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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)

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

The board of directors (the “**Board**”) of Zensun Enterprises Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) proposes to adopt a new share option scheme and to terminate the existing share option scheme.

The existing share option scheme of the Company adopted on 28 August 2013 for a period of 10 years from the date of its adoption (the “**Existing Share Option Scheme**”) will expire on 27 August 2023. According to the terms of the Existing Share Option Scheme, the Company may by an ordinary resolution in general meeting terminate the operation of the Existing Share Option Scheme, and in such event, no further options can be granted under the Existing Share Option Scheme. The provisions of the Existing Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme. Options granted prior to such termination shall continue to be valid and exercisable in accordance with the rules of the Existing Share Option Scheme. As at the date of this announcement, the Company has no outstanding share options under the Existing Share Option Scheme.

In view of the expiry of the Existing Share Option Scheme, and in order to continue to provide the Company with a means of providing the eligible participants of the New Share Option Scheme (as defined below) (the “**Eligible Participants**”) with the opportunity to acquire proprietary interests in the Company and to encourage the Eligible Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders (the “**Shareholders**”) as a whole, as well as to motivate the Eligible Participants to contribute to the success of the Group’s operations, the Company proposes to (i) terminate the Existing Share Option Scheme in accordance with its terms; and (ii) adopt a new share option scheme (the “**New Share Option Scheme**”) for the approval by the Shareholders in the annual general meeting of the Company (the “**AGM**”).

The New Share Option Scheme will constitute a share scheme under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The terms of the New Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The Board considers that the adoption of the New Share Option Scheme will

serve as an alternative means to provide incentives to the Eligible Participants for enhancing the value of the Company and its shares (the “**Shares**”) and for motivating them to contribute to the success of the operations of the Group and is in the best interests of the Company and the Shareholders as a whole.

Conditions for the Proposed Adoption of the New Share Option Scheme

The proposed adoption of the New Share Option Scheme is subject to:

- (a) the passing by the Shareholders at a general meeting of the Company of an ordinary resolution to approve the adoption of the New Share Option Scheme; and
- (b) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of any Share Option which may be granted under the New Share Option Scheme in accordance with the terms and conditions of the New Share Option Scheme.

An application will be made to the Stock Exchange for approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of any Share Option which may be granted under the New Share Option Scheme.

Key Terms of the New Share Option Scheme

It is proposed that the key terms of the New Share Option Scheme shall include the following:

- Purpose : The purpose of the New Share Option Scheme is to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole, as well as to motivate Eligible Participants to contribute to the success of the Group’s operations.
- Adoption Date : The date on which the last Condition set out in the paragraph headed “Conditions for the Proposed Adoption of the New Share Option Scheme” is fulfilled (the “**Adoption Date**”).
- Duration : The New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date. After the expiry of the ten-year period, no further Options shall be offered or granted, but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect.
- Eligible Participants : (a) directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted share options under the

New Share Option Scheme (the “**Share Options**”), share options or awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries) (“**Employee Participants**”);

- (b) person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to person(s) who work for the Company as independent contractors (including advisers, consultants, contractors, suppliers, agents, entities providing research, development or other technological support and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity (the “**Service Providers**”); and
- (c) directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company (the “**Related Entity Participants**”).

Exercise price : The exercise price in respect of any Share Option shall, subject to any adjustments, be such price determined by the Board at its absolute discretion and it shall be at least higher of:

- (a) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant of the Share Options (the “**Date of Grant**”); and
- (b) the average closing prices of the Shares in the Stock Exchange’s daily quotations sheets for the five (5) business days immediately preceding the Date of Grant.

Maximum number of Shares available for subscription : The total number of Shares which may be issued upon exercise of all Share Options or share options or share awards to be granted under the New Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company (and to which the provisions

of Chapter 17 of the Listing Rules are applicable) shall not exceed 10% of the aggregate of the Shares in issue as at the Adoption Date.

The total number of Shares which may be issued in respect of all Share Options or share options or share awards to be granted to Service Providers under the New Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date.

Maximum entitlement of each Eligible Participant : The total number of Shares issued and to be issued in respect of the Share Options and the share options and share awards granted under the New Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including both exercised or outstanding Share Options, share options and share awards but excluding any Share Options, share options and share awards lapsed in accordance with the terms of their respective schemes) to each Eligible Participant in any 12-month period up to and including the date of such grant shall not exceed 1% of Shares in issue.

Time of exercise of Share Options : A Share Option may be exercised during a period to be notified by the Board to the grantee at the time of making an Offer, which shall not expire later than ten years from the Date of Grant.

Vesting period : Save for the following circumstances, the Share Options must be held for at least 12 months after the Date of Grant before it is vested and exercisable by the Grantee.

A shorter vesting period may be granted to Employee Participants at the discretion of the Board or the remuneration committee of the Company or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (a) Grants of “make-whole” Share Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (b) Grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

- (c) Grants that are made in batches during a year for administrative and compliance reasons, which include Share Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;
- (d) Grants with a mixed or accelerated vesting schedule such as where the Share Option may vest evenly over a period of 12 months;
- (e) Grants with performance-based vesting conditions in lieu of time-based vesting criteria; and
- (f) the remuneration committee of the Company is of the view that a shorter vesting period is appropriate and serves the purpose of the New Share Option Scheme.

Further details of the New Share Option Scheme will be set out in the circular to be despatched to the Shareholders.

General

The termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme shall be considered, and if thought fit, be approved by the Shareholders in the AGM.

A circular containing, *inter alia*, (i) the termination of the Existing Share Option Scheme; (ii) the adoption of the New Share Option Scheme; (iii) the terms of the New Share Option Scheme; and (iv) the notice of the AGM; and (v) other information in relation to the Company in accordance with the Listing Rules, will be despatched to the Shareholders on or before 30 April 2023.

As at the date of this announcement, the adoption of the New Share Option Scheme remains subject to the conditions of the New Share Option Scheme being fulfilled. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 24 February 2023

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, Mr. Ma Yuntao and Dr. Li Huiqun.