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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**

### **CONNECTED TRANSACTION - SUBSCRIPTION AGREEMENT BY A CONNECTED PERSON**

#### **The Subscription Agreement and the Proposed Placing**

We refer to the Company's announcements dated 19 January 2014, 24 January 2014 and 25 April 2014 and the circular dated 22 February 2014 in relation to the issue of 238,560,162 Shares and the Convertible Bonds to JSH. As at the date of this announcement, none of the Convertible Bonds has been converted into any Shares and the conversion period of the Convertible Bonds has lapsed, and the Convertible Bonds will mature on 25 April 2017. On 13 April 2017, the Company entered into a Subscription Agreement with the Investor, according to which the Company agrees to issue 120,557,263 Shares at the aggregate subscription price of HK\$1,344,290,639 to the Investor (or its nominee), and the Investor agrees to subscribe (or procure its nominee to subscribe) for the Subscription Shares.

The Subscription Shares represent 5.62% of the current issued share capital of the Company as at the date of this announcement and will represent approximately 5.32% of the total issued share capital of the Company as enlarged by the Proposed Placing, as a result of which, the Investor will directly and indirectly hold, together with the Shares held by the Investor as at the date of the Subscription Agreement, exactly 20% of the issued share capital of the Company as enlarged by the Proposed Placing.

The subscription of the Subscription Shares by the Investor is subject to certain conditions precedent and termination rights as set out below under the headings “Conditions Precedent of the Proposed Placing” and “Right of Termination”.

The maximum amount of net proceeds (after deduction of all applicable costs and expenses) from the Proposed Placing will be approximately HK\$1,343,000,000. The net price (after deducting all applicable costs and expenses, including the legal fees) raised per Share upon completion of the Proposed Placing will be approximately HK\$11.14. The Company shall use the net proceeds from the issue of the Subscription Shares for developing the dealership network and for general working capital purposes.

### **Board Confirmation**

The Board (excluding those Directors in the independent board committee of the Company, who will give their opinion based on the recommendations of the independent financial adviser) are of the view that the terms of Subscription Agreement are on normal commercial terms and fair and reasonable and are also in the interest of the Company and its Shareholders as a whole.

As Mr. Pang Yiu Kai currently holds a position as an executive director in the Investor, Mr. Pang Yiu Kai has abstained from voting on the relevant Board resolutions in relation to the Subscription Agreement.

### **Listing Rules Implication**

As of the date of this announcement, the Investor, through its wholly-owned subsidiary JSH, indirectly holds 332,855,581 Shares, representing 15.51% of the issued share capital the Company, and therefore is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Proposed Placing constitutes a connected transaction of the Company.

The Subscription Agreement will be subject to the Independent Shareholders’ approval at the EGM. JSH will be required to abstain from voting on the relevant resolutions in respect of the Subscription Agreement at the EGM.

A circular containing, among other things, (i) further details of the Proposed Placing; (ii) a letter of recommendation from the independent Board committee of the Company to the Independent Shareholders in relation to the Subscription Agreement; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Subscription Agreement; and (iv) a notice convening the EGM, will be dispatched to the Shareholders on or before 9 May 2017.

**Since completion of the subscription of the Subscription Shares is subject to the satisfaction of certain conditions precedent and both parties’ termination rights, the Proposed Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION AGREEMENT**

We refer to the Company's announcements dated 19 January 2014, 24 January 2014 and 25 April 2014 and the circular dated 22 February 2014 in relation to the issue of 238,560,162 Shares and the Convertible Bonds to JSH. As at the date of this announcement, none of the Convertible Bonds was converted into any Shares and the conversion period of the Convertible Bonds has lapsed, and the Convertible Bonds will mature on 25 April 2017. On 13 April 2017, the Company entered into the Subscription Agreement with the Investor, according to which the Company agrees to issue 120,557,263 Shares at the aggregate subscription price of HK\$1,344,290,639 to the Investor (or its nominee), and the Investor agrees to subscribe (or procure its nominee to subscribe) for the Subscription Shares. Details of the Subscription Agreement are set out as follows.

