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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)

RESULTS OF EXCHANGE OFFER FOR THE EXISTING NOTES

(ISIN: XS2382158207; COMMON CODE: 238215820;

DEBT STOCK CODE: 40836);

**ISSUANCE OF THE NEW NOTES PURSUANT TO
THE EXCHANGE OFFER; AND CANCELLATION OF EXISTING NOTES**

Reference is made to the announcement of the Company dated August 29, 2023 (the “**Announcement**”) in relation to the Exchange Offer. Unless otherwise defined, capitalised terms in this announcement will have the same meaning as those defined in the Announcement.

THE EXCHANGE OFFER FOR THE EXISTING NOTES AND THE NEW NOTES

The Exchange Offer expired at 4:00 p.m., London time, on September 8, 2023. The Company hereby informs Eligible Holders that, as at the Exchange Expiration Deadline, US\$103,478,000 of the Existing Notes, representing approximately 91.39% of the total aggregate principal amount of the outstanding Existing Notes, have been validly tendered for exchange and accepted pursuant to the Exchange Offer.

With respect to the Existing Notes submitted for exchange, subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer, Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will receive the Exchange Consideration on the Settlement Date. Subject to completion of the Exchange Offer, the Company expects to issue US\$103,478,000 of the New Notes pursuant to the Exchange Offer.

CANCELLATION OF THE EXISTING NOTES

In addition, as of the date of this announcement, the Company has cancelled an aggregate principal amount of US\$86,770,000 of the Existing Notes which it had held (the “**Cancellation**”). After the Cancellation and the cancellation of the Existing Notes exchanged pursuant to the Exchange Offer, the outstanding aggregate principal amount of the Existing Notes will be US\$9,752,000.

No PRIIPs KID – No PRIIPs key information document (KID) has been prepared as the New Notes are not available to retail investors in the European Economic Area and the U.K.

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 Company or the New Notes.

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PRINCIPAL TERMS OF THE NEW NOTES

The following is a summary of certain provisions of the New Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the New Notes, the Parent Guarantee, the Subsidiary Guarantees, and the JV Subsidiary Guarantees, if any.

Offering Price

The offering price of the New Notes is 100% of the principal amount with respect to the New Notes.

Amount and tenor

Subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer, the Company will issue US\$103,478,000 of the New Notes pursuant to the Exchange Offer. Such New Notes will mature on September 12, 2025, unless earlier redeemed pursuant to the terms thereof.

Interest

The New Notes will bear interest at a rate of 7.0% per annum, payable semi-annually in arrears on March 12 and September 12 of each year, commencing on March 12, 2024.

Ranking of the New Notes

The New Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the New Notes; (3) at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Parent Guarantor, Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations (if any) of the Company, the Parent Guarantor, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined in the Indenture).

Events of default

The events of default under the New Notes include, among others: (a) default in the payment of principal of (or premium, if any, on) the New Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants under the Indenture relating to consolidation, merger and sale of assets, the failure by the Company or the Parent Guarantor to make or consummate an offer to purchase in the manner described in the Indenture; (d) the Parent Guarantor or certain of the Company's subsidiaries defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the New Notes (other than a default specified in (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by China Construction Bank (Asia) Corporation Limited as trustee or the holders of 25% or more in aggregate principal amount of the New Notes; (e) there occurs with respect to any indebtedness of the Parent Guarantor or certain of the Company's subsidiaries having an outstanding principal amount of US\$10.0 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness, whether such indebtedness now exists or shall hereafter be created, (i) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (ii) the failure to make a principal payment when due; (f) one or more final judgments or orders for the payment of money are rendered against the Parent Guarantor or certain of the Company's subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$10.0 million (or the dollar equivalent thereof) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; (g) an involuntary case or other proceeding is commenced against the Parent Guarantor or certain of the Company's subsidiaries with respect to it or its debts (except for any proceeding commenced based on any Excluded Indebtedness) under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Parent Guarantor or certain of its subsidiaries or for any substantial part of the property and assets of the Parent Guarantor or certain of its subsidiaries, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days, or an order for relief is entered against the Parent Guarantor or certain of its subsidiaries under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect; (h) the Parent Guarantor or certain of the Company's subsidiaries commence voluntary bankruptcy, insolvency or other similar proceedings, consent to such similar action or effects any general assignment for the benefit of creditors; and (i) the Parent Guarantor, any Subsidiary Guarantor or JV Subsidiary Guarantor (if any) denies or disaffirms its obligations under its guarantee or, except as permitted by the Indenture, any guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in clause (g) or (h) above) occurs and is continuing under the Indenture, the trustee or the holders of at least 25% in aggregate principal amount of the New Notes then outstanding, by written notice to the Company (and to the trustee if such notice is given by the holders), may, and the trustee at the written request of such holders shall, subject to receiving indemnity and/or security and/or prefunding to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the New Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in clause (g) or (h) above occurs, the principal of, the premium, if any, and accrued and unpaid interest on the New Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

