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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)**

**PROPOSED ISSUE OF HK\$2,350 MILLION  
CONVERTIBLE BONDS DUE 2018**

**Sole Global Coordinator and Sole Bookrunner**

**J.P.Morgan**

## **PROPOSED ISSUE OF CONVERTIBLE BONDS DUE 2018 BY THE COMPANY**

The Board announces that on 11 October 2017, the Company and the Manager have entered into the Bond Subscription Agreement whereby the Manager has conditionally agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Convertible Bonds to be issued by the Company in an initial aggregate principal amount of HK\$2,350 million. The Convertible Bonds are convertible in the circumstances set out in the Terms and Conditions into ordinary shares of HK\$0.0001 each in the issued share capital in the Company at an initial Conversion Price of HK\$20.2860 per Share (subject to adjustments) representing a premium of 15% over the closing price of the Shares quoted on the Hong Kong Stock Exchange on 11 October 2017 being the date on which the Bond Subscription Agreement was signed.

It is intended the Convertible Bonds will be listed on Hong Kong Stock Exchange. An application will be made to the Hong Kong Stock Exchange for the listing of the Convertible Bonds and the Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.

### **GENERAL MANDATE**

The New Shares will be allotted and issued pursuant to the General Mandate and will rank pari passu in all respects with the Shares then in issue on the relevant allotment or conversion date (as applicable).

### **USE OF PROCEEDS**

The estimated net proceeds from the issue of Convertible Bonds after deduction of commission and expenses amount to approximately HK\$2,300 million.

The Company intends to use the net proceeds from the Bond Issue for general corporate purposes including but not limited to network expansion, working capital and potential repayment of offshore debt.

**Completion of the Bond Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Bond Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “The Bond Subscription Agreement” below for further information.**

**As the Bond Issue may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## THE BOND SUBSCRIPTION AGREEMENT

- Date: 11 October 2017
- Parties: The Company as issuer and the Manager as subscriber.
- Proposed issue of the Convertible Bonds: The Manager has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Convertible Bonds to be issued by the Company in an aggregate principal amount of HK\$2,350 million.
- Conditions Precedent: The obligations of the Manager to subscribe and pay for the Convertible Bonds are subject to, among others, the following conditions precedent:
1. the Hong Kong Stock Exchange shall have agreed to list the New Shares upon conversion of the Convertible Bonds (or the Manager being reasonably satisfied that such listing will be granted);
  2. on the Publication Date and the Closing Date, there shall have delivered to the Manager letters, in form and substance reasonably satisfactory to the Manager, dated the Publication Date and the Closing Date (as appropriate), from Ernst and Young, Certified Public Accountants to the Company;
  3. on the Publication Date and the Closing Date,
    - (i) the representations and warranties of the Issuer in the Bond Subscription Agreement being true, accurate and correct at, and as if made on such date;
    - (ii) the Issuer having performed all of its obligations under the Bond Subscription Agreement to be performed on or before such date; and
    - (iii) there having been delivered to the Manager a certificate, dated as of such date, of a director or a duly authorised signatory of the Issuer to such effect;
  4. on or prior to the Closing Date, there shall have been delivered to the Manager, each in a form and substance reasonably satisfactory to the Manager, certain legal opinions dated the Closing Date;

5. after the date of the Bond Subscription Agreement or, if earlier, the dates as of which information is given in the Offering Circular up to and on the Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change), in the condition (financial or otherwise), prospects, results of operations, business, properties or general affairs of the Issuer or the Group, which, in the reasonable opinion of the Manager, is material and adverse in the context of the issue and offering of the Convertible Bonds and from that set out in the Offering Circular.

The Manager may at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the conditions precedent.

As at the date of this announcement, all the above conditions precedent to the completion of the Bond Subscription Agreement are yet to be satisfied and/or (as the case may be) waived.

It is the intention of the Company to satisfy or procure the satisfaction of the conditions precedent of the Bond Subscription Agreement before the Closing Date.

Completion: Completion of the subscription and issue of the Convertible Bonds will take place on the Closing Date.

Lock-up: The Company has agreed not to, among others, issue any Shares for a period of 60 days from the Closing Date. Mr Huang Yi and Mr Li Guoqiang has each entered into a lock-up undertaking in respect of their beneficial holding of Shares for a period of 60 days from the Closing Date.

Distribution: The Convertible Bonds and the New Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Convertible Bonds will be offered and sold in an institutional offering outside the United States in reliance on Regulation S of the Securities Act. None of the Convertible Bonds will be offered to the public in Hong Kong nor will they be placed to any connected persons of the Company. The Convertible Bonds have not been offered or sold and will not be offered or sold in Hong Kong to the public within the meaning of the Companies (WUMP) Ordinance.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Manager is an independent third party not connected with the Company or any of its Subsidiaries or any of its directors, chief executives or substantial shareholders or any of its associates.

