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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 LUOYANG CITY, HENAN PROVINCE, THE PRC

ACQUISITIONS OF LAND USE RIGHTS

The Board is pleased to announce that on 3 July 2020, Henan Xianghu, an indirect wholly-owned subsidiary of the Company, made two successful bids for the land use rights of Land Parcel I and Land Parcel II through listing for sale process in the Auctions held by Ruyang County Natural Resources Bureau* (汝陽縣自然資源局) for transfer of state-owned land use rights at a consideration of RMB105,487,950 for Land Parcel I, and RMB95,200,070 for Land Parcel II, respectively.

Land Parcel I is located at south of Yonghui Road, north of Weishier Road, east of Liuling South Road, west of Malan West Road, County South New District* (縣城南新區永惠路南、緯十二路北、劉伶南路東、馬蘭西路西), Ruyang County, Luoyang City, Henan Province, the PRC with a total site area of approximately 42,611.30 sq.m. and permitted plot ratio of between 1.0 and 2.1. Land Parcel I is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 years.

Land Parcel II is located at south of Weishier Road, east of Liuling South Road, west of Malan West Road, County South New District* (縣城南新區緯十二路南、劉伶南路東、馬蘭西路西), Ruyang County, Luoyang City, Henan Province, the PRC with a total site area of approximately 41,432.15 sq.m. and permitted plot ratio of between 1.0 and 2.1. Land Parcel II is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 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 Ruyang County, the Board took the liberty to aggregate the acquisition of Land Parcel I and the 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

The board (“**Board**”) of directors (“**Directors**”) of Zensun Enterprises Limited (“**Company**”) is pleased to announce that on 3 July 2020, Henan Xianghu Real Estate Company Limited* (河南象湖置業有限公司) (“**Henan Xianghu**”), an indirect wholly-owned subsidiary of the Company, made two successful bids for the transfer of state-owned land use rights of two land parcels with code no. TDJY-2020-04 (“**Land Parcel I**”) for a consideration of RMB105,487,950 and TDJY-2020-05 (“**Land Parcel II**”) for a consideration of RMB95,200,070, both located in Ruyang County, Luoyang City, Henan Province, the People’s Republic of China (the “**PRC**”) through listing for sale process (the “**Acquisitions**”) in the public auctions (“**Auctions**”) held by Ruyang County Natural Resources Bureau* (汝陽縣自然資源局). The consideration of each of the Acquisitions was determined based on the Auction documents issued by Ruyang County Natural Resources Bureau. The Group will finance the Acquisitions and the development of Land Parcel I and Land Parcel II with internal resources.

Land Parcel I is located at south of Yonghui Road, north of Weishier Road, east of Liuling South Road, west of Malan West Road, County South New District* (縣城南新區永惠路南、緯十二路北、劉伶南路東、馬蘭西路西), Ruyang County, Luoyang City, Henan Province, the PRC with a total site area of approximately 42,611.30 sq.m. and permitted plot ratio of between 1.0 and 2.1. Land Parcel I is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 years.

Land Parcel II is located at south of Weishier Road, east of Liuling South Road, west of Malan West Road, County South New District* (縣城南新區緯十二路南、劉伶南路東、馬蘭西路西), Ruyang County, Luoyang City, Henan Province, the PRC with a total site area of approximately 41,432.15 sq.m. and permitted plot ratio of between 1.0 and 2.1. Land Parcel II is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 years.

A sum of RMB86,287,950 for Land Parcel I, RMB83,900,070 for Land Parcel II have been paid by Henan Xianghu as the security deposits for the Auctions. Pursuant to the procedures under the listing for sale process in the Auctions, within two working days following the successful bids, Henan Xianghu shall submit qualification documents to Ruyang County Natural Resources Bureau for verification. Upon completion of the verification process, Ruyang County Natural Resources Bureau will issue a confirmation notice (“**Confirmation Notice**”) in respect of Land Parcel I and Land Parcel II to Henan Xianghu. The land use rights grant contracts in relation to the Acquisitions will be entered between Henan Xianghu and Ruyang County Natural Resources Bureau for Land Parcel I and Land Parcel II respectively on or before the date determined by Ruyang County Natural Resources Bureau as

stipulated in the Confirmation Notice.

INFORMATION ON PARTIES TO THE ACQUISITIONS

Henan Xianghu is a company established in the PRC, an indirect wholly-owned subsidiary of the Company and its principal activity is property development.

Ruyang County Natural Resources Bureau, being the seller of Land Parcel I and Land Parcel II is a PRC Governmental body and 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 Ruyang County, Luoyang 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, Ruyang 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 each of the Acquisitions complements 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 Ruyang County, the Board took the liberty to aggregate the acquisition of Land Parcel I and the 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, 3 July 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.