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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)**

**CONTINUING CONNECTED TRANSACTION  
MASTER PROPERTY ENGINEERING FRAMEWORK AGREEMENT  
AND  
MASTER PROPERTY MANAGEMENT FRAMEWORK AGREEMENT**

**Master Property Engineering Framework Agreement**

On 18 February 2020, the Company and Xingye Wulian entered into the Master Property Engineering Framework Agreement pursuant to which the Group shall appoint Xingye Wulian Group as its service provider to provide the Property Engineering Services to the Group for a term commencing from the Effective Date to 31 December 2022.

**Master Property Management Framework Agreement**

On 18 February 2020, the Company and Xingye Wulian entered into the Master Property Management Framework Agreement pursuant to which the Group shall appoint Xingye Wulian Group as its service provider to provide the Property Management and Value-added Services to the Group for a term commencing from the Effective Date to 31 December 2022.

## **Listing Rules Implications**

As at the date of this announcement, the entire issued share capital of Xingye Wulian is indirectly owned as to approximately 56.59% by the Blossom Trust, which is controlled by Ms. Zhang as the protector. Ms. Zhang is the daughter of Mr. Zhang Jingguo, our Chairman, Chief Executive Officer and executive Director and Ms. Huang Yanping, our non-executive Director. As such, Xingye Wulian is a connected person of the Company and the transactions contemplated under the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

After the Effective Date and the lockdown for the COVID-19 pandemic in the PRC, work is now resuming in the PRC. As at the date of this announcement, each of the applicable percentage ratios based on the Annual Caps under each of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement is less than 5%, the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement and the transactions contemplated thereunder and the Annual Caps under each of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the date of this announcement, the aggregated transaction amounts incurred since the Effective Date under each of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement is less than HK\$3,000,000.

## **INTRODUCTION**

On 18 February 2020, the Company and Xingye Wulian entered into the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement pursuant to which the Group shall conditionally appoint the Xingye Wulian Group as its service provider to provide the Property Engineering Services and the Property Management and Value-added Services respectively to the Group. The principal terms of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement are set out below.

## **MASTER PROPERTY ENGINEERING FRAMEWORK AGREEMENT**

### **Date**

18 February 2020

### **Parties**

- (1) Xingye Wulian; and
- (2) the Company.

## **Subject matter**

Under the Master Property Engineering Framework Agreement, the Group shall conditionally appoint the Xingye Wulian Group as its service provider to provide the Property Engineering Services to the Group during the Term. Relevant members of the Xingye Wulian Group may from time to time enter into Individual Property Engineering Agreement(s) with members of the Group in relation to the provision of the Property Engineering Services during the Term, and the terms of the Individual Property Engineering Agreement(s) shall be subject to the terms and conditions of the Master Property Engineering Framework Agreement.

## **Services to be provided**

The services to be provided by the Xingye Wulian Group to the Group under the Master Property Engineering Framework Agreement are the Property Engineering Services which include the planning, design and installation of security and surveillance systems, access control systems, carpark management systems and construction site management systems in relation to properties under development.

## **Condition precedent**

The Master Property Engineering Framework Agreement is conditional on the Listing, which took place and was satisfied on 9 March 2020.

## **Term**

The Master Property Engineering Framework Agreement shall commence on the Effective Date, and shall continue up to and including 31 December 2022, unless terminated earlier in accordance with the Master Property Engineering Framework Agreement.

## **Pricing policy**

The fees for the Property Engineering Services shall be determined after taking into account the complexity and the scope of service required by the Group and the service fees shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable).

The Group and the Xingye Wulian Group shall ensure that the Individual Property Engineering Agreements in relation to the Property Engineering Services shall be on normal commercial terms or better.

## Historical transaction amounts

Prior to the entering into of the Master Property Engineering Framework Agreement, the Property Engineering Services provided to the Group were part of the Contracting Services and Ancillary Services contemplated under the Renewed 2018 Master Services Agreement.

The actual transaction amounts incurred by the Group to the subsidiaries of Xingye Wulian for the provision of Property Engineering Services as part of the Contracting Services and Ancillary Services for the three financial years ended 31 December 2019 was nil, approximately RMB4.2 million and RMB13.3 million, respectively.

