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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)

**EXCHANGE OFFER FOR THE OUTSTANDING 12.5%
SENIOR NOTES DUE 2023 (STOCK CODE: 40836)
(ISIN: XS2382158207/COMMON CODE: 238215820)**

On August 29, 2023, the Company commenced the Exchange Offer with respect to the Existing Notes held by non-U.S. persons outside the United States. The Exchange Offer is being made upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum.

The Company has mandated Guotai Junan International as the Dealer Manager in relation to the Exchange Offer. The Company has also mandated D.F. King as the Information and Exchange Agent. For detailed descriptions of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

The Company will seek a listing of the New Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the New Notes has been received from the Stock Exchange for the listing of the New Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the New Notes to the Stock Exchange is not to be taken as an indication of the merits of the Exchange Offer, the Company or the New Notes.

Shareholders, Eligible Holders of the Existing Notes and potential investors should note that completion of the Exchange Offer is subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer as set forth in the Exchange Offer Memorandum and summarized in the announcement. No assurance can be given that the Exchange Offer will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer with or without conditions.

The Company may, in its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer. As the Exchange Offer may or may not proceed, Shareholders, holders of the Existing Notes and potential investors should exercise caution when dealing in the securities of the Company or the Existing Notes.

IMPORTANT NOTICE – THE EXCHANGE OFFER IS AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS (WITHIN THE MEANING OF REGULATION S) AND ARE OUTSIDE THE UNITED STATES. U.S. PERSONS (AS DEFINED UNDER REGULATION S), PERSONS ACTING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER THE EXISTING NOTES IN THE EXCHANGE OFFER.

THE EXCHANGE OFFER

Introduction

The Company is offering to exchange any and all of its outstanding Existing Notes held by Eligible Holders in accordance with the terms and conditions as set out in the Exchange Offer Memorandum and as summarized under the “Summary of Terms of the Exchange Offer” section below.

The Exchange Offer is subject to certain conditions as described in the Exchange Offer Memorandum, including an affirmative determination by the Company that effecting the Exchange Offer is in its best interests.

Notwithstanding anything to the contrary contained herein, but subject to applicable law, the Company may extend, withdraw or terminate the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date and amend, modify or waive any of the terms and conditions of the Exchange Offer.

The Exchange Offer is not being made within, and the Exchange Offer Memorandum is not for distribution in the United States or to or for the account or benefit of any U.S. person (as defined under Regulation S). The Exchange Offer Memorandum is not an offer of securities for sale in the United States or to or for the account or benefit of any U.S. person (as defined under Regulation S) or any other jurisdiction where it is unlawful to offer such securities, including the New Notes and any guarantees with respect thereto, for sale. Securities may not be offered, sold or delivered in the United States absent registration or an exemption from registration. The New Notes and the related guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to or for the account or benefit of any U.S. person.

Summary of Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange any and all of its outstanding Existing Notes for the Exchange Consideration (as defined below).

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the relevant components of the applicable Exchange Consideration) and will release and discharge the Company from any and all claims such holder may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

Existing Notes accepted pursuant to the Exchange Offer will be exchanged on the Settlement Date and will subsequently be cancelled.

Exchange Consideration

For each US\$1,000 principal amount of outstanding Existing Notes that is validly tendered prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder of the Existing Notes will receive the consideration below (the “**Exchange Consideration**”):

- (A) US\$1,000 in aggregate principal amount of the New Notes;
- (B) Accrued Interest; and
- (C) Cash in lieu of any fractional amount of New Notes.

Tenor and Interest Rate

The New Notes will have a tenor of two years and will bear interest at 7% per annum payable semi-annually in arrears.

Summary Timetable

The following summarises the anticipated timetable for the Exchange Offer. Please note that the expiration of the Exchange Offer and the settlement of the New Notes, as well as the other events listed below, may be earlier or later than indicated below.

This summary is qualified in its entirety at the Company's sole and absolute discretion to any extension, and the right to terminate the Exchange Offer at any time prior to its expiration. All references below are to London time, unless otherwise stated.

Date	Event
August 29, 2023	Commencement of the Exchange Offer and announcement via the websites of the Stock Exchange and the Exchange Website, and through Euroclear or Clearstream, as applicable. Exchange Offer Memorandum delivered to Eligible Holder of the Existing Notes who are non-U.S. persons outside the United States.
September 8, 2023 (4:00 p.m. London Time)	Exchange Expiration Deadline. This being the last date and time on which Eligible Holders of the Existing Notes who validly tender the Existing Notes are eligible to receive the relevant Exchange Consideration, as this is the last date and time for Eligible Holders of the Existing Notes to participate in the Exchange Offer.
September 11, 2023, or as soon as practicable after the Exchange Expiration Deadline	Announcement of the amount of tenders for exchange received prior to the Exchange Expiration Deadline, and the final total aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged.
On or about September 12, 2023	Settlement of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange.
On or about September 13, 2023	Listing of the New Notes on the Stock Exchange.

Procedures for Tendering Existing Notes

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To participate in the Exchange Offer, an Eligible Holder must validly tender its Existing Notes for exchange pursuant to the Exchange Offer prior to the Exchange Expiration Deadline pursuant to the procedures described in the Exchange Offer Memorandum.

A separate instruction must be submitted on behalf of each beneficial owner of the Existing Notes.

The Existing Notes being tendered for exchange may only be submitted in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The aggregate principal amount of the New Notes to be issued to any Eligible Holder will be in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof; provided that, if an Eligible Holder shall elect to partially exchange its Existing Notes into New Notes, the principal amount of Existing Notes retained must be a minimum principal amount of US\$200,000.

Eligible Holders are responsible for ensuring that their instructions will result in the New Notes they are entitled to receive being at least equal to the minimum principal amount of US\$200,000. Instructions that would result in a principal amount of New Notes below US\$200,000 will be rejected.