The Manager has informed the Company that it intends to offer and sell the Convertible Bonds to no less than six independent places (who will be independent individual, corporate and/or institutional investors). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the places (and their respective ultimate beneficial owners) will be third parties independent of the Company and will not be connected persons of the Company.

The New Shares will be allotted and issued pursuant to the General Mandate. The New Shares will rank pari passu in all respects with the Shares then in issue on the relevant conversion date. The issue of the Convertible Bonds is not subject to the approval of the shareholders of the Company.

Termination:

The Manager may, by notice to the Issuer given at any time prior to payment of the net subscription monies for the Convertible Bonds to the Issuer, terminate the Bond Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Manager any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Bond Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Bond Subscription Agreement;
2. if any of the conditions precedent has not been satisfied or waived by the Manager on or prior to the Closing Date;

3. if in the opinion of the Manager, there shall have been, since the date of the Bond Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Issuer on any stock exchange or in any over the counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market;
4. if, in the opinion of the Manager, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and/or the Hong Kong Stock Exchange; (ii) a suspension or a material limitation in trading in the Issuer's securities on the Hong Kong Stock Exchange; (iii) a general moratorium on commercial banking activities in the United States, Singapore, Hong Kong, the PRC and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC, Singapore or the United Kingdom; (iv) a material adverse change or development involving a prospective material adverse change in taxation affecting the Company, the Convertible Bonds and the Shares to be issued upon conversion of the Convertible Bonds or the transfer thereof; or (v) any new law or regulation or any material adverse change or development involving a prospective material adverse change in existing laws or regulations; or
5. if, in the opinion of the Manager, there shall have occurred any event or series of events (including without limitation the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in its view be likely to prejudice materially the success of the offering and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market.

## PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The Principal terms of the Convertible Bonds are summarised as follows:

Issuer:	the Company
Principal Amount of the Convertible Bonds:	HK\$2,350 million aggregate principal amount of Convertible Bonds due 2018, convertible into fully-paid ordinary shares with a par value of HK\$0.0001 each in the share capital of the Company.
Issue Price of the Convertible Bonds:	100% of the principal amount of the Convertible Bonds.
Form and Denomination:	The Convertible Bonds will be issued in registered form in the denomination of HK\$2,000,000 each and integral multiples of HK\$1,000,000 in excess thereof.
Interest:	The Convertible Bonds do not bear interest, save for any default interest (see below).
Default Interest:	3% per annum on any overdue sum
Maturity Date:	On or about 25 October 2018 (the “Maturity Date”)
Conversion Period:	On or after the 41 <sup>st</sup> day after Closing Date up to the close of business until the 10th day prior to the Maturity Date, unless previously redeemed, converted, or repurchased and cancelled.  The number of Shares to be issued on conversion of a Convertible Bond will be determined by dividing the principal amount of the Convertible Bond to be converted by the Conversion Price then in effect.
Conversion Price:	The initial Conversion Price is HK\$20.2860 per Share, representing:  (i) a premium of approximately 15.0% over the closing price of HK\$17.64 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;  (ii) a premium of approximately 18.2% over the average closing price of approximately HK\$17.16 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and

- (iii) a premium of approximately 18.1% over average closing price of approximately HK\$17.18 per Share as quoted on the Hong Kong Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Conversion Price will be subject to adjustment for, among other things, subdivision or reclassification of Shares, rights issues and other dilutive events as described in the Terms and Conditions.

Final Redemption:	Unless previously redeemed, converted or purchased and cancelled in the circumstances referred to in the terms and conditions of the Convertible Bonds, the Company will redeem each Convertible Bond at 100.00% of its principal amount on the Maturity Date.
Redemption at the Option of the Issuer:	the Issuer may redeem in whole but not in part, at the principal amount if the aggregate principal amount of the Convertible Bonds outstanding is less than 10% of the aggregate principal amount originally issued (which for these purposes include any further bonds consolidated and forming a single series with the Convertible Bonds).
Redemption for taxation reasons:	At any time the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem the Convertible Bonds in whole but not in part if (i) the Company has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations or rulings of any relevant tax jurisdiction, or any change in the general application or official interpretation of or the standing of an official position with respect to, such laws, regulations or rulings, which change or amendment becomes effective, or official position is announced, on or after 11 October 2017, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it.
Redemption upon Change of Control:	Bondholders have the right to require redemption of their Convertible Bonds, all or some only, at the principal amount upon the occurrence of a Change of Control event.
Delisting put right:	In the event the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive trading days on the Hong Kong Stock Exchange or any alternative stock exchange, Bondholders have the right to require the Company to redeem all or some only of their Convertible Bonds at their principal amount.



