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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF ZUNG FU CHINA INVOLVING ISSUE OF
CONSIDERATION SHARES UNDER SPECIFIC MANDATE —
DETERMINATION OF CLOSING CONSIDERATION**

Reference is made to the announcement of Zhongsheng Group Holdings Limited (the “Company”) dated 1 July 2021 (the “Transaction Announcement”), the circular dated 20 August 2021 and the announcement dated 8 September 2021, in each case in relation to the Company’s proposed acquisition of Zung Fu China. Unless otherwise defined, capitalised terms used herein have the same meanings ascribed to them in the Transaction Announcement.

The Board is pleased to announce that the Company has obtained the merger control clearance from the SAMR in respect of the Transaction and Closing is now scheduled to take place on 8 October 2021.

Further to the disclosure in the Transaction Announcement, the Company and the Seller have agreed for the Consideration payable by the Company for the Acquisition to be US\$1,300 million to be adjusted by the cash balance, the amount of debt and the difference between the amounts of the agreed level of working capital and the actual working capital of the Zung Fu China Group as at 30 September 2021 (the “**Closing Adjustments**”). The final amount of the Closing Adjustments will not be determined until after Closing, but for the purposes of the settlement of the Consideration on the Closing Date, the Company and the Seller have agreed on US\$28 million as the estimated amount of the Closing Adjustments and accordingly the Closing Consideration will be US\$1,328 million, comprising US\$900 million as the Cash Portion and US\$428 million as the Share Portion.

On the Closing Date, the Company will satisfy the Closing Consideration as follows:

- (a) the Cash Portion will be paid in cash after deducting (i) the Seller’s share of Hong Kong stamp duty payable in connection with the sale of the Sale Shares, and (ii) the Escrow Amount; and
- (b) the Share Portion will be settled by the allotment and issue of 52,403,272 new Shares (the “**Consideration Shares**”), credited as fully paid up, at the Issue Price of HK\$63.3964 per Share. The Consideration Shares will be issued pursuant to the specific mandate granted by the Shareholders at the extraordinary general meeting of the Company held on 8 September 2021.

An application for the listing of, and permission to deal in, the Consideration Shares has been made by the Company to the Stock Exchange.

Further announcements will be made by the Company upon (i) Closing; and (ii) determination of the final amounts of the Closing Adjustments and the Consideration following Closing, respectively.

The Board wishes to emphasise that as at the date of this announcement, completion of the Acquisition is still subject to the fulfilment of the Conditions as set out in the Share Purchase Agreement. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board of
Zhongsheng Group Holdings Limited
HUANG YI
Chairman

Hong Kong, 4 October 2021

As at the date of this announcement, the executive Directors are Mr. Huang Yi, Mr. Li Guoqiang, Mr. Du Qingshan, Mr. Zhang Zhicheng, Mr. Li Guohui and Mr. Tang Xianfeng; the non-executive Directors are Mr. David Alexander Newbigging and Mr. Hsu David; and the independent non-executive Directors are Mr. Shen Jinjun, Mr. Ying Wei, Mr. Chin Siu Wa Alfred and Mr. Li Yanwei.