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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)

**ANNOUNCEMENT ON INCREASE IN SHAREHOLDING OF THE
COMPANY BY SUBSTANTIAL SHAREHOLDERS
AND
THE OPERATION PERFORMANCE IN THE THIRD QUARTER**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Zhongsheng Group Holdings Limited (the “**Company**”) has been informed by The Capital Group Companies, Inc. (“**CGC**”) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) that CGC has recently purchased shares of the Company in the market and the interests of CGC in the issued share capital of the Company has increased from 4.99% to 5.01% as at 13 October 2011.

In addition, GAP (Bermuda) Limited, a substantial shareholder of the Company, has also informed the Board earlier pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) that GAP (Bermuda) Limited, through its subsidiaries, namely, General Atlantic Partners (Dalian), L.P. and GAP-W International, LP, has recently purchased shares of the Company in the market and as a result, increased its interests in the issued share capital of the Company from 7.51% to 8.09%.

Based on the public information available to the Company and to the knowledge of the Board, as at the date of this announcement, the Company has maintained sufficient public float of the issued shares of the Company.

In the third quarter of 2011, as the impacts of the Japan earthquake gradually diminish, the sales volume of Japanese luxury and mid-to-high-end brand vehicles in the China market quickly recovered, and in the meantime, the sales volume of German luxury brand vehicles continued its steady growth, which resulted in a significant increase in the new vehicle sales performance of the Company and its subsidiaries (the “**Group**”). In the third quarter this year,

the Group has sold a total of approximately 44,000 new vehicles, representing an increase of over 60% compared to the corresponding period last year. The revenue from the after-sales business were also remarkable, which exceeded RMB900 million in the third quarter this year, representing an increase of over 70% compared to the corresponding period last year. For the nine months ended 30 September 2011, both the new vehicle sales revenue and the after-sales business revenue of the Group have exceeded the full-year record of last year.

The Board would like to remind investors that the above operational data for the nine months ended 30 September 2011 was based on the management data of the Group which have not been reviewed or audited by the Company's auditors. Investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 October 2011

As at the date of this announcement, the executive directors of the Company are Mr. Huang Yi, Mr. Li Guoqiang, Mr. Du Qingshan and Mr. Yu Guangming; 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.