Listing: Application will be made to the Hong Kong Stock Exchange for the listing of the Convertible Bonds. The Convertible Bonds will be traded and settled in Hong Kong Dollars only.

An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.

Clearing Systems: The Convertible Bonds will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on or about 30 October 2017 with a common depositary for, Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Beneficial interests in the Global Certificate will be shown on and transfers thereof will be effected only through records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for Convertible Bonds will not be issued in exchange for beneficial interests in the Global Certificate.

Voting rights: Unless and until the Bondholders acquire the Shares upon conversion of the Convertible Bonds, they will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares.

Transferability: The Convertible Bonds are freely transferable.

Status: The Convertible Bonds constitute direct, unsubordinated, unconditional and (subject to the terms and conditions) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves.

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

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$20.2860, the Convertible Bonds will be convertible into approximately 115,843,438 Shares, representing approximately 5.11% of the issued share capital of the Company as at the date of this announcement and approximately 4.86% of the issued share capital of the Company as enlarged by the issue of the New Shares. The New Shares to be issued upon conversion of the Conversion Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

The following table summarises the potential effects on the shareholding structure of the Company as a result of the Bond Issue (assuming full conversion of the Convertible Bonds):

Shareholder	Existing (as at the date of this announcement)		Assuming the Convertible Bonds are fully converted into Shares at the initial Conversion Price	
	No. of shares	% of issued ordinary share capital of the Company (approximate)	No. of shares	% of issued ordinary share capital of the Company (approximate)
Light Yield Ltd. <sup>(1)</sup>	152,678,504	6.73	152,678,504	6.41
Blue Natural Development Ltd <sup>(2)</sup>	181,613,500	8.01	181,613,500	7.62
Mountain Bright Limited <sup>(3)</sup>	486,657,686	21.47	486,657,686	20.42
Vintage Star Limited <sup>(4)</sup>	486,657,686	21.47	486,657,686	20.42
Shareholdings of companies jointly controlled by Mr. Huang Yi and Mr. Li Guoqiang	1,307,607,376	57.68	1,307,607,376	54.87
JSH Investment Holdings Limited	453,412,844	20.00	453,412,844	19.03
Other Shareholders	506,044,000	22.32	621,887,438	26.10
<b>Total</b>	<b>2,267,064,220</b>	<b>100.00</b>	<b>2,382,907,658</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.

## **INFORMATION REGARDING THE COMPANY**

The Company is a leading national automobile distribution group in China which is principally engaged in providing one-stop services including sales of new and second-hand automobiles, after-sales, refitting, parts and accessories, financial, insurance and leasing services. It currently operates automobile brands, consisting of luxury automobile brands including Mercedes-Benz, Lexus and Audi and mid-to-high end automobile brands including Toyota, Nissan and Honda.

## **USE OF PROCEEDS**

The estimated net proceeds from the issue of Convertible Bonds after deduction of commission and expenses, amount to approximately HK\$2,300 million.

The Company intends to use the net proceeds from the Share Subscription and from the Bond Issue for general corporate purposes including but not limited to network expansion, working capital and potential repayment of offshore debt.

## **REASONS FOR AND BENEFITS OF THE BOND ISSUE**

The Directors consider the Bond Issue represents an opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company and to obtain immediate funding for further business expansion. Accordingly, the Directors consider the terms of the Bond Subscription Agreement are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

## **GENERAL MANDATE**

The issue of the Convertible Bonds and the New Shares is not subject to Shareholders' approval. The New Shares will be issued pursuant to the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting held on 12 June 2017 which authorised the Directors to allot and issue a maximum of 429,301,391 Shares. As at the date of this announcement, (i) no portion of the General Mandate has been utilised; (ii) the Company has not allotted and issued any Shares pursuant to the General Mandate, and (iii) the General Mandate is sufficient for the allotment and issue of the New Shares.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD**

On 13 April 2017, the Company entered into a subscription agreement with Jardine Strategic Holdings Limited (the “**Investor**”), according to which the Company agreed to issue, and the Investor agreed to subscribe for, 120,557,263 shares of the Company (the “**Private Placement Subscription Shares**”) at an aggregate subscription price of HK\$1,344,290,639 (the “**Private Placement**”). The Private Placement was completed on 26 June 2017 and the Private Placement Subscription Shares were successfully placed and issued to JSH Investment Holdings Limited, a wholly-owned subsidiary of the Investor and an existing shareholder of the Company. The net proceeds from the Private Placement amounted to approximately HK\$1,343,000,000, of which approximately 58% has been utilised for developing the dealership network and approximately 42% has been utilised for general working capital purposes.

