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ZENSUN ENTERPRISES LIMITED

正商實業有限公司

(formerly known as ZH International Holdings Limited

正恒國際控股有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

PROPOSED ISSUE OF SENIOR NOTES

INTRODUCTION

The Board announces that the Company proposes to conduct an international offering of guaranteed U.S. Dollar denominated senior fixed rate notes.

Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interest. The Notes are proposed to be guaranteed by the Parent Guarantor and the Subsidiary Guarantors. As at the date of this announcement, the principal amount, the interest rate, the payment date and certain other terms and conditions of the Proposed Notes Issue are yet to be finalised. Upon finalising the terms of the Notes, it is expected that, among other bookrunners, Guotai Junan International, CMB International, CLSA, the Parent Guarantor, the Subsidiary Guarantors and the Company will enter into the Purchase Agreement. The Company will make a further announcement in respect of the Proposed Notes Issue upon the signing of the Purchase Agreement.

The Notes, the Parent Guarantee and the Subsidiary Guarantees have not been, and will not be, registered under the Securities Act. The Notes, the Parent Guarantee and the Subsidiary Guarantees are being offered outside the United States in offshore transactions in accordance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong.

MiFID II professionals/ECPs-only/No PRIIPs KID — Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA.

LISTING RULES IMPLICATIONS

The Parent Guarantor is a controlling shareholder of the Company and the Unlisted Subsidiary Guarantors are wholly owned by the Parent Guarantor. The Parent Guarantor and the Unlisted Subsidiary Guarantors are therefore connected persons of the Company under Chapter 14A of the Listing Rules. The Parent Guarantee and the guarantees to be provided by Unlisted Subsidiary Guarantors in relation to the Notes will constitute financial assistance from connected persons for the benefit of the Company. Such financial assistance is provided on normal commercial terms or better and is not secured by the assets of the Group and is therefore exempted under Rule 14A.90 of the Listing Rules from all reporting, announcement and independent shareholders' approval requirements.

REASONS FOR THE PROPOSED NOTES ISSUE

The Group was founded in Zhengzhou in 1995 and has since grown into a renowned multinational group with integrated real estate businesses. Now with its footprint across Henan Province, Beijing, Hubei, Shandong and Hainan Provinces, Hong Kong, as well as Japan, Singapore and other countries and regions, the Group is the largest residential property developer in Zhengzhou in terms of both contracted sales and gross floor areas sold from 2012 to 2018, according to the China Real Estate Association and China Real Estate Appraisal. The Group has also established a strong presence in Henan Province.

The Company intends to use the net proceeds of the Proposed Notes Issue to refinance existing indebtedness and for project developments and general corporate purposes. It may adjust its plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

LISTING

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“CLSA”	CLSA Limited
“CMB International”	CMB International Capital Limited
“Company”	Zensun Enterprises Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Parent Guarantor, the Company and their subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Notes”	the guaranteed U.S. Dollar denominated senior fixed rate notes to be issued by the Company
“Parent Guarantee”	the guarantees to be provided by the Parent Guarantor in respect of the Notes

“Parent Guarantor”	Zensun Group Limited, the company incorporated in the British Virgin Islands with limited liability which will provide guarantees for the Notes
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“PRIIPs”	Packages retail investment and insurance products (2009/92/EC)
“Proposed Notes Issue”	the proposed issue of the Notes by the Company
“Purchase Agreement”	the agreement proposed to be entered into by, among other bookrunners, Guotai Junan International, CMB International, CLSA, the Company, the Parent Guarantor and the Subsidiary Guarantors in relation to the Proposed Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees to be provided by the Subsidiary Guarantors in respect of the Notes
“Subsidiary Guarantors”	the Unlisted Subsidiary Guarantors and certain existing non-PRC subsidiaries of the Company that on the issue date of the Notes will provide guarantees for the Notes
“U.S. Dollars” or “US\$”	United States dollar(s), the lawful currency of the United States
“United States”	the United States of America
“Unlisted Subsidiary Guarantors”	Zensun International Holdings Company Limited, HQ Neptune Investments Limited, Ever Diamond Global Company Limited, Honor Challenge Investment Limited and Champ Win Enterprise Limited, which are subsidiaries of the Parent Guarantor providing guarantees for the Notes

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

Hong Kong, 9 September 2019

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, Dr. Liu Qiao and Mr. Ma Yuntao.