## Annual Caps under the Master Property Engineering Framework Agreement

The Company expects that the Annual Caps in respect of the Property Engineering Services to be provided by the Xingye Wulian Group to the Group under the Master Property Engineering Framework Agreement for each of the three financial years ending 31 December 2022 will be as follows:

	For the financial year ended 31 December		
	2020	2021	2022
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Annual Caps under the Master Property Engineering Framework Agreement	18,500,000	26,500,000	34,000,000

Each of the Annual Caps under the Master Property Engineering Framework Agreement has been determined with reference to:

- (a) the historical transaction amounts;
- (b) the remaining contract value for services to be rendered under agreements for the properties for which the Group had engaged the subsidiaries of Xingye Wulian to provide Property Engineering Services following the relevant tender process as required under the Renewed 2018 Master Services Agreement prior to the Listing;
- (c) the number of property projects under development and planning by the Group requiring Property Engineering Services based on the current development schedule and plans for 2020 to 2022; and
- (d) the expected annual increment in the service fees for Property Engineering Services by the Xingye Wulian Group taking into account service fee charged by other service providers, the economic growth in the PRC and the expected inflation rate.

# **MASTER PROPERTY MANAGEMENT FRAMEWORK AGREEMENT**

## **Date**

18 February 2020

## **Parties**

- (1) Xingye Wulian; and
- (2) the Company.

## **Subject matter**

Under the Master Property Management Framework Agreement, the Group shall conditionally appoint the Xingye Wulian Group as its service provider to provide the Property Management and Value-added Services to the Group during the Term. Relevant members of the Xingye Wulian Group may from time to time enter into Individual Property Management Agreement(s) with members of the Group in relation to the provision of the Property Management and Value-added Services during the Term, and the terms of the Individual Property Management Agreement(s) shall be subject to the terms and conditions of the Master Property Management Framework Agreement.

## **Services to be provided**

The services to be provided by the Xingye Wulian Group to the Group under the Master Property Management Framework Agreement include the Property Management and Value-added Services.

The Property Management and Value-added Services to be provided by the Xingye Wulian Group to the Group shall be property management services which include, among others, security, cleaning, greening and gardening, parking space management, repair and maintenance for common areas, and value-added services which include repair and maintenance for exclusive use areas, renovation waste clearance, intermediary leasing services, etc. in relation to completed properties and parking lots remained by the Group before sold.

## **Condition precedent**

The Master Property Management Framework Agreement is conditional on the Listing, which took place and was satisfied on 9 March 2020.

## **Term**

The Master Property Management Framework Agreement shall commence on the Effective Date, and shall continue up to and including 31 December 2022, unless terminated earlier in accordance with the Master Property Management Framework Agreement.

## **Pricing policy**

The fees for the Property Management and Value-added Services shall be determined after taking into account the following:

- (a) the type and location of the properties;
- (b) scope and quality of the service required;
- (c) expected operational costs (including staff costs, subcontracting costs, material costs and operational administrative expenses) of the service provider;
- (d) local government pricing guidance on property management fees (if any);
- (e) the 50% discount for the property management fees usually offered by the service provider for unsold properties; and
- (f) potential competitors' pricing.

The service fees shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable). The Group and the Xingye Wulian Group shall ensure that the Individual Property Management Agreements in relation to the Property Management and Value-added Services shall be on normal commercial terms or better.

## **Historical transaction amounts**

Prior to the entering into of the Master Property Management Framework Agreement, the Property Management and Value-added Services provided to the Group were part of the Contracting Services and Ancillary Services contemplated under the Renewed 2018 Master Services Agreement.

The actual transaction amounts incurred by the Group to the subsidiaries of Xingye Wulian for the provision of Property Management and Value-added Services as part of the Contracting Services and Ancillary Services for the three financial years ended 31 December 2019 was nil, approximately RMB5.3 million and RMB8.6 million, respectively.

