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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 DENGZHOU CITY,
HENAN PROVINCE, THE PRC

ACQUISITIONS OF LAND USE RIGHTS

Reference is made to the announcement of the Company dated 15 July 2020 in relation to the acquisition of the land use rights of a land parcel from Dengzhou City Natural Resources and Planning Bureau* (鄧州市自然資源和規劃局) in Dengzhou City, Henan Province, namely, Land Parcel I at a consideration of RMB222,080,000.

The Board is pleased to announce that on 13 October 2020, the Company through its indirect wholly-owned subsidiary, Dengzhou Handu further made a successful bid for the land use rights of another land parcel in Dengzhou City, Henan Province, namely, Land Parcel II through listing for sale process in the Auction held by Dengzhou City Natural Resources and Planning Bureau for transfer of state-owned land use rights at a consideration of RMB3,650,000.

Land Parcel II is located at west of Beijing Avenue and north of Lingshan Road* (北京大道西側、靈山路北側), Dengzhou City, Henan Province, the PRC with a total site area of approximately 1,031.10 sq.m. and permitted plot ratio of between 1.0 and 2.5. Land Parcel II is designated for residential usage with the term of use of 70 years.

LISTING RULES IMPLICATIONS

Taking into consideration the fact that the locations of Land Parcel I and Land Parcel II are adjacent to each other in Dengzhou City, 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 for the Company under the Listing Rules.

ACQUISITIONS OF LAND USE RIGHTS

Reference is made to the announcement of Zensun Enterprises Limited (the “**Company**”) dated 15 July 2020 in relation to the acquisition of the land use rights of a land parcel in Dengzhou City, Henan Province, with code no. DT (2020) - 6 (“**Land Parcel I**”), located at west of Beijing Avenue and north of Lingshan Road* (北京大道西側、靈山路北側), Dengzhou City, Henan Province, the PRC with a total site area of approximately 62,997.60 sq.m. and permitted plot ratio of between 1.0 and 2.5, at a consideration of RMB222,080,000 (“**First Acquisition**”). For details of the First Acquisition, please refer to the announcement of the Company dated 15 July 2020.

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 13 October 2020, through its indirect wholly owned subsidiary, Dengzhou City Handu Real Estate Company Limited* (鄧州市漢都置業有限公司) (“**Dengzhou Handu**”) further made a successful bid for the transfer of state-owned land use rights of another land parcel with code no. DT (2020) - 14 (“**Land Parcel II**”) located in Dengzhou City, Henan Province, the People’s Republic of China (the “**PRC**”) through listing for sale process in the public auction (“**Auction**”) held by Dengzhou City Natural Resources and Planning Bureau* (鄧州市自然資源和規劃局) at a consideration of RMB3,650,000 (“**Second Acquisition**”). 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 Dengzhou City Natural Resources and Planning Bureau. The Group will finance the Second Acquisition and the development of Land Parcel II with internal resources.

Land Parcel II is located at west of Beijing Avenue and north of Lingshan Road* (北京大道西側、靈山路北側), Dengzhou City, Henan Province, the PRC with a total site area of approximately 1,030.10 sq.m. and permitted plot ratio of between 1.0 and 2.5. Land Parcel II designated for residential usage with the term of use of 70 years.

A sum of RMB3,650,000 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 three working days following the successful bid, Dengzhou Handu shall submit qualification documents to Dengzhou City Natural Resources and Planning Bureau for verification. Upon completion of the verification process, Dengzhou City Natural Resources and Planning Bureau will issue a confirmation notice (“**Confirmation Notice**”) in respect of Land Parcel II to Dengzhou Handu. The land use rights grant contract in relation to the Second Acquisition will be entered between Dengzhou Handu and Dengzhou City Natural Resources and Planning Bureau on or before the date determined by Dengzhou City Natural Resources and Planning Bureau as stipulated in the Confirmation Notice

INFORMATION ON PARTIES TO THE ACQUISITIONS

Dengzhou Handu is a company established in the PRC, an indirect subsidiary of the Company and its principal activity is property development.

Dengzhou City Natural Resources and Planning Bureau, being the seller of 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 Dengzhou 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, Dengzhou City Natural Resources and Planning 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 and property investment, project management and sales 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 and 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 the fact that the locations of Land Parcel I and Land Parcel II are adjacent to each other in Dengzhou City, 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 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, 13 October 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.

** For identification purpose only.*