### **The Company**

Zhongsheng Group Holdings Limited

### **The Investor**

Jardine Strategic Holdings Limited

### **Subscription Shares**

The Investor agrees to subscribe for (or to procure its nominee to subscribe for), and the Company agrees to issue to the Investor (or its nominee), the Subscription Shares on the terms and conditions set out in the Subscription Agreement.

### **The Company's Lock-up Undertaking**

The Company has undertaken that neither the Company nor any person acting on its behalf will between the date of the Subscription Agreement and the Completion Date (both dates inclusive), make any changes to the Company's share capital, other than the Subscription Shares to be issued pursuant to the Subscription Agreement.

### **The Investor's Undertaking**

The Investor has undertaken that, from the date of the Subscription Agreement to the Completion Date, the Investor shall not, and shall procure that its affiliates shall not, without the prior written consent of the Company, acquire (including contract or agree to acquire) directly or indirectly any Share (including equity derivatives of which a Share is an underlying asset or object) or enter into any transaction with the same economic effect as any transaction described above, provided that nothing in this undertaking shall prevent the Investor or any of its affiliates entering into or performing any contract that is solely between any of them and the Investor or another affiliate or affiliates (the "**Pre-Completion No Acquisition Undertaking**").

The Investor has further undertaken to the Company that it will not, and will procure that its affiliates shall not, for a period of three years following the Completion Date, without the prior written consent of the Company, acquire (including contract or agree to acquire) directly or indirectly any Share (including the Subscription Shares and equity derivatives of which a Share is an underlying asset or object) which results in the Investor and its affiliates being, directly or indirectly, the legal or beneficial holders of such number of Shares in aggregate representing more than 25% of the then issued share capital of the Company, or enter into any transaction with the same economic effect as any transaction described above, provided that this undertaking shall not restrict the increase of the Investor's direct and indirect shareholding percentage beyond 25% of the then issued share capital of the Company to the extent this arises solely as a result of any share buyback conducted by the Company or any taking up of its pro-rata Shares or rights or entitlements to Shares by the Investor or its affiliates in any issuance or offer of Shares or rights or entitlements to Shares by the Company to all its Shareholders on a pro-rata basis, such as any bonus issue, capitalisation issue or other capital reorganisation carried out by the Company, any scrip dividends made or paid by the Company, any dividend reinvestment plan, or any other voluntary action of the Company or opportunity provided by the Company to all its Shareholders on a pro-rata basis. (For the avoidance of doubt, the proviso above will not apply to the extent the Investor or any of its affiliates becomes directly or indirectly the legal or beneficial holder of Shares as a result of any voluntary action by it to acquire more Shares than those to which it is entitled as a result of the relevant issue, reorganisation or other corporate action of the Company.)

After the expiry of the three-year period mentioned above, the Investor shall not, and shall procure that its affiliates shall not, without the prior written consent of the Company, acquire (including contract or agree to acquire) directly or indirectly any Share if the acquisition would result in the number of issued Shares of the Company held by the public falling below 17.24% of the total number of issued Shares of the Company at the time so that the Company ceases to be in compliance with the minimum public shareholding requirements of the Listing Rules (as modified or waived by the Stock Exchange).

### **Nomination of Director**

It is agreed by both parties that the Company shall procure for so long as the Investor (or its nominee) and its affiliates in aggregate hold (directly or indirectly) no less than 19.5% of the Shares, that two persons designated by the Investor (or its nominee) are nominated and recommended to be appointed (and re-appointed, as required) as non-executive Directors of the Company at or before the next general meeting of the Company after the date of the Investor's (or its nominee's) designation.

