071
Contract liabilities		9,199,393	12,954,604
Amounts due to related companies	<i>12</i>	1,287,865	1,651,058
Loans from a related company	<i>13</i>	7,471,867	7,223,176
Bank and other borrowings		4,358,341	4,579,244
Tax liabilities		1,030,959	1,070,749
		<hr/>	<hr/>
Total current liabilities		31,673,586	37,142,902
NET CURRENT ASSETS		299,222	1,140,868
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,323,474	2,354,826
		<hr/>	<hr/>

		31 December 2025	31 December 2024
	<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES			
Rental deposits received		906	444
Bank and other borrowings		952,362	1,120,348
Deferred tax liabilities		264,814	271,357
		<hr/>	<hr/>
Total non-current liabilities		1,218,082	1,392,149
		<hr/>	<hr/>
Net assets		105,392	962,677
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>14</i>	5,326,923	5,326,923
Reserves		(5,282,846)	(4,429,117)
		<hr/>	<hr/>
		44,077	897,806
Non-controlling interests		61,315	64,871
		<hr/>	<hr/>
Total equity		105,392	962,677
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2025 but are extracted from those financial statements.

These financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value.

These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

For the year ended 31 December 2025, the Group incurred a net loss of approximately RMB859,204,000, and as of that date, the Group’s current portion of bank and other borrowings amounted to RMB4,358,341,000, while its cash and cash equivalents amounted to RMB210,517,000.

As of 31 December 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 principal and interest payable of its USD denominated senior notes due in 2025 (“2025 Senior Notes”), which had been principal and delisted upon maturity on 12 September 2025, triggering an event of default or cross default of various borrowings pursuant to the terms and conditions of respective agreements.

As of 31 December 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 RMB4,622,419,000.

These events or conditions indicate that a material uncertainty exists 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 Company 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; and
- (d) The Group will continue to take active measures to control administrative costs and unnecessary capital expenditures to relieve liquidity to support operations.
- (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 consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in the Chinese Mainland 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 consolidated financial statements.

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	<i>Disclosures about Uncertainties in the Financial Statements</i>

Except as described below, the adoption of the above new and revised standards has had no significant financial effect on these consolidated financial statements.

Amendments to HKAS 21 Lack of Exchangeability

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 Disclosures about Uncertainties in the Financial Statements

The HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

The Group has limited exposure to climate-related transition risks and determines that an explanation of the lack of effect of its greenhouse gas emissions policy on its financial statements would not provide material information. Entity-specific and external qualitative factors considered by the entity when making its materiality judgement include the expectation that its greenhouse gas emissions policy will not significantly affect its future operations, and that the entity operates in an industry that has a low level of greenhouse gas emissions and limited exposure to climate-related transition risks.

3. REVENUE AND OPERATING SEGMENT INFORMATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
An analysis of revenue is as follows:		
<i>Revenue from contracts with customers</i>		
Sales of properties in the Chinese Mainland	6,810,120	9,436,079
Project management services in the Chinese Mainland	13,337	17,498
Hotel operations in the Chinese Mainland	34,886	36,226
	<u>6,858,343</u>	<u>9,489,803</u>
<i>Revenue from other sources</i>		
Gross rental income from investment properties	43,972	35,418
Dividend income from financial assets at fair value through profit or loss	14,555	16,874
	<u>6,916,870</u>	<u>9,542,095</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Sales of properties in the Chinese Mainland <i>RMB'000</i>	Project management services in the Chinese Mainland <i>RMB'000</i>	Hotel operations in the Chinese Mainland <i>RMB'000</i>	Total <i>RMB'000</i>
Type of goods or services and geographical markets				
Sale of properties in the Chinese Mainland	6,810,120	–	–	6,810,120
Project management services in the Chinese Mainland	–	13,337	–	13,337
Hotel operations in the Chinese Mainland	–	–	34,886	34,886
Total revenue from contracts with external customers	<u>6,810,120</u>	<u>13,337</u>	<u>34,886</u>	<u>6,858,343</u>
Timing of revenue recognition				
Goods transferred at a point in time	6,810,120	–	15,774	6,825,894
Services transferred over time	–	13,337	19,112	32,449
Total revenue from contracts with external customers	<u>6,810,120</u>	<u>13,337</u>	<u>34,886</u>	<u>6,858,343</u>