Instructions in connection with the Exchange Offer are irrevocable, unless withdrawal thereof is required by the applicable law.

Conditions to the Exchange Offer

The obligation of the Company to consummate the Exchange Offer is conditional upon the following:

- there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date;
- an affirmative determination by the Company that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in its best interests; and
- the satisfaction of the other conditions described in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived.

Use of Proceeds

The Company will not receive any cash proceeds from the Exchange Offer. Any Existing Notes exchanged in connection with the Exchange Offer will be cancelled.

Purpose of the Exchange Offer

The Company intends to refinance the Existing Notes and improve its debt structure to enable the Company to extend its debt maturity profile and improve cash flow management.

Further Details

For a detailed statement of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

D.F. King has been appointed as the Information and Exchange Agent. To contact D.F. King in London, +44 20 7920 9700 and in Hong Kong, +852 3953 7208 or via email at zensun@dfkingltd.com.

The Exchange Offer Memorandum will be distributed in electronic format to Eligible Holders via the Exchange Website: <https://sites.dfkingltd.com/zensun>. Any requests for additional copies of the Exchange Offer Memorandum should be directed to D.F. King at the above contact points.

General

This announcement is not an offer to purchase, a solicitation of an offer to purchase, an offer to sell or a solicitation of an offer to sell, securities in the United States or elsewhere. No securities of the Company or any of its subsidiaries are being, or will be, registered under the U.S. Securities Act or the securities laws of any state of the United States, and no such securities may be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the United States or any other jurisdiction. This announcement is provided to you because you are a non-U.S. person outside the United States in accordance with Regulation S. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. Forward-looking statements in this announcement, including, among others, those statements relating to the Exchange Offer are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Existing Notes and/or the New Notes, changes in the business and financial condition of the Company and its subsidiaries, changes in the property industry and changes in the capital markets in general.

The Company plans to issue the New Notes in exchange for the Existing Notes validly tendered and accepted for exchange pursuant to the Exchange Offer on or about the Settlement Date.

The distribution of the Exchange Offer Memorandum is restricted by law in certain jurisdictions. Persons who come into possession of the Exchange Offer Memorandum are required to inform themselves of and to observe any of these restrictions. The Exchange Offer Memorandum does not constitute, and may not be used in connection with, an offer to buy Existing Notes or New Notes or a solicitation to sell the Existing Notes by anyone in any jurisdiction in which such an offer or solicitation is not authorised or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or a solicitation. The Company will not accept any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

No assurance can be given that the Exchange Offer will be completed and the Company reserves the right, at its sole and absolute discretion, to extend, withdraw or terminate the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date and amend, modify or waive any of the terms and conditions of the Exchange Offer.

Shareholders, holders of the Existing Notes and potential investors should note that completion of the Exchange Offer is subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer as set forth in the Exchange Offer Memorandum and summarised in the announcement. No assurance can be given that the Exchange Offer will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer with or without conditions.

The Company may, at its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer. As the Exchange Offer may or may not proceed, Shareholders, holders of the Existing Notes and potential investors should exercise caution when dealing in the securities of the Company or the Existing Notes.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Accrued Interest”	accrued and unpaid interest on the Existing Notes validly tendered and accepted for exchange, up to but not including the Settlement Date, which will be payable in cash
“Board”	the board of Directors
“Clearing Systems”	Euroclear and/or Clearstream, and “Clearing System” means any one of them
“Clearstream”	Clearstream Banking S.A.
“Company”	Zensun Enterprises Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Dealer Manager”	Guotai Junan International
“Director(s)”	the director(s) of the Company
“Eligible Holders”	holders who are non-U.S. persons located outside the United States (as those terms are defined under Regulation S) and hold the Existing Notes through Euroclear and Clearstream, or certain fiduciaries holding accounts for the benefit of non-U.S. persons outside the United States (as those terms are defined under Regulation S) with the Existing Notes held through Euroclear and Clearstream
“Euroclear”	Euroclear Bank SA/NV
“Exchange Consideration”	the exchange consideration for the Existing Notes, details of which are set out in the section titled “Exchange Consideration” in this announcement
“Exchange Expiration Deadline”	4:00 p.m., London time, on September 8, 2023, unless extended or earlier terminated at the sole discretion of the Company
“Exchange Offer”	the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum

“Exchange Offer Memorandum”	the exchange offer memorandum dated the date of this announcement in relation to the Exchange Offer
“Exchange Website”	https://sites.dfkingltd.com/zensun , the website set up by the Information and Exchange Agent for the purpose of hosting the documents relating to the Exchange Offer
“Existing Notes”	the Company’s outstanding US\$113,230,000 12.5% Senior Notes due 2023 (ISIN: XS2382158207, Common Code: 238215820). The outstanding principal amount does not include the principal amount of the Existing Notes held by the Issuer and/or Zensun Group Limited (正商集團有限公司), which are expected to be canceled prior to maturity of the Existing Notes
“Group”	the Company and its subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Holders”	holder(s) of the Existing Notes and “Holder” means any one of them
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Information and Exchange Agent”	D.F. King, the information and exchange agent for the Exchange Offer
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Notes”	the US\$ denominated senior notes to be issued by the Company, to be exchanged in accordance with the Exchange Offer for those Existing Notes that are accepted for exchange by the Company
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Regulation S”	Regulation S under the U.S. Securities Act
“Settlement Date”	the date of settlement which is expected to occur on or about September 12, 2023, unless the Exchange Offer is extended or earlier terminated
“Shareholders”	holders of the Shares

“Shares”	ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.” or “United States”	The United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“US\$”	United States dollars, the lawful currency of the United States
“%”	percent.

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

Hong Kong, August 29, 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.