## Annual Caps under the Master Property Management Framework Agreement

The Company expects that the Annual Caps in respect of the Property Management and Value-added Services to be provided by the Xingye Wulian Group to the Group under the Master Property Management Framework Agreement for each of the three financial years ending 31 December 2022 will be as follows:

	For the financial year ended 31 December		
	2020	2021	2022
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Annual Caps under the Master Property Management Framework Agreement	9,500,000	19,500,000	23,000,000

Each of the Annual Caps under the Master Property Management Framework Agreement has been determined with reference to:

- (a) the historical transaction amounts;
- (b) the properties to be delivered by the Group based on the current development schedule and plans for 2020 to 2022 and the expected delivery date taking into account the possibility of early delivery of the properties; and
- (c) the percentage of historical and expected unsold gross floor area for properties delivered or to be delivered by the Group which require Property Management and Value-added Services.

## REASONS FOR AND BENEFITS OF THE MASTER PROPERTY ENGINEERING FRAMEWORK AGREEMENT AND THE MASTER PROPERTY MANAGEMENT FRAMEWORK AGREEMENT

The Group is principally engaged in property development, property investment and management, project management and sales services and securities trading and investment. As at 31 December 2019, the Group has six completed property projects and 30 on-going complex property projects on hand with 79 land parcels under development and planning with total site area of approximately 3.52 million square metres and aggregated estimated gross floor area of approximately 9.54 million square metres in the PRC.

The Board is confident that the Xingye Wulian Group possesses the necessary qualifications and experience to provide the Property Engineering Services and the Property Management and Value-added Services to the Group.

Based on (i) the current pricing policies of the fees under the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement; (ii) the Property Engineering Services and the Property Management and Value-added Services had been provided by the subsidiaries of Xingye Wulian prior to its Listing under the Renewed 2018 Master Services Agreement and the terms of the individual agreements thereunder are similar to those under the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement; and (iii) the market rates charged by other Independent Third Parties for each of the Property Engineering Services and the Property Management and Value-added Services, the Directors (including the independent non-executive Directors) are of the opinion that the terms of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement and the transactions contemplated thereunder and the Annual Caps under each of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement are (a) on normal commercial terms or better; (b) in the ordinary and usual course of business of the Group; and (c) fair and reasonable, and the entering into of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement and the transactions contemplated thereunder and the Annual Caps under each of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement are in the interests of the Group and the Shareholders as a whole.

As Ms. Huang Yanping is the settlor of the Blossom Trust and Mr. Zhang Jingguo is the spouse of Ms. Huang Yanping, both Mr. Zhang Jingguo and Ms. Huang Yanping are considered to have a material interest in the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement and the transactions contemplated thereunder and had abstained from voting on the Board resolutions of the Company to approve the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement and the transactions contemplated thereunder. Save for the aforementioned, no other Director has a material interest in the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement and is required to abstain from voting on the Board resolutions of the Company to approve the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement and the transactions contemplated thereunder.

## **INFORMATION ON THE GROUP AND THE XINGYE WULIAN GROUP**

The Group is principally engaged in property development, property investment and management, project management and sales services and securities trading and investment.

Xingye Wulian is a company incorporated in the Cayman Islands with limited liability and is principally engaged in providing Property Management and Value-added Services and Property Engineering Services.



## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the entire issued share capital of Xingye Wulian is indirectly owned as to approximately 56.59% by the Blossom Trust, which is controlled by Ms. Zhang as the protector. Ms. Zhang is the daughter of Mr. Zhang Jingguo, our Chairman, Chief Executive Officer and executive Director and Ms. Huang Yanping, our non-executive Director. As such, Xingye Wulian is a connected person of the Company and the transactions contemplated under the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

After the Effective Date and the lockdown for the COVID-19 pandemic in the PRC, work is now resuming in the PRC. As at the date of this announcement, as each of the applicable percentage ratios based on the Annual Caps under each of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement is less than 5%, the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement and the transactions contemplated thereunder and the Annual Caps under each of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement are subject to the reporting and announcement but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the date of this announcement, the aggregated transaction amounts incurred since the Effective Date under each of the Master Property Engineering Framework Agreement and the Master Property Management Framework Agreement is less than HK\$3,000,000.