For the year ended 31 December 2024

Segments	Sales of properties in the Chinese Mainland <i>RMB'000</i>	Project management services in the Chinese Mainland <i>RMB'000</i>	Hotel operations in the Chinese Mainland <i>RMB'000</i>	Total <i>RMB'000</i>
Type of goods or services and geographical markets				
Sale of properties in the Chinese Mainland	9,436,079	–	–	9,436,079
Project management services in the Chinese Mainland	–	17,498	–	17,498
Hotel operations in the Chinese Mainland	–	–	36,226	36,226
Total revenue from contracts with external customers	<u>9,436,079</u>	<u>17,498</u>	<u>36,226</u>	<u>9,489,803</u>
Timing of revenue recognition				
Goods transferred at a point in time	9,436,079	–	13,606	9,449,685
Services transferred over time	–	17,498	22,620	40,118
Total revenue from contracts with external customers	<u>9,436,079</u>	<u>17,498</u>	<u>36,226</u>	<u>9,489,803</u>

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

- (a) Property development in the Chinese Mainland
- (b) Project management services in the Chinese Mainland
- (c) Hotel operations in the Chinese Mainland
- (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 (including unallocated finance costs) 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

	Segment revenue		Segment results	
	2025	2024	2025	2024
	RMB’000	RMB’000	RMB’000	RMB’000
Property development in the Chinese Mainland	6,810,120	9,436,079	(737,544)	(1,591,995)
Project management services in the Chinese Mainland	13,337	17,498	6,183	9,450
Hotel operations in the Chinese Mainland	34,886	36,226	15,956	17,053
Property investment and management on AHR	11,374	10,693	13,828	(3,837)
Property investment other than AHR	32,598	24,725	28,865	(9,818)
Securities trading and investment	14,555	16,874	39,946	(72,478)
	<u>6,916,870</u>	<u>9,542,095</u>	<u>(632,766)</u>	<u>(1,651,625)</u>
Unallocated corporate income			359	–
Unallocated corporate expenses			<u>(65,445)</u>	<u>(30,099)</u>
Loss before tax			<u>(697,852)</u>	<u>(1,681,724)</u>

Segment assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Property development in the Chinese Mainland	32,006,746	38,365,212
Project management services in the Chinese Mainland	3,439	3,248
Hotel operations in the Chinese Mainland	140,958	135,353
Property investment and management on AHR	254,233	248,393
Property investment other than AHR	287,240	352,819
Securities trading and investment	180,243	213,533
	<hr/>	<hr/>
Segment assets	32,872,859	39,318,558
	<hr/>	<hr/>
Unallocated assets	124,201	179,170
	<hr/>	<hr/>
Total assets	32,997,060	39,497,728
	<hr/>	<hr/>
Segment liabilities		
Property development in the Chinese Mainland	30,845,626	36,366,713
Project management services in the Chinese Mainland	6,650	994
Hotel operations in the Chinese Mainland	13,402	1,608
Property investment and management on AHR	60,405	128,559
Property investment other than AHR	3,775	70,453
	<hr/>	<hr/>
Segment liabilities	30,929,858	36,568,327
	<hr/>	<hr/>
Unallocated liabilities	1,961,810	1,966,724
	<hr/>	<hr/>
Total liabilities	32,891,668	38,535,051
	<hr/>	<hr/>

4. OTHER INCOME, OTHER GAINS AND LOSSES, NET

An analysis of other income is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	624	2,553
Others	4,928	4,647
	<u>5,552</u>	<u>7,200</u>

An analysis of other gains and losses, net is as follows:

Fair value gain/(loss) on investment properties	7,527	(30,079)
Gain on disposal of investment properties, net	–	57
Fair value gain/(loss) on financial assets at fair value through profit or loss	25,189	(89,298)
Foreign exchange differences, net	(61,906)	(24,882)
Write-down of completed properties held for sale and properties under development to net realisable value	(610,870)	(1,391,123)
Impairment losses on accounts receivable and other receivables (<i>note 10</i>)	(7,313)	(28,270)
	<u>(647,373)</u>	<u>(1,563,595)</u>

5. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interests on:		
Bank and other borrowings	527,493	514,197
Interest arising from revenue contracts	788,742	1,759,177
Less: Capitalised in properties under development	(877,785)	(1,983,723)
	<u>438,450</u>	<u>289,651</u>

Borrowing costs from bank and other borrowings have been capitalised at rates ranging from 2.40% to 12.50% (2024: 2.80% to 12.50%) per annum.

6. LOSS BEFORE TAX

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

	2025	2024
	RMB'000	RMB'000
Cost of properties sold	6,330,434	9,155,817
Cost of services	30,955	19,240
Total employee benefit expenses:		
Directors' emoluments	330	374
Other staff:		
Salaries and other benefits	21,665	36,186
Retirement benefit scheme contributions	2,345	1,583
	24,340	38,143
Less: Capitalised in properties under development	(3,122)	(4,396)
	21,218	33,747
Auditor's remuneration	1,850	1,850
Depreciation of property, plant and equipment	17,084	14,225
Amortisation of intangible assets	22,452	44,916
Lease payments not included in the measurement of lease liabilities	893	379

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

Gross rental income from investment properties	43,971	35,418
Less: Direct operating expenses incurred for:		
– investment properties generating rental income	(6,090)	(6,792)
– investment properties not generating rental income	(657)	(548)
	(6,747)	(7,340)
	37,224	28,078

7. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax – charge for the year		
– Hong Kong Profits Tax	–	–
– Chinese Mainland CIT	37,611	10,538
– Chinese Mainland LAT	61,925	100,049
– Overseas Corporate Income Tax	11	34
Under provision in prior years	<u>1,362</u>	<u>36,995</u>
	100,909	147,616
Deferred tax	<u>60,443</u>	<u>343,595</u>
Total tax charge for the year	<u>161,352</u>	<u>491,211</u>

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

Chinese Mainland CIT is calculated at the applicable income tax rate of 25% on the assessable profits for both years. In accordance with the Chinese Mainland 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 Chinese Mainland. The Group is therefore liable to withholding taxes on dividends distributable by those subsidiaries established in the Chinese Mainland in respect of their earnings generated from 1 January 2008.

Chinese Mainland 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% (2024: 21%) on the taxable income and the statutory regulation of State Income Tax in different jurisdiction for the year ended 31 December 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.

8. DIVIDENDS

The Board does not recommend the payment of a dividend in respect of the Year (2024: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share is based on:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss attributable to owners of the Company used in the basic loss per share calculation	<u>(856,036)</u>	<u>(2,181,963)</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Shares		
Weighted average number of ordinary shares in issue during the year 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 years ended 31 December 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue during these years.

10. ACCOUNTS RECEIVABLE, OTHER RECEIVABLES AND OTHER ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Accounts receivable	14,359	15,801
Less: Impairment	<u>(2,404)</u>	<u>(2,746)</u>
	11,955	13,055
Prepaid value-added taxes and other taxes	1,050,798	1,071,076
Deposits and prepayments	318,779	416,368
Costs of obtaining contracts	57,796	93,581
Other receivables	<u>603,300</u>	<u>779,677</u>
	2,030,673	2,360,702
Less: Impairment	<u>(50,018)</u>	<u>(42,363)</u>
	<u>1,980,655</u>	<u>2,318,339</u>
	<u>1,992,610</u>	<u>2,331,394</u>

Accounts receivable represent receivables from sales of properties, project management services, property 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 and property management fee 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	3,922	4,034
1 to 2 years	2,964	562
2 to 3 years	127	8,251
Over 3 years	4,942	208
	<hr/>	<hr/>
At end of year	11,955	13,055
	<hr/>	<hr/>

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.

