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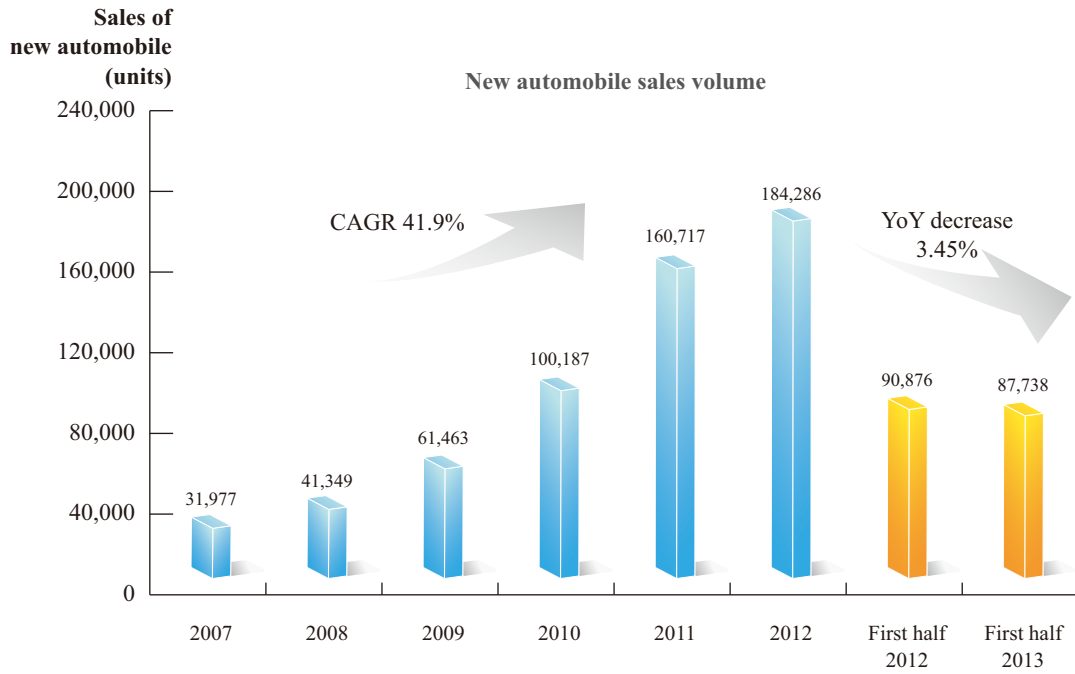
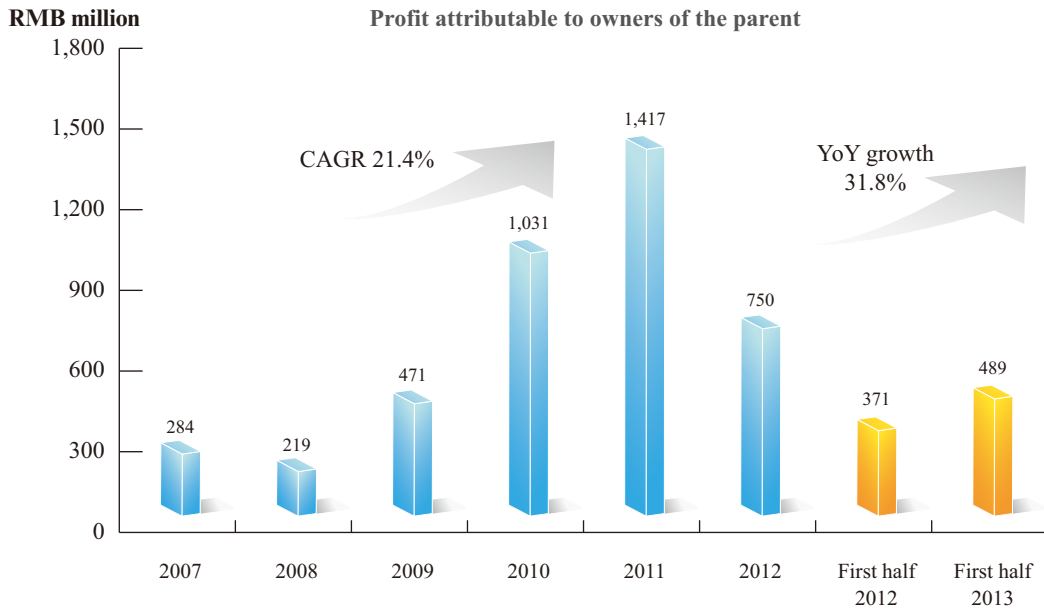