### **Right of Termination**

If at any time prior to payment of the aggregate Subscription Price to the Company:

- (i) the Company is in breach of its obligations under the Subscription Agreement;
- (ii) the Company is in breach of any representation, warranties or undertakings given by it in the Subscription Agreement in any material respect;

- (iii) there shall develop, occur, exist or come into effect a suspension of dealings in any of the Shares or listing of any of the Shares on the Stock Exchange for a consecutive period of two trading days or more;
- (iv) a statute, rule, regulation, order, decree, ruling or injunction has been enacted, entered, promulgated, endorsed, threatened or is pending by or before any governmental entity or regulatory authority which in any material respect restricts, prohibits or threatens to restrict or prohibit the consummation of any of the transactions contemplated by the Subscription Agreement;
- (v) there is any change which gives rise to a material adverse effect; or
- (vi) there shall have occurred any of the following:
  - (a) a suspension or material limitation in trading in securities generally on the Stock Exchange;
  - (b) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong; or
  - (c) the outbreak or escalation of hostilities in Hong Kong or the PRC or the declaration by Hong Kong or the PRC of a national emergency or war;

then the Investor shall be entitled (but not bound) by written notice to the Company to elect to treat such event, breach or failure as terminating the Subscription Agreement notwithstanding any other provisions of the Subscription Agreement.

If at any time prior to payment of the aggregate Subscription Price to the Company, the Investor is in breach of certain representations, warranties or undertakings given by it in the Subscription Agreement (including the Pre-Completion No Acquisition Undertaking), then the Company shall be entitled (but not bound) by written notice to the Investor to elect to treat such event, breach or failure as terminating the Subscription Agreement notwithstanding any other provisions of the Subscription Agreement.

## **THE PROPOSED PLACING**

According to the Subscription Agreement, the Investor agrees to subscribe for (or to procure its nominee to subscribe for), and the Company agrees to issue to the Investor (or its nominee), the Subscription Shares. Details of the Proposed Placing are as follows:

### **Numbers of Subscription Shares**

The Subscription Shares comprise 120,557,263 ordinary Shares of HK\$0.0001 each in the share capital of the Company to be issued by the Company.

The Subscription Shares represent 5.62% of the current issued share capital of the Company as at the date of this announcement and will represent approximately 5.32% of the total issued share capital of the Company as enlarged by the Proposed Placing, as a result of which, the Investor will directly and indirectly hold, together with the Shares held by the Investor through its wholly-owned subsidiary JSH as at the date of the Subscription Agreement, exactly 20% of the issued share capital of the Company as enlarged by the Proposed Placing.

The aggregate nominal value of the Subscription Shares under the Proposed Placing will be HK\$12,055.7263.

### **Subscription Price**

The Subscription Price of HK\$11.15064 per Subscription Share represents:

- (i) a premium of approximately 0.1% to the closing price of HK\$11.14 per Share as quoted on the Stock Exchange on 13 April 2017, being the date of the Subscription Agreement; and
- (ii) a premium of approximately 2% to the average closing price of HK\$10.932 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 12 April 2017.

The Subscription Price was determined after arm's length negotiation between the Company and the Investor which has taken into account the recent market price of the Shares and the current market conditions.

### **Conditions Precedent of the Proposed Placing**

Completion of the subscription and issue of the Subscription Shares and the Proposed Placing is conditional on:

- (i) the resolutions regarding the Proposed Placing having been duly approved by the Company's Shareholders (other than the Investor and its associates and any other Shareholders who are required by the Listing Rules to abstain from voting in respect of the resolutions) as an ordinary resolution at the EGM;
- (ii) the conversion period of the Convertible Bonds having lapsed;
- (iii) obtaining the approval from the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares;
- (iv) publication of this announcement;



- (v) on the Completion Date:
  - (a) the representations, warranties and undertakings of the Company in the Subscription Agreement being true, accurate and correct (in all material respects, if applicable) and not misleading at, and as if made on, such date; and
  - (b) the Company having performed or satisfied all of its agreements, undertakings and obligations under the Subscription Agreement to be performed on or before such date (in all material respect, if applicable);

and

- (vi) on the Completion Date:
  - (a) the representations, warranties and undertakings of the Investor in the Subscription Agreement being true, accurate and correct (in all material respects, if applicable) and not misleading at, and as if made on, such date; and
  - (b) the Investor having performed or satisfied all of its agreements, undertakings and obligations under the Subscription Agreement to be performed on or before such date (in all material respect, if applicable);

The Company shall promptly give notice to the Investor (1) if it becomes aware that any of the abovementioned conditions (i), (iii) and (v) may not be satisfied and (2) of the satisfaction of the abovementioned conditions (i), (iii) and (v) and provide copies of documents evidencing such satisfaction, where appropriate, in any event, within two Business Days of becoming aware of the same. The Investor may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the abovementioned conditions (iii) to (v). The Company may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the abovementioned conditions (ii) and (vi). For the avoidance of doubt, neither the Company nor the Investor may waive compliance with the abovementioned condition (i).