Set out below is the information about the credit risk exposure on the Group's financial assets included in accounts receivable using a provision matrix:

As at 31 December 2025

	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>
Assessment of expected credit losses by credit risk portfolio	14,359	2,404
	<hr/>	<hr/>
At end of year	14,359	2,404
	<hr/>	<hr/>

As at 31 December 2024

	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>
Assessment of expected credit losses by credit risk portfolio	15,801	2,746
	<hr/>	<hr/>
At end of year	15,801	2,746
	<hr/>	<hr/>

11. ACCOUNTS PAYABLE, DEPOSITS RECEIVED AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Accounts and bills payable	152,920	169,165
Accrued construction costs (<i>Note</i>)	6,606,642	7,825,836
Rental deposits received	9,300	9,201
Retention deposits and payable	108,593	173,967
Real estate and other taxes payable	811,368	647,541
Other payables and accruals	637,244	838,805
	<u>8,326,067</u>	<u>9,664,515</u>
Less: Rental deposits received – non-current	<u>(906)</u>	<u>(444)</u>
	<u>8,325,161</u>	<u>9,664,071</u>

Note: Included in accrued construction costs are amounts due to a related company controlled by the daughter of Ms. Huang Yanping (“Ms. Huang”), Ms. Zhang Huiqi (“Ms. Zhang”), of approximately RMB792,404,000 (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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	3,505,092	4,122,193
1 to 2 years	1,291,447	1,950,354
2 to 3 years	1,064,474	1,523,681
Over 3 years	898,549	398,773
	<u>6,759,562</u>	<u>7,995,001</u>

12. AMOUNTS DUE TO RELATED COMPANIES

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

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

13. 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 was ultimately controlled by Ms. Huang, pursuant to which Zensun Real Estate shall 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, the carrying amounts of the loans approximate their fair values at initial recognition.

14. SHARE CAPITAL

	Number of ordinary shares in issue	Amount RMB'000
Ordinary shares with no par value:		
At 31 December 2024 and 1 January 2025 and 31 December 2025	5,326,923	5,326,923

15. RELATED PARTY TRANSACTIONS

	2025 RMB'000	2024 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”)	95	95
Relevant members of Henan Zensun Corporate Development Company Limited (“Zensun Development”, and collectively, the “Zensun Development Group”)	542,932	1,489,745
Relevant members of Xingye Wulian Service Group Company Limited (“Xingye Wulian”, and collectively, the “Xingye Wulian Group”)	20,233	32,948

Notes:

- (i) Ever Diamond Group are entities ultimately controlled by Ms. Huang. Zensun Development Group and Xingye Wulian Group are entities ultimately controlled by 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.

The Group’s senior notes, and certain bank and financial institutions facilities to the Group were guaranteed by related companies, which was ultimately controlled by Ms. Huang and 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 11, 12 and 13 of this announcement.

Save as above, no transaction has been entered into with the Directors (being the key management personnel) during the Year other than the emoluments paid to them (being key management personnel compensation) (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINAL RESULTS AND DIVIDEND

For the year ended 31 December 2025 (the “Year”), the Group recorded revenue of approximately RMB6,916.9 million and gross profit of approximately RMB548.2 million, with a decrease of approximately 27.5% as compared to revenue of approximately RMB9,542.1 million and an increase of approximately 51.0% as compared to gross profit of approximately RMB363.1 million for 2024, respectively. Revenue and gross profit of the Year and for 2024 were primarily derived from the property development business in the Chinese Mainland. The decrease in revenue during the Year was mainly contributed by less delivery of saleable/leasable gross floor area (“GFA”) from the delivery of the Group’s completed property development projects during the Year as compared to 2024. The increase in gross profit during the Year as compared to 2024 was primarily attributable to the stabilisation of the real estate market following the cessation of further deterioration, coupled with the mild rebound in property prices driven by the Company’s strategically located projects in prime areas. Consequently, higher profit margins were recorded from certain property projects during the Year.

The Group had other income of approximately RMB5.6 million during the Year, with a decrease of approximately 22.9% as compared to approximately RMB7.2 million during 2024. The decrease in other income was primarily attributable to the decrease in interest income during the Year.

