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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
ACQUISITION OF LAND USE RIGHTS IN LUOYANG CITY,
HENAN PROVINCE, THE PRC

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that on 25 August 2020, Henan Xinghan, an indirect wholly-owned subsidiary of the Company, made a successful bid for the land use rights of the Land Parcels through listing for sale process in the Auction held by Yichuan County Natural Resources Bureau* (伊川縣自然資源局) for transfer of state-owned land use rights at a consideration of RMB508,211,500 for the Land Parcels.

The Land Parcels consist of five land parcels as stated below, each adjacent to each other:

Land Parcel I is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 20,000.32 sq.m. and permitted plot ratio of not higher than 1.0. Land Parcel I is designated for commercial services usage with term of use of 40 years.

Land Parcel II is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 51,412.61 sq.m. and permitted plot ratio of between 1.0 and 1.2. 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 respectively.

Land Parcel III is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 51,413.48 sq.m. and permitted plot ratio of between 1.0 and 1.2.

Land Parcel III is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 years respectively.

Land Parcel IV is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 44,010.08 sq.m. and permitted plot ratio of between 1.0 and 1.2. Land Parcel IV is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 years respectively.

Land Parcel V is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 36,046.73 sq.m. and permitted plot ratio of between 1.0 and 1.2. Land Parcel V is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 years respectively.

LISTING RULES IMPLICATIONS

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

ACQUISITION OF LAND USE RIGHTS

The board (“**Board**”) of directors (“**Directors**”) of Zensun Enterprises Limited (“**Company**”) is pleased to announce that on 25 August 2020, Henan Xinghan Zensun Real Estate Company Limited* (河南興漢正商置業有限公司) (“**Henan Xinghan**”), an indirect wholly-owned subsidiary of the Company, made a successful bid for the transfer of state-owned land use rights of five land parcels, namely, **Land Parcel I**, **Land Parcel II**, **Land Parcel III**, **Land Parcel IV** and **Land Parcel V** (collectively, the “**Land Parcels**”), with code no. YDJ2020-19 for a consideration of RMB508,211,500 located in Yichuan County, Luoyang City, Henan Province, the People’s Republic of China (the “**PRC**”) through listing for sale process (the “**Acquisition**”) in the public auction (“**Auction**”) held by Yichuan County Natural Resources Bureau* (伊川縣自然資源局). The consideration of the Acquisition was determined based on the Auction documents issued by Yichuan County Natural Resources Bureau. The Group will finance the Acquisition and the development of Land Parcels with internal resources.

The Land Parcels consist of five land parcels as stated below, each adjacent to each other:

Land Parcel I is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 20,000.32 sq.m. and permitted plot ratio of not higher than 1.0. Land Parcel I is designated for commercial services usage with term of use of 40 years.

Land Parcel II is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 51,412.61 sq.m. and permitted plot ratio of between 1.0 and 1.2. 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 respectively.

Land Parcel III is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 51,413.48 sq.m. and permitted plot ratio of between 1.0 and 1.2. Land Parcel III is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 years respectively.

Land Parcel IV is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 44,010.08 sq.m. and permitted plot ratio of between 1.0 and 1.2. Land Parcel IV is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 years respectively.

Land Parcel V is located at north of Yilong Avenue, east of Binhe Avenue* (伊龍大道以北、濱河大道以東), Yichuan County, Luoyang City, Henan Province, the PRC with a total site area of approximately 36,046.73 sq.m. and permitted plot ratio of between 1.0 and 1.2. Land Parcel V is designated for residential usage with term of use of 70 years and for commercial usage with the term of use of 40 years respectively.

A sum of RMB458,211,500 for Land Parcels has been paid by Henan Xinghan 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 Xinghan shall submit qualification documents to Yichuan County Natural Resources Bureau for verification. Upon completion of the verification process, Yichuan County Natural Resources Bureau will issue a confirmation notice (“**Confirmation Notice**”) in respect of the Land Parcels to Henan Xinghan. The land use rights grant contracts in relation to the Acquisition will be entered between Henan Xinghan and Yichuan County Natural Resources Bureau for the Land Parcels on or before the date determined by Yichuan County Natural Resources Bureau as stipulated in the Confirmation Notice.

INFORMATION ON PARTIES TO THE ACQUISITION

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

Yichuan County Natural Resources Bureau, being the seller of the Land Parcels 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 Yichuan 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, Yichuan 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 ACQUISITION

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 Acquisition 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 the Acquisition 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

As one of the applicable percentage ratios calculated in respect of the Acquisition 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 Acquisition constitutes 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, 25 August 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.