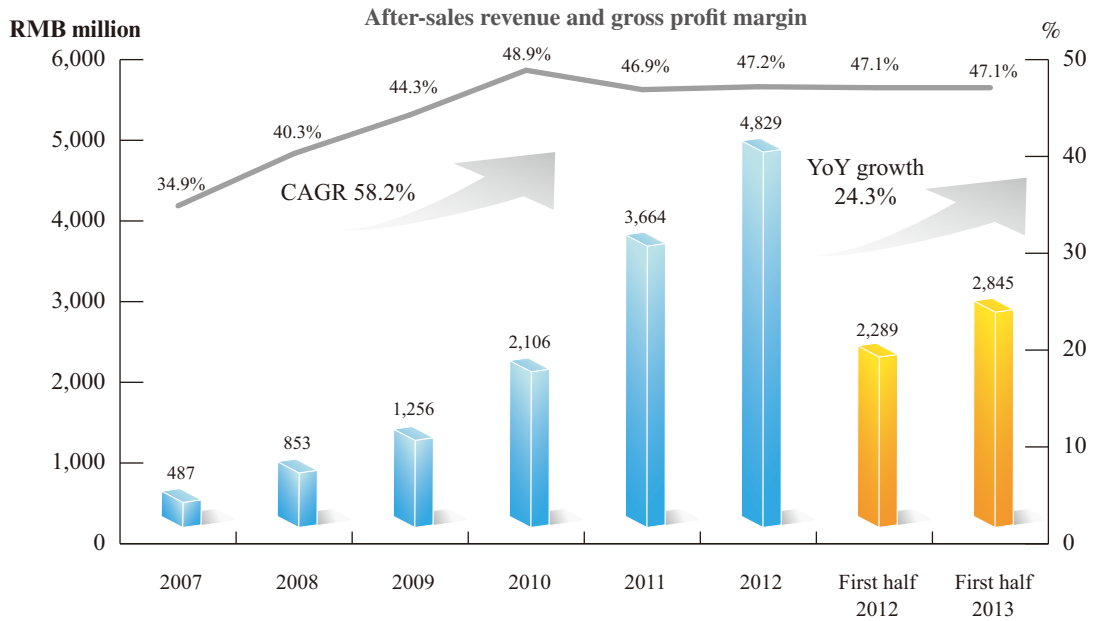
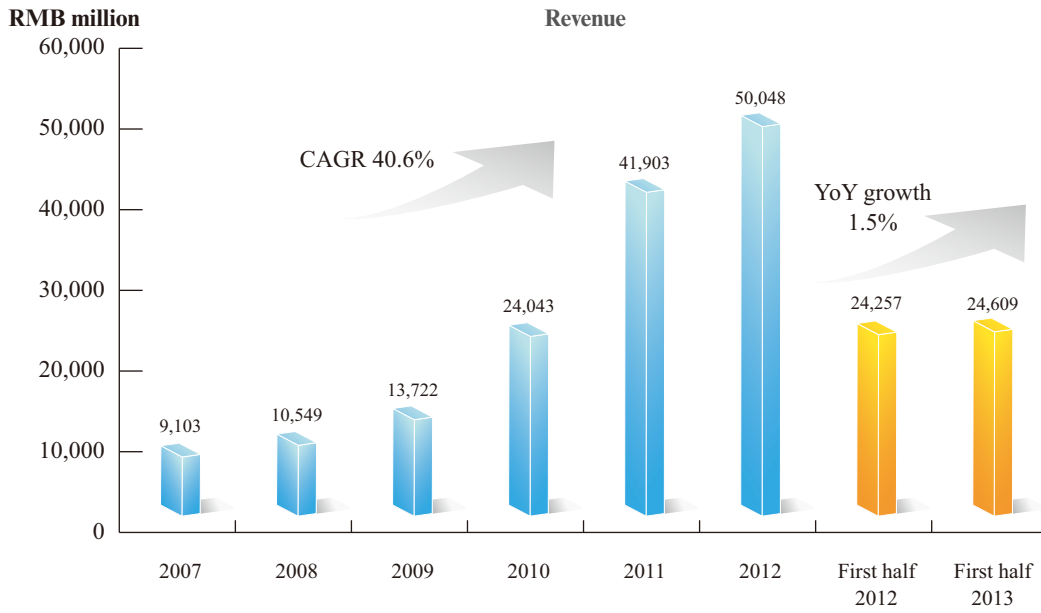
中升集團控股有限公司
Zhongsheng Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 881)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

GROUP FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2013 increased by 1.5% to RMB24,609 million as compared to the corresponding period in 2012
- Net profit margin for the six months ended 30 June 2013 was 2.16% in comparison with 1.67% for the corresponding period of 2012
- Profit attributable to owners of the parent for the six months ended 30 June 2013 increased by 31.8% to RMB489 million as compared to the corresponding period in 2012
- Basic earnings per share for the six months ended 30 June 2013 were RMB0.26 in comparison with RMB0.19 for the corresponding period of 2012





MARKET REVIEW

China's macro-economy grew at a moderate pace in the first half of 2013 while automobile industry in China experienced various restructuring in policy, structure and market. According to statistical data published by China Association of Automobile Manufacturers, the production and sales volumes of automobiles in China both exceeded 10 million units for the first half of 2013, representing an increase of 12.8% and 12.3% respectively as compared to the corresponding period of last year. The sales volume of passenger vehicles reached 8,665.1 thousand units, representing an increase of 13.8% as compared to the corresponding period of last year. The growth rate of passenger vehicles sales volume returned to double-digit, representing a significant increase as compared to the corresponding period of last year. It is expected that the recovery of automobile market in China will accelerate further in the second half of 2013 and maintain a double-digit average growth rate for the year. According to the relevant statistical data, automobile penetration rate in China was less than 8% at the end of 2012, which was far below the levels of European and U.S. markets. Given that the disposable income and consuming power of residents are steadily growing, together with the structural optimization of automobile industry and increased concentration in the market, we remain optimistic for the future passenger vehicles market in China.

During the first half of 2013, there were many new features in the development of China's automobile consumption market. First of all, accompanied with the accelerating urbanization level in China, third- and fourth-tier cities and rural areas would become the momentum of growth in demand in automobile market in China. Secondly, with automotive consumers in China become more mature, they would focus more on brands culture, the qualities of products and services when selecting cars. Thirdly, a trend of replacement for new cars arises in certain areas with higher automobile penetration in the market. Fourthly, the new automobile sales market appears to experience modest growth at a medium pace while the automobile aftermarket starts to enter a period with robust growth. In conclusion, the automobile market in China has entered a time of "rational growth".

BUSINESS REVIEW

A more solid development and expansionary strategy

After experiencing the difficult period in China's automobile market in the second half of 2012, the demand gradually recovered during the period under review, though the market environment is still challenging. The Group closely monitored the market structural adjustment, the trend in demand and the upgrading and renovation of the brand automobile to adopt more solid and flexible strategies under the strategic guideline with high degree of unity, strengthening and improving the market shares and competitive advantages in major areas and cities. We particularly attached importance to the improvement of service quality, in an effort to build market prestige of "Zhongsheng Group – Lifetime Partner".

