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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)

**VOLUNTARY ANNOUNCEMENT
ACQUISITION OF 4S DEALERSHIPS
FOR MERCEDES-BENZ AND OTHERS**

This announcement is made by Zhongsheng Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The Company wishes to provide information regarding the following transaction to keep shareholders and potential investors of the Company updated of the Group’s business development.

The board of directors of the Company (the “**Board**”) is pleased to announce that Zhongsheng (Dalian) Group Co., Ltd. (中升(大連)集團有限公司) (“**ZS Dalian**”), an indirect wholly-owned subsidiary of the Company, has entered into an equity transfer agreement (the “**Agreement**”) with certain parties (the “**Sellers**”) whereby the Sellers have agreed to sell and ZS Dalian has agreed to acquire 100% of the equity interests in eight limited liability companies incorporated in the People’s Republic of China (the “**PRC**”) (collectively, the “**Target Companies**”) for a net cash consideration of RMB720 million (the “**Transaction**”).

Each of the Sellers is an independent third party and not a connected person (as defined in the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited) of the Company.

The Target Companies own six 4S dealerships for Mercedes-Benz located in Hubei, Fujian, Yunnan and Jiangxi, and two 4S dealerships for Jaguar Land Rover located in Jiangsu and Jiangxi. The Target Companies also own three land parcels in the PRC, with a total area of 25,300 square metres.

The consideration for the Transaction was determined after arms' length negotiation between the parties and after taken into account certain factors by ZS Dalian including, but without limitation to, the brand values underlying the dealerships operated by the Target Companies, the customer base, the potential profitability and the consolidated net asset value of the Target Companies. The Board believes the Transaction will strengthen the Group's luxury brand portfolio; enable the Group to expand its networks of 4S dealerships in key regions in the PRC and to better serve the high-end customers located in such regions; and help further expand the Group's operation scale and reinforce its competitive advantages. The Board (including its independent non-executive directors) considers the terms of the Agreement to be fair and reasonable and in the best interests of the Company and its shareholders as a whole.

As of the date of this announcement, the key conditions precedent to completion of the Transaction have been satisfied; and the anti-trust review by the Ministry of Commerce of the PRC in respect of the Transaction has been completed. The Company expects completion of the Transaction will take place shortly.

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

Hong Kong, 10 July 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. Zhang Zhicheng, Mr. Li Guohui and Mr. Tang Xianfeng; 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.