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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)

**DISCLOSEABLE TRANSACTION
ACQUISITIONS OF LAND USE RIGHTS IN XINYANG CITY,
HENAN PROVINCE, THE PRC**

ACQUISITIONS OF LAND USE RIGHTS

Reference is made to the voluntary announcement of the Company dated 23 April 2020 in relation to the acquisition of the land use rights of a land parcel in Huaibin County, Xinyang City, Henan Province, the PRC, namely, Land Parcel I by Henan Zhengdong in a public auction held by Huaibin County Natural Resources Bureau* (淮濱縣自然資源局) at a consideration of RMB96,731,289.

The Board is pleased to announce that on 30 June 2020, Henan Zhengdong further made a successful bid for the land use rights of another land parcel in Huaibin County, Xinyang City, Henan Province, the PRC, namely, Land Parcel II, through listing for sale process in the Auction held by Huaibin County Natural Resources Bureau for transfer of state-owned land use rights at a consideration of RMB97,983,829.

Land Parcel II is located at south of Qingnian Street, west of Chuxiang Avenue, Huaibin County* (淮濱縣青年街南側、楚相大道西側), Xinyang City, Henan Province, the PRC with a total site area of approximately 43,179.90 sq.m. and permitted plot ratio of not higher than 2.2. Land Parcel II is designated for residential usage with 20% of the land parcel is designated for commercial usage both with the term of use of 50 years.

LISTING RULES IMPLICATIONS

Taking into consideration of the fact that the locations of Land Parcel I and Land Parcel II are adjacent to each other in Huaibin County, the Board took the liberty to aggregate the First Acquisition of Land Parcel I and the Second Acquisition of Land Parcel II. As one of the

applicable percentage ratios calculated in respect of the Acquisitions under Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Acquisitions constitute a discloseable transaction of the Company under the Listing Rules.

ACQUISITIONS OF LAND USE RIGHTS

Reference is made to the voluntary announcement of Zensun Enterprises Limited (“**Company**”) dated 23 April 2020 in relation to the acquisition of the land use rights of a land parcel located in Huaibin County, Xinyang City, Henan Province, the People’s Republic of China (the “**PRC**”) with code no. (2020) No. 003 (“**Land Parcel I**”) in a public auction held by Huaibin County Natural Resources Bureau* (淮濱縣自然資源局) at a consideration of RMB96,731,289 by Henan Zensun Zhengdong Real Estate Company Limited* (河南正商鄭東置業有限公司) (“**Henan Zhengdong**”), an indirect wholly-owned subsidiary of the Company (“**First Acquisition**”). For detail of the First Acquisition, please refer to the voluntary announcement of the Company dated 23 April 2020.

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 30 June 2020, Henan Zhengdong further made a successful bid for the transfer of state-owned land use rights of another land parcel with code no. (2020) No. 15 (“**Land Parcel II** ”) at a consideration of RMB97,983,829 located in Huaibin County, Xinyang City, Henan Province, the PRC through listing for sale process (“**Second Acquisition**”) in the public auction (“**Auction**”) held by Huaibin County Natural Resources Bureau. The First Acquisition and the Second Acquisition, collectively referred to as the “**Acquisitions**”. The consideration of the Second Acquisition was determined based on the Auction documents issued by Huaibin County Natural Resources Bureau. The Group will finance the Second Acquisition and the development of Land Parcel II with internal resources.

Land Parcel II is located at south of Qingnian Street, west of Chuxiang Avenue, Huaibin County* (淮濱縣青年街南側、楚相大道西側), Xinyang City, Henan Province, the PRC with a total site area of approximately 43,179.90 sq.m. and permitted plot ratio of not higher than 2.2. Land Parcel II is designated for residential usage with 20% of the land parcel is designated for commercial usage both with the term of use of 50 years.

A sum of RMB50,000,000 for Land Parcel II has been paid as the security deposit for the Auction. Pursuant to the procedures under the listing for sale process in the Auction, within two working days following the successful bid, Henan Zhengdong shall submit qualification documents to Huaibin County Natural Resources Bureau for verification. Upon completion of the verification process, Huaibin County Natural Resources Bureau will issue a confirmation notice (“**Confirmation Notice**”) in respect of Land Parcel II to Henan Zhengdong. The land use rights grant contract in relation to the Second Acquisition will be entered between Henan Zhengdong and Huaibin County Natural Resources Bureau for Land Parcel II on or before the date determined by Huaibin County Natural Resources Bureau as stipulated in the Confirmation Notice.

INFORMATION ON PARTIES TO THE ACQUISITIONS

Henan Zhengdong is a company established in the PRC, an indirect wholly-owned subsidiary

of the Company and its principal activity is property development.

Huaibin County Natural Resources Bureau, being the seller of Land Parcel I and Land Parcel II is a PRC Governmental body, is responsible for, among other things, administering the examination and approval of land planning, assignment and transfer of the land use rights of the state-owned land in Huaibin County, Xinyang City, Henan Province, the PRC and the issue of various types of land certificates.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Huaibin County Natural Resources Bureau and its beneficial owner are third parties independent of the Group and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Company and its subsidiaries (collectively "**Group**") are principally engaged in property development, property investment and management, project management and sale services and securities trading and investment. The Board believes that the Acquisitions complement the Group's strategy in expanding its development in Henan Province and other first and second tier cities in the PRC.

The Directors further consider that each of the Acquisitions is a transaction of revenue nature is carried out in the ordinary and usual course of business and is on normal commercial terms, which is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company will continue to seek viable business opportunities in accordance with its overall strategy. The Company will make use of the Group's financial, human and technological resources to enhance its portfolio, asset base and brand image.

LISTING RULES IMPLICATIONS

Taking into consideration of the fact that the locations of Land Parcel I and Land Parcel II are adjacent to each other in Huaibin County, the Board took the liberty to aggregate the First Acquisition of Land Parcel I and the Second Acquisition of Land Parcel II. As one of the applicable percentage ratios calculated in respect of the Acquisitions under Rule 14.07 of the Rules Governing Listing of the Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") exceeds 5% but is less than 25%, the Acquisitions constitute a discloseable transaction for the Company under the Listing Rules.

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

Hong Kong, 30 June 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.