As at 30 June 2013, the total number of dealerships of the Group has increased to 163, consisting of 54 luxury brands dealerships and 109 mid-to-high-end brands dealerships across 15 provinces and regions and over 60 cities in China.

The nationwide coverage of the Group’s dealership network as of 30 June 2013 is as follows:

	Luxury Brands	Mid-to- high-end Brands	Total
Northeastern region	9	33	42
Northern region	8	1	9
Eastern region	17	26	43
Southern region	15	18	33
Southwestern and Northwestern inland region	5	31	36
	<hr/>	<hr/>	<hr/>
Total	54	109	163
	<hr/>	<hr/>	<hr/>

Our existing dealership brands portfolio include the luxury brands such as Mercedes-Benz, Lexus, Audi, Porsche, Lamborghini, Jaguar Land Rover, Chrysler, Volvo and imported Volkswagen as well as mid-to-high-end brands such as Toyota, Nissan and Honda. The diversified brands portfolio and geographical distribution allowed us to satisfy different customer demands.

Sustainable Development in After-sales Service Business

China’s automobile production and sales volume has been the world’s largest for four consecutive years up to last year and became the largest automobile market. Meanwhile, automobile ownership in China has exceeded 120 million units which makes China the second largest nation (second to the United States) in terms of car ownership. With the increasingly expansion in the total volume of automobile, the after-sales service market, which closely attaches to the automotive consumption, is rapidly growing. At the same time, consumers are increasingly demanding for the quality of after-sales services. The development in after-sales service business depends on accurate positioning in market demand, continuously improving in service quality, and persistent innovation and diversification of service products. As a dealer group which provides one-stop service, the Group had an insight on these opportunities several years ahead of the market, focusing on the development of after-sales business as one of the pioneers in the industry. With the intensified competition and challenges in automobile market, after-sales business shows its strong stability and risk resistance capability.

According to the “China’s Top 100 Automobile Dealers in 2012” published by China Automobile Dealers Association on 16 May 2013, the Group ranked No. 4, one place ahead from 2011. On 16 July 2013, the Group was first listed in “Fortune China 500”, ranking No. 103. As China’s leading nationwide car dealer group, the Group was included in this internationally renowned ranking for the first time. All of these not only recognized the development prospects, business model and financial performance of the Group, but also further strengthened the Group’s determination to provide customers with comprehensive and quality services.

Looking ahead, with a corporate motto of “Zhongsheng Group – Lifetime Partner”, the Group will continue to catch every market opportunities, and endeavor to develop other value added businesses along the industry chain. The Group will continue to enhance the service quality of every dealership. With the nationwide dealership network across China, as well as providing more comprehensive and quality after-sale service, we are positioned to become the lifetime partner of our customers.

INTERIM RESULTS

The board of directors (the “**Board**”) of Zhongsheng Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2013, as follows:

Consolidated Interim Income Statement

For the six months ended 30 June 2013

		Unaudited	
		For the six months ended 30 June 2013	For the six months ended 30 June 2012
	<i>Notes</i>	RMB'000	RMB'000
REVENUE	4(a)	24,608,526	24,257,205
Cost of sales and services provided	5(b)	<u>(22,298,469)</u>	<u>(22,077,241)</u>
Gross profit		2,310,057	2,179,964
Other income and gains, net	4(b)	321,204	292,124
Selling and distribution expenses		(950,824)	(988,670)
Administrative expenses		<u>(451,487)</u>	<u>(409,929)</u>
Profit from operations		1,228,950	1,073,489
Finance costs	6	(502,371)	(499,315)
Share of profits of jointly-controlled entities		<u>2,771</u>	<u>2,624</u>
Profit before tax	5	729,350	576,798
Income tax expense	7	<u>(197,995)</u>	<u>(171,133)</u>
Profit for the period		<u>531,355</u>	<u>405,665</u>
Attributable to:			
Owners of the parent		489,243	370,721
Non-controlling interests		<u>42,112</u>	<u>34,944</u>
		<u>531,355</u>	<u>405,665</u>
Earnings per share attributable to ordinary equity holders of the parent			
Basic			
– For profit for the period (RMB)	9	<u>0.26</u>	<u>0.19</u>
Diluted			
– For profit for the period (RMB)	9	<u>0.26</u>	<u>0.19</u>

The notes on pages 12 to 27 form an integral part of these condensed interim consolidated financial statements.

Consolidated Interim Statement of Comprehensive Income
For the six months ended 30 June 2013

	Unaudited	
	For the six months ended 30 June 2013	For the six months ended 30 June 2012
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	<u>531,355</u>	<u>405,665</u>
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Available-for-sale investments:		
Reclassification adjustments for losses included in the consolidated income statement		
– gain on disposal	–	1,820
Exchange differences on translation of foreign operations	<u>12,385</u>	<u>(6,997)</u>
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	<u>12,385</u>	<u>(5,177)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>12,385</u>	<u>(5,177)</u>
Total comprehensive income for the period	<u>543,740</u>	<u>400,488</u>
Attributable to:		
Owners of the parent	501,628	365,544
Non-controlling interests	<u>42,112</u>	<u>34,944</u>
	<u>543,740</u>	<u>400,488</u>

The notes on pages 12 to 27 form an integral part of these condensed interim consolidated financial statements.