Covenants

The New Notes, the Indenture, the Parent Guarantee, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) make investments or other specified restricted payments;
- (c) issue or sell capital stock of restricted subsidiaries;
- (d) guarantee indebtedness of restricted subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) engage in any business other than permitted business;
- (i) enter into agreements that restrict the ability of certain of its subsidiaries to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Optional Redemption

At any time and from time to time prior to the maturity date of the New Notes, the Company may at its option redeem the New Notes, in whole or not in part, at a redemption price equal to 100% of the principal amount of the New Notes and accrued and unpaid interest (if any) to (but not including), the redemption date.

LISTING RULES IMPLICATIONS

The Parent Guarantor is a controlling shareholder of the Company and the Unlisted Subsidiary Guarantors are wholly owned by the Parent Guarantor. The Parent Guarantor and the Unlisted Subsidiary Guarantors are therefore connected persons of the Company under Chapter 14A of the Listing Rules. The Parent Guarantee and the guarantees to be provided by Unlisted Subsidiary Guarantors in relation to the New Notes will constitute financial assistance from connected persons for the benefit of the Company. Such financial assistance is provided on normal commercial terms or better and is not secured by the assets of the Group and is therefore exempted under Rule 14A.90 of the Listing Rules from all reporting, announcement and independent shareholders' approval requirements.

REASONS FOR THE NEW NOTES ISSUE

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.

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.

LISTING OF THE NEW NOTES

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 Company or the New Notes.

CANCELLATION OF THE EXISTING NOTES

In addition, as of the date of this announcement, the Company has cancelled an aggregate principal amount of US\$86,770,000 of the Existing Notes which it had held (the "**Cancellation**"). After the Cancellation and the cancellation of the Existing Notes exchanged pursuant to the Exchange Offer, the outstanding aggregate principal amount of the Existing Notes will be US\$9,752,000.

GENERAL

The New Notes have not been registered under the U.S. Securities Act, or the securities laws of any state and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This announcement is not an offer to purchase or a solicitation of an offer to sell securities and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. This announcement does not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. This announcement is not for release, publication or distribution in or into, or to any person resident and/or located in, any jurisdiction where such release, publication or distribution is unlawful.

Shareholders, holders of the Existing Notes and potential investors should note that completion of the Exchange Offer remains 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 or complete, shareholders, holders of the Existing Notes and potential investors should exercise caution when dealing in the shares of the Company or the Existing Notes.

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. This announcement is provided to you because you are a non-U.S. person outside the United States in accordance with Regulation S.

No PRIIPs KID – No PRIIPs key information document (KID) has been prepared as the New Notes are not available to retail investors in the European Economic Area and the U.K.

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.

DEFINITIONS

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

“connected person”	has the meaning ascribed to it under the Listing Rules
“Indenture”	the written agreement entered into between the Company, the Subsidiary Guarantors as guarantors and China Construction Bank (Asia) Corporation Limited as trustee, that specifies the terms and conditions of the New Notes including the covenants, events of default, interest rate of the New Notes and the maturity date
“JV Subsidiary Guarantees”	limited recourse guarantees to be given by the JV Subsidiary Guarantors on the New Notes

“JV Subsidiary Guarantors”	certain subsidiaries of the Company, other than the Subsidiary Guarantors, that guarantee the Company’s obligations under the New Notes
“New Notes”	US\$ denominated senior notes due 2025 in the aggregate principal amount of US\$103,478,000 to be issued by the Company pursuant to the Exchange Offer
“Parent Guarantee”	the guarantees to be provided by the Parent Guarantor in respect of the New Notes
“Parent Guarantor”	Zensun Group Limited, the company incorporated in the British Virgin Islands with limited liability which will provide guarantees for the New Notes
“PRIIPs”	Packaged retail and insurance-based investment products (as defined by Regulation (EU) No 1286/2014, as amended)
“Subsidiary Guarantees”	guarantees for the New Notes to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain existing subsidiaries of the Company that on the issue date of the New Notes will provide guarantees for the New Notes
“U.K.”	the United Kingdom
“Unlisted Subsidiary Guarantors”	Zensun International Holdings Company Limited, HQ Neptune Investments Limited, Ever Diamond Global Company Limited, Honor Challenge Investment Limited and Champ Win Enterprise Limited, which are subsidiaries of the Parent Guarantor providing guarantees for the New Notes

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

Hong Kong, September 11, 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.