## **DEFINITION**

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“Ancillary Services”	services which are ancillary but pertaining to the delivery of the Contracting Services, including but not limited to administration, payroll, human resources, disposal of construction wastes
“Annual Caps”	the maximum aggregate annual transaction amounts payable by the Group to the Xingye Wulian Group for the Property Engineering Services and the Property Management and Value-added Services, as the case may be, for each of the three financial years ending 31 December 2022

“Blossom Trust”	the family trust established on 16 August 2019, by Ms. Huang Yanping as the settlor, with Vistra Trust (BVI) Limited acting as the trustee, Ms. Zhang acting as the protector and Ms. Zhang and her descendants appointed as discretionary beneficiaries
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Zensun Enterprises Limited (formerly known as ZH International Holdings Limited), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 185)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction”	has the meaning ascribed to it under the Listing Rules
“Contracting Services”	construction, engineering and related services, including but not limited to, building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance, consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction and project management, supply of construction and building equipment and materials, electrical and mechanical engineering works, supply and installations of air-conditioning, heating and ventilation systems, fire services systems, plumbing and drainage systems, lift repair and maintenance services and electrical systems
“Director(s)”	the director(s) of the Company
“Effective Date”	the date of Listing, i.e. 9 March 2020
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Parties”	a person(s) or company(ies) who/which is or are independent of and not connected with our Company and our connected persons
“Individual Property Engineering Agreement(s)”	individual agreement(s) which may be entered into between any member(s) of the Group and any member(s) of the Xingye Wulian Group from time to time in relation to provision of the Property Engineering Services at any time during the Term and pursuant to the Master Property Engineering Framework Agreement
“Individual Property Management Agreement(s)”	individual agreement(s) which may be entered into between any member(s) of the Group and any member(s) of the Xingye Wulian Group from time to time in relation to provision of the Property Management and Value-added Services at any time during the Term and pursuant to the Master Property Management Framework Agreement
“Listing”	the listing of the shares of Xingye Wulian on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Master Property Engineering Framework Agreement”	the agreement in relation to the provision of the Property Engineering Services from the Xingye Wulian Group to the Group entered into between Xingye Wulian and the Company on 18 February 2020
“Master Property Management Framework Agreement”	the agreement in relation to the provision of the Property Management and Value-added Services from the Xingye Wulian Group to the Group entered into between Xingye Wulian and the Company on 18 February 2020
“Master Services Agreement”	the agreement in relation to the provision of Contracting Services and Ancillary Services by the relevant members of the Zensun Development Group to the Group entered into between the Company and Zensun Development on 22 December 2015
“Ms. Zhang”	Ms. Zhang Huiqi, who is the daughter of Mr. Zhang Jingguo, our Chairman, Chief Executive Officer and executive Director and Ms. Huang Yanping, our non-executive Director

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property Engineering Services”	the provision of property engineering services from the Xingye Wulian Group to the Group, details of which are set out under sub-paragraph headed “Services to be provided” under the paragraph headed “Master Property Engineering Framework Agreement” in this announcement
“Property Management and Value-added Services”	the provision of property management and value-added services from the Xingye Wulian Group to the Group, details of which are set out under sub-paragraph headed “Services to be provided” under the paragraph headed “Master Property Management Framework Agreement” in this announcement
“Renewed 2018 Master Services Agreement”	the Master Services Agreement as amended by the supplemental agreements dated 21 February 2017 and 11 October 2018 entered into between the Company and Zensun Development
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under Section 15 of the Companies Ordinance
“Term”	has the meaning set out in the sub-paragraph headed “Term” under the paragraph headed “Master Property Engineering Framework Agreement” and “Master Property Management Framework Agreement” in this announcement
“Xingye Wulian”	Xingye Wulian Service Group Co. Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9916)
“Xingye Wulian Group”	Xingye Wulian and its subsidiaries from time to time

“Zensun Development”	Henan Zensun Corporate Development Group Limited* (河南正商企業發展集團有限責任公司), (formerly known as Henan Zensun Corporate Development Company Limited* (河南正商企業發展有限責任公司)), a company established under the laws of the PRC and a connected person of the Company
“Zensun Development Group”	Zensun Development and its subsidiaries from time to time
“%”	per cent
* <i>For identification purpose only</i>	

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

Hong Kong, 17 April 2020

*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.*