Consolidated Interim Statement of Financial Position
30 June 2013

		Unaudited	Audited
		30 June	31 December
		2013	2012
	<i>Notes</i>	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		5,581,653	5,039,957
Investment properties		49,425	–
Land use rights		2,063,860	1,447,091
Prepayments		812,068	1,463,918
Intangible assets		2,408,895	2,471,513
Goodwill		2,033,576	2,033,576
Investments in jointly-controlled entities		37,605	49,834
Deferred tax assets		173,633	132,086
		<hr/>	<hr/>
Total non-current assets		13,160,715	12,637,975
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories	<i>10</i>	6,267,927	6,346,679
Trade receivables	<i>11</i>	688,927	576,706
Prepayments, deposits and other receivables		5,637,698	5,504,213
Amounts due from related parties	<i>19(b)(i)</i>	4,435	1,451
Financial assets at fair value through profit or loss		48,613	63,949
Pledged bank deposits		2,357,315	2,079,167
Cash in transit		358,435	187,910
Cash and cash equivalents		3,172,300	4,096,803
		<hr/>	<hr/>
Total current assets		18,535,650	18,856,878
		<hr/>	<hr/>
CURRENT LIABILITIES			
Bank loans and other borrowings	<i>12</i>	13,491,585	13,383,771
Trade and bills payables	<i>13</i>	3,794,301	3,739,674
Short term bonds	<i>14</i>	418,160	821,198
Long term bank loans and other borrowings, due within one year	<i>12</i>	303,404	157,128
Senior notes, due within one year	<i>15</i>	1,255,051	11,581
Other payables and accruals		1,115,280	1,354,499
Amounts due to related parties	<i>19(b)(ii)</i>	16,768	16,094
Income tax payable		582,258	455,298
Dividends payable		152,338	402
		<hr/>	<hr/>
Total current liabilities		21,129,145	19,939,645
		<hr/>	<hr/>
Net current liabilities		(2,593,495)	(1,082,767)
		<hr/>	<hr/>
Total assets less current liabilities		10,567,220	11,555,208
		<hr/>	<hr/>

Consolidated Interim Statement of Financial Position (Continued)
30 June 2013

	<i>Notes</i>	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
NON-CURRENT LIABILITIES			
Bank loans and other borrowings	12	593,705	706,738
Senior notes	15	–	1,239,951
Deferred tax liabilities		779,993	778,629
		<hr/>	<hr/>
Total non-current liabilities		1,373,698	2,725,318
		<hr/>	<hr/>
Net assets		9,193,522	8,829,890
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital	16	168	168
Reserves		7,888,244	7,385,870
Proposed final dividend		–	152,679
		<hr/>	<hr/>
		7,888,412	7,538,717
		<hr/>	<hr/>
Non-controlling interests		1,305,110	1,291,173
		<hr/>	<hr/>
Total equity		9,193,522	8,829,890
		<hr/>	<hr/>

The notes on pages 12 to 27 form an integral part of these condensed interim consolidated financial statements.

Consolidated Interim Statement of Changes in Equity
For the six months ended 30 June 2013

	Unaudited												
	Attributable to owners of the parent												Total equity
	Share capital	Share premium	Discretionary reserve fund	Statutory reserve	Merger reserve	Other reserve	Available-for-sale investment revaluation reserve	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total	Non-controlling interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2012	168	4,773,286	37,110	345,658	(1,386,176)	(3,964)	(1,820)	(89,306)	3,169,348	247,929	7,092,233	1,185,580	8,277,813
Profit for the period	-	-	-	-	-	-	-	-	370,721	-	370,721	34,944	405,665
Other comprehensive income for the period:													
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	-	-	1,820	-	-	-	1,820	-	1,820
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(6,997)	-	-	(6,997)	-	(6,997)
Total comprehensive income for the period	-	-	-	-	-	-	1,820	(6,997)	370,721	-	365,544	34,944	400,488
Capital contribution from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,641	1,641
Non-controlling interests arising from acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(278)	(278)
Acquisitions of non-controlling interests	-	-	-	-	-	(8,392)	-	-	-	-	(8,392)	(31,328)	(39,720)
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(1,121)	(1,121)
Final 2011 dividend declared	-	-	-	-	-	-	-	-	-	(247,929)	(247,929)	-	(247,929)
At 30 June 2012	168	4,773,286	37,110	345,658	(1,386,176)	(12,356)	-	(96,303)	3,540,069	-	7,201,456	1,189,438	8,390,894
At 1 January 2013	168	4,620,607	37,110	435,202	(1,386,176)	(61,910)	-	(89,247)	3,830,284	152,679	7,538,717	1,291,173	8,829,890
Profit for the period	-	-	-	-	-	-	-	-	489,243	-	489,243	42,112	531,355
Other comprehensive income for the period:													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	12,385	-	-	12,385	-	12,385
Total comprehensive income for the period	-	-	-	-	-	-	-	12,385	489,243	-	501,628	42,112	543,740
Acquisitions of non-controlling interests	-	-	-	-	-	746	-	-	-	-	746	(25,235)	(24,489)
Dividends declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	-	(2,940)	(2,940)
Final 2012 dividend declared	-	-	-	-	-	-	-	-	-	(152,679)	(152,679)	-	(152,679)
At 30 June 2013	168	4,620,607	37,110	435,202	(1,386,176)	(61,164)	-	(76,862)	4,319,527	-	7,888,412	1,305,110	9,193,522

The notes on pages 12 to 27 form an integral part of these condensed interim consolidated financial statements.

Condensed Consolidated Interim Statement of Cash Flows
For the six months ended 30 June 2013

	Unaudited	
	For the six months ended 30 June 2013 RMB'000	For the six months ended 30 June 2012 RMB'000
Net cash generated from/(used in) operating activities	<u>1,023,664</u>	<u>(2,192,249)</u>
Net cash used in investing activities	<u>(804,919)</u>	<u>(1,757,024)</u>
Net cash (used in)/generated from financing activities	<u>(1,142,931)</u>	<u>3,339,509</u>
Net decrease in cash and cash equivalents	(924,186)	(609,764)
Cash and cash equivalents at the beginning of each period	4,096,803	4,487,819
Effect of foreign exchange rate changes, net	<u>(317)</u>	<u>627</u>
Cash and cash equivalents at the end of each period	<u>3,172,300</u>	<u>3,878,682</u>

The notes on pages 12 to 27 form an integral part of these condensed interim consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

30 June 2013

1. GENERAL INFORMATION

Zhongsheng Group Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the sale and service of motor vehicles in Mainland China.

