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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 EXISTING  
CONVERTIBLE BONDS**

**(Stock Code: 5294)**

**COMPLETION OF THE ISSUE OF HK\$4,700 MILLION  
ZERO COUPON CONVERTIBLE BONDS DUE 2023**

**Sole Global Coordinator, Sole Bookrunner and Sole Dealer Manager**

**J.P.Morgan**

Reference is made to the announcements of the Company dated 3 May 2018, 4 May 2018, 6 May 2018 and 15 May 2018 in relation to the proposed repurchase of the Existing Convertible Bonds and the proposed issue of the New 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 EXISTING CONVERTIBLE BONDS**

As at the date of this announcement, out of the commitments to sell approximately HK\$2,256 million in aggregate principal amount of the Existing Convertible Bonds from holders of the Existing Convertible Bonds, the Company has, through the Sole Dealer Manager, repurchased approximately HK\$2,169 million in aggregate principal amount of the Existing Convertible Bonds at a Repurchase Price of approximately HK\$2,608 million, representing 120.25% of the principal amount of the repurchased Existing Convertible Bonds. Upon completion of the Repurchase, approximately HK\$2,169 million in aggregate principal amount of the Existing Convertible Bonds will be cancelled. Additionally, the Company, through the Sole Dealer Manager, expects to repurchase approximately HK\$87 million in aggregate principal amount of the Existing Convertible Bonds at a Repurchase Price of approximately HK\$105 million, representing 120.25% of the principal amount of the repurchased Existing Convertible Bonds and upon cancellation of these additional bonds the outstanding principal amount of the Existing Convertible Bonds is approximately HK\$94 million.

The Company may, through the Sole Dealer Manager, 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\$4,700 MILLION ZERO COUPON CONVERTIBLE BONDS DUE 2023**

The Board is pleased to announce that all the conditions precedent to the issue of the New Convertible Bonds under the Subscription Agreement have been satisfied (or waived) and the completion of the issue of the New Convertible Bonds in the aggregate principal amount of HK\$4,700 million took place on 23 May 2018.

### **EFFECT ON SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION AND SUFFICIENCY OF THE PUBLIC FLOAT**

Assuming full conversion of the New Convertible Bonds at the Initial Conversion Price of HK\$30.0132, the New Convertible Bonds will be converted into approximately 156,597,763 Shares, representing 6.91% of the issued share capital of the Company as at the date of this announcement and approximately 6.46% of the issued share capital of the Company as enlarged by the issue of the New Conversion Shares. The New Conversion Shares to be issued upon conversion of the New 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 initial conversion price of HK\$20.2860; (iii) assuming full conversion of the New Convertible Bonds at the Initial Conversion Price of HK\$30.0132; and (iv) assuming full conversion of the Remaining Outstanding Existing Convertible Bonds and the New Convertible Bonds at their respective initial conversion prices:

Shareholder	Existing (as of the date of this announcement)		Assuming the Remaining Outstanding Existing Convertible Bonds are fully converted into Shares at an initial conversion price of HK\$20.2860 per Share (subject to adjustments)		Assuming the New Convertible Bonds are fully converted into Shares at an Initial Conversion Price of HK\$30.0132 per Share (subject to adjustments)		Assuming the Remaining Outstanding Existing Convertible Bonds are fully converted into Shares at the initial conversion price of HK\$20.2860 per Share (subject to adjustments) and the New Convertible Bonds are fully converted into Shares at an Initial Conversion Price of HK\$30.0132 per Share (subject to adjustments)	
	<i>No. of shares</i>	<i>(approximate)</i>	<i>No. of shares</i>	<i>(approximate)</i>	<i>No. of shares</i>	<i>(approximate)</i>	<i>No. of shares</i>	<i>(approximate)</i>
	<i>% of issued ordinary share capital of the Company</i>		<i>% of issued ordinary share capital of the Company</i>		<i>% of issued ordinary share capital of the Company</i>		<i>% of issued ordinary share capital of the Company</i>	
	<i>No. of shares</i>	<i>(approximate)</i>	<i>No. of shares</i>	<i>(approximate)</i>	<i>No. of shares</i>	<i>(approximate)</i>	<i>No. of shares</i>	<i>(approximate)</i>
Light Yield Ltd. <sup>(1)</sup>	152,678,504	6.73	152,678,504	6.72	152,678,504	6.30	152,678,504	6.29
Blue Natural Development Ltd <sup>(2)</sup>	182,026,000	8.03	182,026,000	8.01	182,026,000	7.51	182,026,000	7.50
Mountain Bright Limited <sup>(3)</sup>	486,657,686	21.47	486,657,686	21.42	486,657,686	20.08	486,657,686	20.04
Vintage Star Limited <sup>(4)</sup>	486,657,686	21.47	486,657,686	21.42	486,657,686	20.08	486,657,686	20.04
Shareholders of companies jointly controlled by Mr. Huang Yi and Mr. Li Guoqiang	1,308,019,876	57.70	1,308,019,876	57.58	1,308,019,876	53.97	1,308,019,876	53.87
JSH Investment Holdings Limited	453,412,844	20	453,412,844	19.96	453,412,844	18.71	453,412,844	18.67
Public Shareholders	505,631,500	22.30	510,265,237	22.46	662,229,263	27.32	666,863,000	27.46
Total	2,267,064,220	100	2,271,697,957	100	2,423,661,983	100	2,428,295,720	100

*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) Rule 8.08(1)(a) of the Listing Rules provides that normally at least 25% of the issuer's total issued share capital must at all times be held by the public. At the time of the Company's listing, the Hong Kong Stock Exchange (upon the Company's application) exercised its discretion under Rule 8.08(1)(d) of the Listing Rules to accept a lower public float percentage for the Company, which shall be the higher of (i) 15% or (ii) such percentage of Shares held by the public immediately after completion of the Global Offering (as increased by the Shares to be issued upon exercise of the over-allotment option). On 26 March 2010, the over-allotment option was fully exercised, resulting in the additional allotment of 42,924,000 Shares, and the percentage of Shares held by the public Shareholders increased to approximately 17.24%. Accordingly, the lower public float percentage of the Company accepted by the Hong Kong Stock Exchange is approximately 17.24% (being higher than 15%). Please refer to the prospectus of the Company dated 16 March 2010 and the Company's announcement dated 26 March 2010 for further details. In light of the above, the Company's public float will not fall below the minimum prescribed percentage agreed by the Hong Kong Stock Exchange (i.e. approximately 17.24%) assuming full conversion of 25% of the Existing Convertible Bonds and New Convertible Bonds at their respective initial conversion price. The Company will monitor closely and will ensure that it maintains the minimum public float percentage 17.24% from time to time.

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

Permission for the listing of, and dealing in, the New Convertible Bonds are expected to become effective on 24 May 2018. Approval for the listing of, and permission to deal in, the New Conversion Shares has been granted by the Hong Kong Stock Exchange.

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

Hong Kong, 23 May 2018

*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.*