**Completion of the Bond Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein respectively. In addition, the Bond Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “The Bond Subscription Agreement” above for further information.**

**As the Bond Issue may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“Affiliate”	of any specified Person means any other Person, directly or indirectly, Controlling or Controlled by or under direct or indirect common Control with such specified Person
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bondholders”	holder(s) of the Convertible Bonds from time to time
“Bond Issue”	the issue of the Convertible Bonds by the Company
“Bond Subscription Agreement”	the subscription agreement dated 11 October 2017 entered into among the Company and the Manager in respect of the issue of the Convertible Bonds

“Change of Control”	<p>a “Change of Control” occurs when:</p> <ul style="list-style-type: none"> <li>(i) any Person or Persons (other than the Permitted Holders) singly or acting together acquire Control of the Company, if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Company on the Closing Date; or</li> <li>(ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the assets of the Company to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Company or the successor entity; or</li> <li>(iii) the Permitted Holders at any time and for any reason ceases to Control the Company</li> </ul>
“Closing Date”	means 30 October 2017 or such other date as the Company and the Manager may agree
“Closing Price”	“Closing Price” for the Shares for any Trading Day shall be the price published in the daily quotation sheet published by the Hong Kong Stock Exchange
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Zhongsheng Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the main board of the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Control”	the acquisition or holding of legal or beneficial ownership or control of more than 50% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise

“Conversion Price”	the price at which New Shares will be issued upon conversion of the Convertible Bonds which will initially be HK\$20.2860 per Share and will be subject to adjustment in the manner provided in the terms and conditions of the Convertible Bonds
“Convertible Bonds”	means HK\$2,350 million in aggregate principal amount of zero coupon convertible bonds due 2018 to be issued by the Issuer
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting held on 12 June 2017
“Global Certificate”	a global bond certificate representing the Convertible Bonds to be issued
“Group”	the Company and its Subsidiaries
“HK\$” or “Hong Kong Dollars”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issuer”	the Company
“Last Trading Day”	11 October 2017, being the last full trading day immediately before the time at which the Bond Subscription Agreement is signed
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Manager”	J.P. Morgan Securities plc
“New Shares”	means Shares to be allotted and issued by the Company upon conversion of the Convertible Bonds
“Offering Circular”	means the circular which the Company is required to provide to prospective Bondholder(s) or investors in relation to the Bond Issue

“Permitted Holder(s)”	means any or all of the Permitted Huang Holders or Permitted Li Holders; where “Permitted Huang Holders” means any or all of the following: (i) Mr Huang Yi; (ii) the estate and any spouse or immediate family member of Mr Huang Yi or the legal representatives of any of the foregoing (including any trust for which Mr Huang Yi, his spouse or immediate family member is a settlor or a beneficiary); (iii) any Affiliate of the Persons specified in clauses (i) and (ii); and (iv) any Person both the capital stock and the voting stock of which are wholly owned by Persons specified in (i), (ii) and (iii); where “Permitted Li Holders” means any or all of the following: (i) Mr Li Guoqiang; (ii) the estate and any spouse or immediate family member of Mr Li Guoqiang or the legal representatives of any of the foregoing (including any trust for which Mr Li Guoqiang, his spouse or immediate family member is a settlor or a beneficiary); (iii) any Affiliate of the Persons specified in clauses (i) and (ii); and (iv) any Person both the capital stock and the voting stock of which are wholly owned by Persons specified in (i), (ii) and (iii)
“Person”	includes any individual, company, corporation, partnership, limited liability company, joint venture, trust, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include (i) the board of directors of the Company or any other governing board or (ii) the Company’s direct or indirect Subsidiaries
“PRC”	the People’s Republic of China (for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Publication Date”	means the date of the Offering Circular, which shall be no later than three business days prior to the Closing Date or such other date as may be agreed between the Company and the Manager
“Regulation S”	Regulation S under the Securities Act
“Securities Act”	the US Securities Act of 1933, as amended
“Share(s)”	the ordinary share(s) with par value of HK\$0.0001 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the Shares
“Subsidiary(ies)”	means, in relation to any Person (the “ <b>first Person</b> ”) at any particular time, any other Person (the “ <b>second Person</b> ”): <ul style="list-style-type: none"> <li>(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or</li> <li>(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.</li> </ul>
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules
“Terms and Conditions”	means the terms and conditions in relation to the Convertible Bonds
“trading day”	a day when the Hong Kong Stock Exchange or, as the case may be an alternative Stock Exchange is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
“US” or “United States”	the United States of America
“%”	per cent.

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

Hong Kong, 12 October 2017

*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. Pang Yiu Kai and Mr. Cheah Kim Teck; and the independent non-executive directors of the Company are Mr. Shen Jinjun, Mr. Lin Yong, Mr. Shoichi Ota and Mr. Ying Wei.*