The Company was incorporated on 23 June 2008 as an exempted company in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company has established a principal place of business which is located at Rooms 3504–12, 35/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

In the opinion of the directors of the Company (the “Directors”), the ultimate Controlling Shareholders of the Company are Mr. Huang Yi and Mr. Li Guoqiang.

The condensed consolidated interim financial statements were presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated. These condensed consolidated interim financial statements were approved for issue on 26 August 2013. These condensed consolidated interim financial statements have not been audited.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

As at 30 June 2013, the Group had net current liabilities of approximately RMB2,593,495,000. The directors believe that the Group has sufficient cash flows from the operations and current available banking facilities to meet its liabilities as and when they fall due. Therefore, the condensed consolidated interim financial statements are prepared on a going concern basis.

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
 30 June 2013

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012, except for the adoption of the new standards and interpretations as of 1 January 2013, noted below:

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
Improvements to HKFRSs 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

The adoption of these new and revised HKFRSs had no significant financial effect on these financial statements.

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

HKFRS 9	<i>Financial Instruments</i> ²
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i> ¹
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ¹
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> ¹
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i> ¹
HK(IFRIC)-Int 21	<i>Levies</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 January 2015

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

The Group is engaged in the principal business of sale and service of motor vehicles. For management purposes, the Group operates in one business unit based on its products, and has one reportable segment which is the sale of motor vehicles and the provision of related services.

No operating segments have been aggregated to form the above reportable operating segment.

Information about geographical area

Since almost all of the Group's revenue and operating profit were generated from the sale and service of motor vehicles in Mainland China and almost all of the Group's identifiable assets and liabilities were located in Mainland China, no geographical segment information is presented in accordance with HKFRS 8 *Operating Segments*.

Information about major customers

Since none of the Group's sales to a single customer amounted to 10% or more of the Group's revenue during the six months ended 30 June 2013, no major customers segment information is presented in accordance with HKFRS 8 *Operating Segments*.

Notes to the Condensed Consolidated Interim Financial Statements (*Continued*)
30 June 2013

4. REVENUE, OTHER INCOME AND GAINS, NET

(a) Revenue

	Unaudited	
	For the six months ended 30 June 2013 RMB'000	For the six months ended 30 June 2012 RMB'000
Revenue from the sale of motor vehicles	21,763,036	21,967,848
Others	2,845,490	2,289,357
	<u>24,608,526</u>	<u>24,257,205</u>

(b) Other income and gains, net

	Unaudited	
	For the six months ended 30 June 2013 RMB'000	For the six months ended 30 June 2012 RMB'000
Commission income	239,081	185,987
Advertisement support received from motor vehicle manufacturers	25,376	10,714
Rental income	13,519	11,118
Government grants	5,233	5,456
Interest income	34,368	26,035
Net loss on disposal of items of property, plant and equipment	(9,896)	(2,947)
Gain on disposal of available-for-sale investments	–	3,370
Others	13,523	52,391
	<u>321,204</u>	<u>292,124</u>

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Unaudited	
	For the six months ended 30 June 2013 RMB'000	For the six months ended 30 June 2012 RMB'000
(a) Employee benefit expense (including directors' remuneration)		
Wages and salaries	575,937	555,742
Pension scheme contributions	77,535	74,863
Other welfare	36,246	37,716
	<u>689,718</u>	<u>668,321</u>
(b) Cost of sales and services provided		
Cost of sales of motor vehicles	20,792,360	20,867,362
Others	1,506,109	1,209,879
	<u>22,298,469</u>	<u>22,077,241</u>
(c) Other items		
Depreciation and impairments of property, plant and equipment	213,680	184,250
Amortisation of land use rights	17,096	12,871
Amortisation of intangible assets	62,486	60,960
Advertisement expenses	36,419	81,128
Office expenses	77,784	70,789
Lease expenses	67,416	53,601
Logistics expenses	45,544	57,773
Business promotion expenses	72,359	97,576
Net loss on disposal of items of property, plant and equipment	9,896	2,947

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

6. FINANCE COSTS

	Unaudited	
	For the six months ended 30 June 2013 RMB'000	For the six months ended 30 June 2012 RMB'000
Interest expense on bank borrowings wholly repayable within five years	457,936	451,914
Interest expense on senior notes	33,205	33,082
Interest expense on short term bonds	19,762	3,342
Interest expense on other borrowings	47,707	51,301
Interest expense on finance leases	325	788
Less: Interest capitalised	(56,564)	(41,112)
	<u>502,371</u>	<u>499,315</u>

7. INCOME TAX EXPENSE

	Unaudited	
	For the six months ended 30 June 2013 RMB'000	For the six months ended 30 June 2012 RMB'000
Current Mainland China corporate income tax	238,178	224,069
Deferred tax	(40,183)	(52,936)
	<u>197,995</u>	<u>171,133</u>

8. DIVIDENDS

The directors of the Company proposed not to declare any interim dividend for the six months ended 30 June 2013.

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the parent by the weighted average number of shares in issue, during the six months ended 30 June 2013 and 2012, respectively.

	Unaudited	
	For the six months ended 30 June 2013	For the six months ended 30 June 2012
Earnings		
Profit attributable to owners of the parent (RMB'000)	489,243	370,721
Shares		
Weighted average number of ordinary shares in issue during the period	1,908,481,295	1,908,481,295
Earnings per share (RMB)		
Basic	0.26	0.19
Diluted	0.26	0.19

No adjustment has been made to the basic earnings per share amounts presented in the reporting periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2013 and 2012, respectively.