The Group had net other losses of approximately RMB647.4 million during the Year, as compared to net other losses of approximately RMB1,563.6 million for 2024. The Group’s net other losses during the Year were mainly attributable to (i) write-down of completed properties held for sale and properties under development to net realisable value of approximately RMB610.9 million (2024: approximately RMB1,391.1 million), (ii) fair value gain on financial assets at fair value through profit or loss of approximately RMB25.2 million (2024: fair value loss of approximately RMB89.3 million), (iii) net exchange losses of approximately RMB61.9 million (2024: approximately RMB24.9 million), (iv) impairment losses on accounts receivable and other receivables of approximately RMB7.3 million (2024: approximately RMB28.3 million), and (v) fair value gain on investment properties of approximately RMB7.5 million (2024: fair value loss of approximately RMB30.1 million).

The Group’s sales and marketing expenses decreased by approximately 44.7% from approximately RMB56.2 million for 2024 to approximately RMB31.1 million for the Year. The Group’s administrative expenses decreased by approximately 5.5% from approximately RMB142.5 million for 2024 to approximately RMB134.6 million for the Year. 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 continuous downturn in the property market of the Chinese Mainland during the Year.

The Group’s finance costs increased by approximately 51.4% from approximately RMB289.7 million for 2024 to approximately RMB438.5 million for the Year. The increase was primarily attributable to the larger extent of decrease in interest which are eligible for capitalisation to properties under development, and was partially offset by the decrease in interest arising from revenue contracts, during the Year.

The Group's income tax expenses decreased by approximately 67.2% from approximately RMB491.2 million for 2024 to approximately RMB161.4 million for the Year. The decrease was primarily attributable to the decrease in utilisation of deferred tax assets.

As a result of the foregoing, the Group's loss attributable to owners of the Company for the Year amounted to approximately RMB856.0 million (2024: RMB2,182.0 million).

The basic loss per share for the Year decreased by approximately 60.8% from RMB114.0 cents for 2024 to RMB44.7 cents for the Year was resulted from the decrease in loss attributable to owners of the Company during the Year.

The Board does not recommend the payment of a dividend in respect of the Year (2024: Nil).

BUSINESS REVIEW

Property Development in the Chinese Mainland

During the Year, the property development business in the Chinese Mainland contributed revenue of approximately RMB6,810.1 million (2024: approximately RMB9,436.1 million) and segment loss of approximately RMB737.5 million (2024: RMB1,592.0 million) to the Group. The decrease in segment revenue was attributable to the decrease of GFA delivered to the property owners during the Year. 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 Year.

There were four newly completed property development projects in phases/sub-phases delivered during the Year, while during the year ended 31 December 2024, there were 19 newly completed projects delivered.

Together with the existing property projects completed in prior years, there were approximately 797,000 sq.m. GFA delivered with average selling price ("ASP") of approximately RMB7,906 per sq.m. and recognised into revenue during the Year as compared to that of approximately 1,327,000 sq.m. GFA delivered with ASP of approximately RMB7,110 per sq.m. and recognised into revenue during 2024.

During the Year, the overall real estate market in the Chinese Mainland continued to face declining public purchasing power amid the ongoing economic downturn. While the market showed no further signs of deterioration and certain well-located projects exhibited modest signs of stabilisation, the overall recovery remained subdued. Property projects in non-core locations continued to experience pricing pressure due to weak purchasing power of the public in such locations. Consequently, property selling prices were inevitably under pressure, resulting in slower sales, particularly in non-core urban areas. Due to the foregoing reasons, write-down of completed properties held for sale and properties under development of approximately RMB610.9 million (2024: approximately RMB1,391.1 million) for certain properties whose selling price was not recoverable as expected to net realisable value was provided during the Year.

In view of the abovementioned, the Group continues to adopt a 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 Chinese Mainland

During the Year, the Group provided project management services in the Chinese Mainland and recorded revenue of approximately RMB13.3 million (2024: approximately RMB17.5 million) and segment profit of approximately RMB6.2 million (2024: approximately RMB9.5 million) from the provision of project management services in the Chinese Mainland to independent property owners. The decrease was primarily resulted from fewer new project management services contracts entered into during the Year.

