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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 and Debt Stock Codes: 40859, 5862)

INSIDE INFORMATION

This announcement is made by Zensun Enterprises Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09, 37.47A, 37.47B and 37.47E of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated September 17, 2021 and September 23, 2021 in relation to the 2024 Notes (as defined below), and the announcements of the Company dated September 11, 2023, September 12, 2023 and September 13, 2023 in relation to the 2025 Notes (as defined below).

BACKGROUND

Since the second half of 2021, the Chinese real estate industry has faced unprecedented challenges. As a result of the drastic changes in market conditions, the majority real estate developers in China experienced a contraction in operating and financing cash flows, including the Group. The Group’s pre-sales volume and collection of pre-sale proceeds reduced significantly in 2022 and 2023.

The directors of the Company have taken various measures to alleviate the Group’s liquidity pressure and improve its financial position, including but not limited to actively promoting sales and pre-sale of its properties and accelerating collection of receivables. The Group will continue to work relentlessly to ensure the delivery of properties, accelerate the sales of properties and stabilize its business operations.

UPDATE IN RELATION TO THE 2024 NOTES AND THE 2025 NOTES

In September 2021, the Company issued the 12.50% senior notes due April 23, 2024 (ISIN: XS2385313064; debt stock code: 40859) (the “**2024 Notes**”), which are listed on Stock Exchange. As at the date of this announcement, the outstanding principal amount of 2024 Notes is US\$160,000,000. Under the terms of the 2024 Notes, the Company shall redeem all the outstanding 2024 Notes, together with accrued and unpaid interest, on April 23, 2024.

In view of the liquidity pressure currently faced by the Company, the Company expects that the principal together with the accrued and unpaid interests of the 2024 Notes will not be settled upon maturity on April 23, 2024. The non-payment with respect to the 2024 Notes will constitute an event of default under the terms of the 2024 Notes.

In September 2023, the Company issued the 7.0% senior notes due September 12, 2025 (ISIN: XS2674525477; debt stock code: 5862) (the “**2025 Notes**”), which are listed on the Stock Exchange. As at the date of this announcement, the outstanding principal amount of 2025 Notes is US\$103,478,000. Under the terms of the 2025 Notes, the non-payment with respect to the 2024 Notes will trigger a cross default under the 2025 Notes.

DELISTING OF THE 2024 NOTES

As the 2024 Notes will mature on April 23, 2024, the 2024 Notes will be delisted from the Stock Exchange upon maturity. After withdrawal of listing on the Stock Exchange, the Company will maintain active communication with the noteholders and noteholders may contact the Company at admin@185hk.com, if necessary.

The Company has always been keen to honor its debt, and will continue to closely monitor the situation and formulate plans to address the industry-wide issue and improve its liquidity position. As at the date of this announcement, the business operations of the Group remain normal. The Group will exert its utmost effort to surmount the difficulties and challenges, adhere to quality, proactively promote the construction and delivery of projects in progress, and make every endeavour to guarantee the construction and delivery of buildings. The Company will provide updates as and when appropriate in accordance with the Listing Rules on any material developments.

Holders of the securities of the Company and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. When in doubt, shareholders of the Company, holders of the securities of the Company and other investors of the Company are advised to seek professional advice from their own professional or financial advisers.

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

Hong Kong, April 22, 2024

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 Dr. Li Huiqun, Mr. Liu Da and Mr. Ma Yuntao.