10. INVENTORIES

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Motor vehicles	5,630,152	5,694,250
Spare parts and others	637,775	652,429
	<u>6,267,927</u>	<u>6,346,679</u>

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

11. TRADE RECEIVABLES

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Trade receivables	689,145	576,924
Impairment	(218)	(218)
	<u>688,927</u>	<u>576,706</u>

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at each statement of financial position date (based on the invoice date) is as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Within 3 months	594,075	507,171
More than 3 months but less than 1 year	56,474	51,283
Over 1 year	38,378	18,252
	<u>688,927</u>	<u>576,706</u>

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

12. BANK LOANS AND OTHER BORROWINGS

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Bank loans and overdrafts repayable		
– within one year or on demand	13,389,337	13,111,635
– in the second year	591,224	518,226
– in the third to fifth years	–	184,481
	<u>13,980,561</u>	<u>13,814,342</u>
Other borrowings repayable		
– within one year	<u>386,608</u>	<u>407,136</u>
Finance lease payables		
– within one year	19,044	22,128
– in the second year	1,866	2,501
– in the third year	615	1,530
	<u>21,525</u>	<u>26,159</u>
Total bank loans and other borrowings	14,388,694	14,247,637
Less: Portion classified as current liabilities	<u>(13,794,989)</u>	<u>(13,540,899)</u>
Long-term portion	<u>593,705</u>	<u>706,738</u>

13. TRADE AND BILLS PAYABLES

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Trade payables	813,789	602,601
Bills payable	<u>2,980,512</u>	<u>3,137,073</u>
Trade and bills payables	<u>3,794,301</u>	<u>3,739,674</u>

The trade and bills payables are non-interest-bearing.

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

13. TRADE AND BILLS PAYABLES (Continued)

An aged analysis of the trade and bills payables as at the end of reporting period, is as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Within 3 months	2,625,511	3,066,559
3 to 6 months	1,114,457	666,262
6 to 12 months	45,179	2,577
Over 12 months	9,154	4,276
	3,794,301	3,739,674

14. SHORT TERM BONDS

As at 30 June 2013, outstanding short term bonds are summarised as follows:

	Face value RMB'000	Maturity	Fixed interest rate	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Short term bonds	400,000	2013	5.70%	–	414,043
Short term bonds	400,000	2013	5.30%	418,160	407,155
				418,160	821,198

All the short term bonds were issued for working capital.

15. SENIOR NOTES

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Non-current	–	1,239,951
Current	1,255,051	11,581
	1,255,051	1,251,532

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

15. SENIOR NOTES (Continued)

On 14 April 2011, the Company issued senior notes maturing on 21 April 2014, with an aggregate principal amount of RMB1,250,000,000 and a fixed interest rate of 4.75% per annum (the “senior notes”). The senior notes are in senior unsecured obligations of the Company guaranteed by existing subsidiaries not incorporated under the laws of the People’s Republic of China.

Interest of the senior notes is payable semi-annually in arrears on 21 April and 21 October in each year commencing from 21 October 2011.

On 25 April 2011, the senior notes were listed on the Singapore Exchange Securities Trading Limited.

Interest expense on the senior notes is calculated using the effective interest rate method by applying the effective interest rate of 5.47%.

16. SHARE CAPITAL

	Unaudited 30 June 2013	Audited 31 December 2012
Authorised:		
1,000,000,000,000 shares of HK\$0.0001 each (HK\$’000)	100,000	100,000
Issued and fully paid 1,908,481,295 shares of HK\$0.0001 each (HK\$’000)	191	191
Equivalent to RMB’000	168	168

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

17. CONTINGENT LIABILITIES

As at 30 June 2013, neither the Company nor the Group had any significant contingent liabilities.

18. COMMITMENTS

(a) Capital commitments

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Contracted, but not provided for land use rights and buildings	212,444	167,381
Contracted, but not provided for potential acquisitions	35,000	35,000
	247,444	202,381

(b) Operating lease commitments

As lessor

At the end of the reporting periods, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Within one year	9,355	–
After 1 year but within 5 years	31,887	–
After 5 years	15,269	–
	56,511	–

As lessee

At the end of the reporting periods, the Group had total future minimum lease payments under non-cancellable operating leases payable as follows:

	Unaudited 30 June 2013		Audited 31 December 2012	
	Properties RMB'000	Land RMB'000	Properties RMB'000	Land RMB'000
Within one year	67,283	46,164	72,050	44,068
After 1 year but within 5 years	255,203	178,611	256,768	178,429
After 5 years	124,760	343,318	147,304	363,218
	477,246	568,093	476,122	585,715

The Group is the lessee in respect of a number of properties and land held under operating leases. The leases typically run for an initial period of two to twenty years, with an option to renew the leases when all the terms are renegotiated.

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

19. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions with related parties

The following transactions were carried out with related parties during the six months ended 30 June 2013:

	Unaudited	
	For the six months ended 30 June 2013 RMB'000	For the six months ended 30 June 2012 RMB'000
(i) Sales of goods to jointly-controlled entities:		
Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	4,370	7,319
Zhongsheng Tacti Automobile Services (Dalian) Co., Ltd.	18	4,655
	4,388	11,974
(ii) Purchase of goods or services from jointly-controlled entities:		
Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	1,333	4,472
Zhongsheng Tacti Automobile Services (Dalian) Co., Ltd.	4,778	25,012
TAC Automobile Accessories Trading (Shanghai) Co., Ltd.	49	–
	6,160	29,484

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
 30 June 2013

19. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Balances with related parties

The Group had the following significant balances with its related parties as at 30 June 2013:

	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
(i) Due from related parties:		
Trade related		
Jointly-controlled entities		
Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	841	857
Zhongsheng Tacti Automobile Services (Dalian) Co., Ltd.	594	594
	<u>1,435</u>	<u>1,451</u>
(ii) Due to related parties:		
Trade related		
Jointly-controlled entities		
Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd.	9	6
Zhongsheng Tacti Automobile Services (Dalian) Co., Ltd.	16,366	15,868
TAC Automobile Accessories Trading (Shanghai) Co., Ltd.	393	220
	<u>16,768</u>	<u>16,094</u>

Balances with related parties were unsecured and non-interest-bearing and had no fixed repayment terms.