Hotel Operations in the Chinese Mainland

The Group operated a hotel in Zhengzhou City in the Chinese Mainland since 2022 and generated revenue of approximately RMB34.9 million during the Year as compared to approximately RMB36.2 million for 2024 and segment profit of approximately RMB16.0 million during the Year as compared to segment profit of approximately RMB17.1 million for 2024. The decrease in revenue and segment profit for this segment was mainly resulted from fewer guests staying at the hotel during the Year as compared to 2024.

Property Investment and Management in the USA on AHR

The segment revenue derived from property investment and management on AHR amounted to approximately RMB11.4 million for the Year and approximately RMB10.7 million for 2024, and segment loss of approximately RMB3.8 million for 2024 as compared to segment profit of approximately RMB13.8 million for the Year. The turnaround of segment loss to segment profit for the Year was mainly stemming from the higher fair value gain of investment properties recognised in the USA during the Year.

Property Investment other than AHR

During the Year, the property investment in other regions other than AHR division contributed to segment revenue of approximately RMB32.6 million (2024: approximately RMB24.7 million). The turnaround of segment loss of approximately RMB9.8 million for 2024 to segment profit of approximately RMB28.9 million for the Year was primarily due to the increase in rental income from the Chinese Mainland properties and fair value gain from the Singapore properties.

Securities Trading and Investment

During the Year, the Group's securities business recorded segment revenue of approximately RMB14.6 million with segment profit of approximately RMB39.9 million as compared to segment revenue of approximately RMB16.9 million with segment loss of approximately RMB72.5 million for 2024. The turnaround of segment loss for 2024 into segment profit for the Year was primarily stemming from the recognition of fair value gain on financial assets at fair value through profit or loss of approximately RMB25.2 million during the Year (2024: fair value loss of approximately RMB89.3 million).

FINANCIAL REVIEW

Liquidity and Capital Resources

Liquidity Position

As at 31 December 2025, the carrying amount of the Group's total cash and bank balances including pledged deposits and restricted bank balances were approximately RMB666.6 million (2024: approximately RMB983.2 million), representing a decrease of approximately 32.2%. The total cash and bank balances were mainly denominated in RMB, Hong Kong Dollar ("HKD" or "HK\$"), US Dollar ("USD" or "US\$"), and Singapore Dollar ("SGD").

As at 31 December 2025, certain bank balances and deposits of the Group were pledged to certain banks and financial institutions as securities for (i) the bank and financial institutions facilities granted to the Group and (ii) the mortgage loan facilities granted to the property buyers of the Group. The total pledged deposits were approximately RMB83.8 million as at 31 December 2025 (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 31 December 2025, net debt and equity attributable to owners of the Company were approximately RMB13,403.8 million (31 December 2024: approximately RMB13,590.7 million) and approximately RMB44.1 million (31 December 2024 approximately RMB897.8 million), respectively. As at 31 December 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 RMB14,070.4 million (31 December 2024: approximately RMB14,573.8 million), of which approximately RMB13,118.1 million (31 December 2024: approximately RMB13,453.5 million) were repayable within one year or on demand, and approximately RMB952.3 million (31 December 2024: approximately RMB1,120.3 million) were repayable after one year. The aggregate borrowings were mainly denominated in RMB, USD, SGD and HKD.

In addition to the 12.5% per annum fixed-rate interest for the US\$160 million senior notes due 2024 (the "2024 Notes") and the US\$200 million senior notes (i.e. the 2023 Notes), and the 7% per annum fixed-rate interest for the US\$103.478 million senior notes (i.e. the 2025 Notes), the Group's bank and other borrowings carried fixed interest rates ranging from 2.40% to 9.03% per annum and also various floating interest rates linking up with international lending rates including Hong Kong 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 Chinese Mainland as at 31 December 2025. The Group's interest rate risk is mainly driven by the bank and other borrowings with floating interest rates.

