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**中升集團控股有限公司**  
**Zhongsheng Group Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 881)**

**CANCELLATION OF THE REPURCHASED ZERO COUPON  
CONVERTIBLE BONDS DUE 2023**

**(Stock Code: 4498)**

**COMPLETION OF THE ISSUE OF HK\$4,560 MILLION  
ZERO COUPON CONVERTIBLE BONDS DUE 2025**

**Dealer Managers  
Joint Global Coordinators and Joint Bookrunners**

**BofA SECURITIES** 

**Morgan Stanley**

Reference is made to the announcements of the Company dated 12 May 2020, 13 May 2020 and 14 May 2020 in relation to the proposed repurchase of the Existing Convertible Bonds and the proposed issue of the 2025 Convertible Bonds (collectively, the “**Announcements**”). Unless the context otherwise requires, capitalised words and expressions used herein shall have the same meanings as defined in Announcements.

### **CANCELLATION OF THE REPURCHASED ZERO COUPON CONVERTIBLE BONDS DUE 2023**

As at the date of this announcement, out of the commitments to sell HK\$3,315 million in aggregate principal amount of the Existing Convertible Bonds from holders of the Existing Convertible Bonds, the Company has, through the Dealer Managers, agreed to repurchase HK\$3,315 million in aggregate principal amount of the Existing Convertible Bonds at a Repurchase Price of approximately HK\$4,246 million, representing 128.09% of the principal amount of the repurchased Existing Convertible Bonds. Upon completion of the Repurchase, HK\$3,315 million in aggregate principal amount of the Existing Convertible Bonds will be cancelled, and the outstanding principal amount of the Existing Convertible Bonds is HK\$1,385 million.

The Company may, through the Dealer Managers, continue to purchase the Existing Convertible Bonds from time to time in the open market or otherwise pursuant to the terms and conditions of the Existing Convertible Bonds.

### **COMPLETION OF THE ISSUE OF HK\$4,560 MILLION ZERO COUPON CONVERTIBLE BONDS DUE 2025**

The Board is pleased to announce that all the conditions precedent to the issue of the 2025 Convertible Bonds under the Bond Subscription Agreement have been satisfied (or waived) and the completion of the issue of the 2025 Convertible Bonds in the aggregate principal amount of HK\$4,560 million took place on 21 May 2020.

### **EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION**

Assuming full conversion of the Remaining Outstanding Existing Convertible Bonds at the conversion price of HK\$30.0132 per Share, the Remaining Outstanding Existing Convertible Bonds will be convertible into 46,146,362 Shares (the “**Existing Conversion Shares**”), representing approximately 2.03% of the issued share capital of the Company as at the date of this announcement and approximately 1.99% of the issued share capital of the Company as enlarged by the issue of the Existing Conversion Shares. The Existing Conversion Shares to be issued upon conversion of the Remaining Outstanding Existing Convertible Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

Assuming full conversion of the 2025 Convertible Bonds and that the Conversion Price is HK\$45.61 per Share, the 2025 Convertible Bonds will be convertible into 99,978,074 Shares (the “**2025 Conversion Shares**”), representing approximately 4.40% of the issued share capital of the Company as at the date of this announcement and approximately 4.22% of the issued share capital of the Company as enlarged by the issue of the 2025 Conversion Shares. The 2025 Conversion Shares to be issued upon conversion of the 2025 Convertible Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

The following table summarises the shareholding structure of the Company (i) as at the date of this announcement; (ii) assuming full conversion of the Remaining Outstanding Existing Convertible Bonds at the conversion price of HK\$30.0132 per Share; (iii) assuming full conversion of the 2025 Convertible Bonds at the Conversion Price; and (iv) assuming full conversion of the Remaining Outstanding Existing Convertible Bonds and the 2025 Convertible Bonds at their respective conversion prices:

Shareholders	Existing (as of the date of this announcement)		Assuming the Remaining Outstanding Existing Convertible Bonds are fully converted into Shares at a conversion price of HK\$30.0132 per Share		Assuming the 2025 Convertible Bonds are fully converted into Shares at the Conversion Price		Assuming the Remaining Outstanding Existing Convertible Bonds are fully converted into Shares at HK\$30.0132 per Share and the 2025 Convertible Bonds are fully converted into Shares at the Conversion Price	
	No. of Shares	% of issued share capital of the Company (approximate)	No. of Shares	% of issued share capital of the Company (approximate)	No. of Shares	% of issued share capital of the Company (approximate)	No. of Shares	% of issued share capital of the Company (approximate)
Light Yield Ltd. <sup>(1)</sup>	152,678,504	6.72	152,678,504	6.59	152,678,504	6.44	152,678,504	6.31
Blue Natural Development Ltd. <sup>(2)</sup>	186,042,000	8.19	186,042,000	8.03	186,042,000	7.84	186,042,000	7.69
Mountain Bright Limited <sup>(3)</sup>	486,657,686	21.42	486,657,686	21.00	486,657,686	20.52	486,657,686	20.13
Vintage Star Limited <sup>(4)</sup>	486,657,686	21.42	486,657,686	21.00	486,657,686	20.52	486,657,686	20.13
Companies jointly controlled by								
Mr. Huang Yi and Mr. Li Guoqiang	1,312,035,876	57.76	1,312,035,876	56.61	1,312,035,876	55.32	1,312,035,876	54.27
JSH Investment Holdings Limited	453,412,844	19.96	453,412,844	19.56	453,412,844	19.12	453,412,844	18.75
Holders of the Existing Convertible Bonds	—	—	46,146,362	1.99	—	—	46,146,362	1.91
Holders of the 2025 Convertible Bonds	—	—	—	—	99,978,074	4.22	99,978,074	4.14
Other Public Shareholders	506,249,235	22.28	506,249,235	21.84	506,249,235	21.35	506,249,235	20.94
<b>Total</b>	<b>2,271,697,955</b>	<b>100.00</b>	<b>2,317,844,317</b>	<b>100.00</b>	<b>2,371,676,029</b>	<b>100.00</b>	<b>2,417,822,391</b>	<b>100.00</b>

Notes:

- (1) Light Yield Ltd. is wholly-owned by Mr. Huang Yi, who is also the sole director of Light Yield Ltd.
- (2) Blue Natural Development Ltd. is owned by Light Yield Ltd. (62.3%) and Vest Sun Ltd. (37.7%). Mr. Huang Yi and Mr. Li Guoqiang (a Director and President of the Company) are directors of Blue Natural Development Ltd.
- (3) Mountain Bright Limited is wholly-owned by UBS TC (Jersey) Ltd. as trustee of a trust settlement for Mr. Huang Yi (the settler of the trust) and his family.
- (4) Vintage Star Limited is wholly-owned by UBS TC (Jersey) Ltd. as trustee of a trust settlement for Mr. Li Guoqiang (the settler of the trust) and his family.

- (5) The Company is subject to maintaining a minimum public float of 17.24% as agreed by the Hong Kong Stock Exchange pursuant to Rule 8.08(1)(a) of the Listing Rules. Please refer to the prospectus of the Company dated 16 March 2010 and the Company's announcement dated 26 March 2010 for further details. It is expected that the Company will be able to maintain its public float upon full conversion of the Remaining Outstanding Existing Convertible Bonds and full conversion of the 2025 Convertible Bonds.

## **LISTING OF THE 2025 CONVERTIBLE BONDS AND THE 2025 CONVERSION SHARES ON THE HONG KONG STOCK EXCHANGE**

Permission for the listing of, and dealing in, the 2025 Convertible Bonds are expected to become effective on 22 May 2020. Approval for the listing of, and permission to deal in, the 2025 Conversion Shares has been granted by the Hong Kong Stock Exchange.

By Order of the Board of  
**Zhongsheng Group Holdings Limited**  
**Huang Yi**  
*Chairman*

Hong Kong, 22 May 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Huang Yi, Mr. Li Guoqiang, Mr. Du Qingshan, Mr. Yu Guangming, Mr. Si Wei and Mr. Zhang Zhicheng; the non-executive directors of the Company are Mr. David Alexander Newbigging and Mr. Hsu David; and the independent non-executive directors of the Company are Mr. Shen Jinjun, Mr. Ying Wei, Mr. Chin Siu Wa Alfred and Mr. Li Yanwei.*