(c) Compensation of key management personnel of the Group:

	Unaudited For the six months ended 30 June 2013 RMB'000	For the six months ended 30 June 2012 RMB'000
Short term employee benefits	8,200	6,715
Post-employee benefits	180	145
Total compensation paid to key management personnel	<u>8,380</u>	<u>6,860</u>

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
30 June 2013

20. FINANCIAL INSTRUMENTS BY CATEGORY

The fair value of financial assets and financial liabilities, together with the carrying amounts in the condensed consolidated statement of financial position, are as follows:

	Unaudited 30 June 2013		Audited 31 December 2012	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
Financial assets				
Loans and receivables				
Trade receivables	688,927	688,927	576,706	576,706
Financial assets included in prepayments, deposits and other receivables	3,007,609	3,007,609	2,581,279	2,581,279
Amounts due from related parties	4,435	4,435	1,451	1,451
Pledged bank deposits	2,357,315	2,357,315	2,079,167	2,079,167
Cash in transit	358,435	358,435	187,910	187,910
Cash and cash equivalents	3,172,300	3,172,300	4,096,803	4,096,803
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fair value profit or loss				
Financial assets at fair value through profit or loss	48,613	48,613	63,949	63,949
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current	9,637,634	9,637,634	9,587,265	9,587,265
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	9,637,634	9,637,634	9,587,265	9,587,265
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities				
Financial liabilities at amortised cost				
Bank loans and other borrowings	593,705	593,705	706,738	706,738
Senior notes	–	–	1,239,951	1,239,951
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total non-current	593,705	593,705	1,946,689	1,946,689
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities at amortised cost				
Trade and bills payables	3,794,301	3,794,301	3,739,674	3,739,674
Financial liabilities included in other payables and accruals	246,239	246,239	566,479	566,479
Amounts due to related parties	16,768	16,768	16,094	16,094
Bank loans and other borrowings	13,794,989	13,794,989	13,540,899	13,540,899
Short term bonds	418,160	418,160	821,198	821,198
Senior notes	1,255,051	1,255,051	11,581	11,581
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current	19,525,508	19,525,508	18,695,925	18,695,925
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	20,119,213	20,119,213	20,642,614	20,642,614
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
 30 June 2013

20. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

Financial assets measured at fair value:

	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
30 June 2013				
Financial assets at fair value through profit or loss:				
Listed equity investments-Hong Kong	<u>48,613</u>	<u>–</u>	<u>–</u>	<u>48,613</u>
31 December 2012				
Financial assets at fair value through profit or loss:				
Listed equity investments-Hong Kong	<u>63,949</u>	<u>–</u>	<u>–</u>	<u>63,949</u>

During the six months ended 30 June 2013, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Financial liabilities measured at fair value:

The Group and the Company did not have any financial liabilities measured at fair value as at 30 June 2013 and 31 December 2012, respectively.

21. EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 30 June 2013.

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2013 was RMB24,609 million, representing an increase of RMB352 million or 1.5% as compared to the corresponding period in 2012. Among which, revenue from new automobile sales amounted to RMB21,763 million, representing a decrease of RMB205 million or 0.9% as compared to the corresponding period in 2012. Revenue from after-sales business amounted to RMB2,845 million, representing an increase of RMB556 million or 24.3% as compared to the corresponding period in 2012.

Our new automobile sales business accounted for a substantial portion of our revenue, representing 88.4% (corresponding period in 2012: 90.6%) of our revenue for the six months ended 30 June 2013. The remaining portion of our revenue during the period was generated by our after-sales business which increased from representing 9.4% of our total revenue for the six months ended 30 June 2012 to representing 11.6% for the corresponding period of this year. All of our revenue is mainly derived from our business located in the PRC.

For the six months ended 30 June 2013, revenue from sales of luxury brands automobiles amounted to RMB13,574 million (corresponding period in 2012: RMB12,385 million), accounting for 62.4% (corresponding period in 2012: 56.4%) of our revenue from new automobile sales. Revenue from sales of mid-to-high-end brands automobiles amounted to RMB8,189 million (corresponding period in 2012: RMB9,583 million), accounting for 37.6% (corresponding period in 2012: 43.6%) of our revenue from new automobile sales.

Cost of Sales and Services

Cost of sales and services for the six months ended 30 June 2013 amounted to RMB22,298 million, representing an increase of RMB221 million or 1.0% as compared to the corresponding period in 2012. Costs attributable to new automobile sales business amounted to RMB20,792 million for the six months ended 30 June 2013, representing a decrease of RMB75 million or 0.4% as compared to the corresponding period in 2012. Costs attributable to after-sales business amounted to RMB1,506 million for the six months ended 30 June 2013, representing an increase of RMB296 million or 24.5% as compared to the corresponding period of 2012.

Gross Profit

Our gross profit for the six months ended 30 June 2013 amounted to RMB2,310 million, representing an increase of RMB130 million or 6.0% as compared to the corresponding period in 2012. Gross profit from new automobile sales business amounted to RMB971 million, representing a decrease of RMB129 million or 11.7% as compared to the corresponding period in 2012. Gross profit from after-sales services was RMB1,339 million, representing an increase of RMB259 million or 24.1% as compared to the corresponding period in 2012. For the six months ended 30 June 2013, gross profit from our after-sales services accounted for 58.0% of the total gross profit (corresponding period in 2012: 49.5%).

Our gross profit margin for the six months ended 30 June 2013 was 9.4% (corresponding period in 2012: 9.0%). The gross profit margin of new automobile sales business was 4.5% (corresponding period in 2012: 5.0%), while the gross profit margin of after-sales services was 47.1% (corresponding period in 2012: 47.1%).