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 principal and interest payments 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. The 2025 Notes were delisted from the Stock Exchange upon maturity on 12 September 2025.

As at 31 December 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 RMB3,720.3 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 31 December 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 31 December 2025. No asset of the Group was pledged to these related companies in respect of the guarantees.

As at 31 December 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 Year.

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 the shareholders of the Company (the "Shareholders") through the optimisation of the debt and equity balance.

Key Financial Ratios

As at 31 December 2025, the Group recorded a current ratio of approximately 1.01 (31 December 2024: approximately 1.03) and a gearing ratio of approximately 40.6% (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 31 December 2025, the capital commitments of the Group in connection with the property development expenditures were approximately RMB3,121.1 million (31 December 2024: approximately RMB4,926.4 million).

Contingent Liabilities

As at 31 December 2025, the Group had contingent liabilities relating to guarantees amounting to approximately RMB18,207.0 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 Year 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 revenue, expenses, assets and liabilities are denominated substantially in RMB, HKD, USD and SGD in the respective entities of the Group. Due to the currency peg of HKD to USD, 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 Year, the Company did not grant any share options under the Share Option Scheme. Total staff costs, including Directors’ emoluments during the Year, amounted to approximately RMB24.3 million (31 December 2024: RMB38.1 million).

As at 31 December 2025, the Group had 283 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 31 December 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 Year.

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 acceptable risk in Hong Kong, the Chinese Mainland and overseas markets.

Looking Ahead to 2026

Chinese Property Sector Outlook

The Chinese property sector is expected to continue its gradual recovery trajectory through 2026. While the market may still face challenges from existing inventory overhang and developer financing constraints, the Chinese government's sustained implementation of supportive policies — including easing of purchase restrictions, mortgage rate reductions, and liquidity support for developers — is anticipated to gradually restore consumer confidence and market sentiment. The Group expects that the cumulative effect of these policy measures will become more apparent throughout 2026, potentially creating improved conditions for property sales and development activities. The Group will continue to implement measures to improve operational efficiency, accelerate project sales, and achieve its business objectives.

Funding and Liquidity Strategy

The Group will continue to finance 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. Looking forward to 2026, the Group believes its future funding needs in support of property development and land acquisition activities will be satisfied by the above-mentioned sources, together with potential additional issuance of equity securities or other capital market instruments, as and when considered of appropriate. The Group will continue to adopt a prudent approach in managing its liquidity position to ensure the availability of sufficient cash flows to meet any unexpected funding needs that may arise from its business operations. The Group will maintain ongoing assessment of available financial resources in support of its business needs, and will plan and adjust its development schedule or implement cost control measures as necessitated by its then-existing financial conditions and cash requirements. The Group will continue to evaluate its existing capital resources and explore suitable financing opportunities in order to maintain and expand its business on a cost-effective manner.

The Chinese Mainland Operations

Following land acquisitions completed in prior years, the Group has built up and maintained strong land reserves for its property development business in the Chinese Mainland for the next three years, with a strong presence in Henan Province. In 2026, the Group will focus on developing existing and new property development projects from its land reserves. The Board will maintain an open mindset in identifying new property development projects and bidding for land use rights of selective land parcels in the Chinese Mainland, with a continued focus on Zhengzhou City, Henan Province and other selective first- and second-tier cities.

Light-Asset Model Diversification

The Group will continue to pursue diversification of its business toward a light-asset model by investing more internal resources to further expand its project management business and providing more integrated project management services in return for management fee income. The Board considers that the project management business in the Chinese Mainland will continue to gain popularity in the market with prosperous business potential. The expansion in project management business serves as a strategic diversification from the Group's traditional heavy-asset model in property development. This diversification allows the Group to gain competitive advantages from managing property projects on behalf of property owners without having to bear heavy investment costs in land acquisition and construction.

Strategic Partnerships

The Company will leverage the Chinese Mainland 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, thereby facilitating project development. The management of the Group remains cautiously optimistic on the long-term prospects of the real estate industry and will expedite property development and sales of its development projects in the Chinese Mainland throughout 2026.