Other Income and Gains, Net

Our other income and net gains for the six months ended 30 June 2013 amounted to RMB321 million, representing an increase of RMB29 million or 9.9% as compared to the corresponding period in 2012. Our other income and net gains mainly consisted of commission income from providing automobile insurance agency and automobile financing agency services, advertisement subsidies received from automobile manufacturers, gains from used automobile trading business and interest income, etc.

Profit from Operations

Our profit from operations for the six months ended 30 June 2013 amounted to RMB1,229 million, representing an increase of RMB156 million or 14.5% as compared to the corresponding period in 2012. Our operating profit margin for six months ended 30 June 2013 was 5.0% (corresponding period in 2012: 4.4%).

Profit for the Period under Review

Our profit for the six months ended 30 June 2013 amounted to RMB531 million, representing an increase of RMB125 million or 30.8% as compared to the corresponding period in 2012. Our profit margin for the six months ended 30 June 2013 was 2.2% (corresponding period in 2012: 1.7%).

Profit Attributable to Owners of the Parent

Our profit attributable to owners of the parent for the six months ended 30 June 2013 was RMB489 million, representing an increase of RMB118 million or 31.8% as compared to the corresponding period in 2012.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

We primarily use cash to pay for new automobiles, spare parts and automobile accessories, to repay our indebtedness, to fund our working capital and normal operating expenses and to establish new 4S dealerships and acquire 4S dealerships. We finance our liquidity requirements mainly through a combination of cash flows generated from our operating activities and bank loans and other borrowings.

We believe that our future liquidity demand will continue to be satisfied by using a combination of cash flows generated from our operating activities, bank loans and other borrowings and other funds raised from the capital markets from time to time in the future.

Cash Flow Generated from Operating Activities

For the six months ended 30 June 2013, our net cash generated from operating activities was RMB1,024 million. We generated RMB1,512 million net cash from operating profit before working capital movement and tax payment.

Cash Flow Used in Investing Activities

For the six months ended 30 June 2013, our net cash used in investing activities was RMB805 million.

Cash Used in Financing Activities

For the six months ended 30 June 2013, our net cash used in financing activities was RMB1,143 million.

Net Current Liabilities

As at 30 June 2013, we had net current liabilities of RMB2,593 million, representing an increase of RMB1,510 million from our net current liabilities as at 31 December 2012.

Capital Expenditures and Investment

Our capital expenditures comprised of expenditures on property, plant and equipment as well as land use rights. During the six months ended 30 June 2013, our total capital expenditures were RMB924 million.

Inventory Analysis

Our inventories primarily consisted of new automobiles, spare parts and automobile accessories. Generally, each of our 4S dealerships individually manages the quotas and orders for new automobiles and after-sales products. We also coordinate and aggregate orders for automobile accessories and other automobile-related products across our 4S dealership network. We manage our quotas and inventory levels through our information technology systems, including our Enterprise Resource Planning (ERP) system.

Our inventories decreased from RMB6,347 million as at 31 December 2012 to RMB6,268 million as at 30 June 2013.

The following table sets forth our average inventory turnover days for the periods indicated:

	For the six months ended 30 June	
	2013	2012
Average inventory turnover days	48.3	57.0

Our average inventory turnover days in the first half of 2013 decreased to 48.3 days from 57.0 days in the first half of 2012, which was mainly benefited from our strict control over the inventory level and turnover.

Bank Loans, Other Borrowings and Short term Bonds

Our bank loans, other borrowings and short term bonds as at 30 June 2013 were RMB14,807 million (31 December 2012: RMB15,069 million) in aggregate. The Group's business scale is expanding while our bank loans, other borrowings, and short term bonds decreased during the period under review of which was mainly due to more efficient of inventory turnover and the continuously optimizing of the working capital utilization.

Interest Rate Risk and Foreign Exchange Rate Risk

The Group currently has not used any derivatives to hedge interest rate risk. The operations of the Group are mainly carried out in the PRC with most transactions settled in RMB. Certain cash and bank deposits of the Group are denominated in RMB. The Group has not used any long-term contracts, currency borrowings or other means to hedge its foreign currency exposure.

Employee and Remuneration Policy

As at 30 June 2013, the Group had 16,816 employees. The Group strives to offer a good working environment, a diversified range of training programs as well as an attractive remuneration package to its employees. The Group endeavours to motivate its staff with performance-based remuneration. On top of basic salary, the Group will reward staff with outstanding performance by way of cash bonuses, share options, honorary awards or a combination of all the above to further align the interests of its employees and the Company, to attract talented individuals, and to create long-term incentive for its employees.

Pledge of the Group's Assets

The Group pledged its assets as securities for bank loans, other borrowings and banking facilities which were used to finance daily business operation. As at 30 June 2013, the pledged group assets amounted to approximately RMB5.2 billion.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Throughout the six months ended 30 June 2013 and up to the date of this announcement, the Company has been in compliance with the code provisions set out in the CG Code.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the directors and all the directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2013 and up to the date of this announcement.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities throughout the six months ended 30 June 2013 and up to the date of this announcement.

Audit Committee

The audit committee of the Company (the "**Audit Committee**") has three members comprising two independent non-executive directors being Mr. Ng Yuk Keung and Mr. Shen Jinjun, and one non-executive director being Mr. Leng Xuesong.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal control and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Company for the six months ended 30 June 2013. The Audit Committee considers that the interim financial results for the six months ended 30 June 2013 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Interim Dividend

The Board proposed not to declare any interim dividend for the six months ended 30 June 2013.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.zs-group.com.cn).

The interim report of the Company for the six months ended 30 June 2013 will be dispatched to the shareholders of the Company and published on the above websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management team, employees, shareholders, business partners and customers of the Group for their support and contribution to the Group.

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

Hong Kong, 26 August 2013

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 and Mr. Si Wei; the non-executive director of the Company is Mr. Leng Xuesong; and the independent non-executive directors of the Company are Mr. Shigeno Tomihei, Mr. Ng Yuk Keung and Mr. Shen Jinjun.