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, Chiron Real Estate Inc. ("XRN") (formerly known as Global Medical REIT, Inc.) and approximately 99% equity interest in American Housing REIT, Inc. ("AHR").

1. XRN

XRN has been focusing on acquisition of state-of-the-art, purpose built, licensed and specialised medical facilities in the U.S. During the Year, the Group performed regular review on XRN's business performance and its business strategies and prospect. It is considered that the investment in XRN'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 Chinese Mainland 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 Chinese Mainland, 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.

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 Year.

EVENTS AFTER THE REPORTING PERIOD

No significant event that affected the Group has occurred after the end of the Year and up to the date of this announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all code provisions (the "Code Provision(s)") and, where applicable, the recommended best practices of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "CG Code") throughout the Year, save for the deviations which are explained below.

Pursuant to Code Provision C.5.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly internals. Although only two regular Board meetings were held during the Year, the Board considered that sufficient meetings had been held as business operations were under the management and the supervision of the executive Directors. In addition, senior management of the Group has provided to the Directors the information in respect of the Group's business development and activities from time to time and, when required, *ad hoc* Board meetings were held to discuss matters.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive of the Company should be separate and should not be performed by the same individual. 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.

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 Year.

AUDIT COMMITTEE

The Audit Committee is primarily responsible to assist 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.

The Audit Committee has reviewed, with the management and the external auditor of the Company, the accounting principles and practices adopted by the Group and discussed, among other things, auditing and financial reporting matters including the review of the consolidated financial statements of the Group for the Year.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

The figures in respect of the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, Prism Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Prism Hong Kong Limited in this respect did not constitute an assurance engagement 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 and consequently no assurance has been expressed by Prism Hong Kong Limited in this announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is the extract of the independent auditor’s report from the external auditor of the Company:

Material uncertainties relating to going concern

As set out in note 2.1 to the consolidated financial statements, the Group incurred net loss of RMB859,204,000 for the year ended 31 December 2025 and as at 31 December 2025, the Group’s liabilities include bank and other borrowings and relevant interest payable with their carrying amounts of RMB5,310,703,000 and RMB1,030,244,000, respectively, of which RMB5,388,807,000 have been due for settlement within one year or repayable on demand are included in current liabilities in the consolidated statement of financial position, while its available cash and cash equivalent amounted to RMB210,517,000.

In addition, the Group had defaulted or cross defaulted of principals on certain bank and other borrowings, to the aggregate amount of RMB4,622,419,000 as at 31 December 2025 and at the date of approval of these consolidated financial statements. These conditions, together with other matters disclosed in note 2.1 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

These conditions, together with other matters disclosed in note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have considered the measures being taken by the Group, and are of the opinion that the Group would be able to continue as going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the measures. We consider appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter.

PUBLIC FLOAT

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders who are entitled to attend and vote at the 2026 annual general meeting of the Company (“2026 AGM”) which is expected to be held on Friday, 12 June 2026, the register of members of the Company expected to be closed from Monday, 8 June 2026 to Friday, 12 June 2026, both days inclusive. In order to qualify for attending and voting at the 2026 AGM, all transfer documents should be lodged for registration with the Company’s Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong expected not later than 4:30 p.m. on Friday, 5 June 2026. The record date for determining the eligibility of the Shareholders for attending and voting at the 2026 AGM is Friday, 12 June 2026.

ANNUAL GENERAL MEETING

The 2026 AGM will be held on Friday, 12 June 2026 and the notice of the 2026 AGM will be published and despatched in the manner as required by the Listing Rules and the Articles of Association in due course.

APPRECIATION

We would like to take this opportunity to express our gratitude to the Shareholders for their continuing support, and our appreciation to all staff members for their dedication and contribution to the Group.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of the Stock Exchange at <http://www.hkexnews.hk> under “Latest Listed Company Information” and on the website of the Company at <http://www.zensunenterprises.com> under “Investor Relations”.

The annual report of the Company for the Year will be available on the aforementioned websites in due course and despatched to Shareholders upon request.

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

Hong Kong, 30 March 2026

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 purposes only*