If the abovementioned conditions are not satisfied or waived on or before thirty (30) Business Days from the date of the Subscription Agreement, either the Company (subject to it having satisfied all of its obligations in respect of the fulfilment of the abovementioned conditions (i), (iii) and (v)) or the Investor may in its sole and absolute discretion terminate the Subscription Agreement or effect completion so far as practicable in accordance with the terms of the Subscription Agreement.

## **Completion**

Subject to the satisfaction or waiver of the conditions to the Proposed Placing, the completion of the Proposed Placing is expected to take place on the Completion Date, or such other date as agreed to in writing between the Company and the Investor provided that if dealings in any of the Shares or listing of any of the Shares on the Stock Exchange is suspended on the Completion Date, the completion of the Proposed Placing shall be delayed until the next date on which dealings in, and the listing of, the Shares on the Stock Exchange are not suspended.

## Effect of the Proposed Placing on the Shareholding Structure

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Proposed Placing assuming no other change in the share capital of the Company:

Name of Shareholder	As at the date of this announcement		On the Completion Date	
	No. of ordinary Shares	Approximate percentage of issued share capital	No. of ordinary Shares	Approximate percentage of issued share capital
Blue Natural Development Ltd. (Note 1)	181,613,500	8.46%	181,613,500	8.01%
Light Yield Ltd. (Note 2)	152,678,504	7.11%	152,678,504	6.73%
Mountain Bright Limited (Note 3)	486,657,686	22.67%	486,657,686	21.47%
Vintage Star Limited (Note 4)	486,657,686	22.67%	486,657,686	21.47%
<b>Shareholdings of companies jointly controlled by Mr. Huang Yi and Mr. Li Guoqiang</b>	<b>1,307,607,376</b>	<b>60.92%</b>	<b>1,307,607,376</b>	<b>57.68%</b>
The Investor (Note 5)	332,855,581	15.51%	453,412,844	20.00%
Public Shareholders	506,044,000	23.58%	506,044,000	22.32%
<b>Total</b>	<b>2,146,506,957</b>	<b>100.00%</b>	<b>2,267,064,220</b>	<b>100%</b>

### Notes:

- Blue Natural Development Ltd. is owned by Light Yield Ltd. (62.3%), which is wholly-owned by Mr. Huang Yi, and Vest Sun Ltd. (37.7%), which is wholly-owned by Mr. Li Guoqiang. Mr. Huang Yi and Mr. Li Guoqiang are directors of Blue Natural Development Ltd.
- Light Yield Ltd. is wholly-owned by Mr. Huang Yi, who is also the sole director of Light Yield Ltd.
- Mountain Bright Limited is wholly owned by RBC Trustees (CI) Limited as trustee of a trust settlement for Mr. Huang Yi (the settler of the trust) and his family.
- Vintage Star Limited is wholly owned by RBC Trustees (CI) Limited as trustee of a trust settlement for Mr. Li Guoqiang (the settler of the trust) and his family.
- The Investor is interested in 332,855,581 Shares through its wholly-owned subsidiary JSH.



## **Ranking of the Subscription Shares**

The Subscription Shares will rank *pari passu* in all respects with the existing Shares in issue as at the Completion Date including the right to receive all dividends declared, made, or paid on or after the Completion Date.

## **USE OF PROCEEDS**

The maximum amount of net proceeds (after deduction of all applicable costs and expenses) from the Proposed Placing will be approximately HK\$1,343,000,000. The net price (after deducting all applicable costs and expenses, including the legal fees) raised per Share upon completion of the Proposed Placing will be approximately HK\$11.14. The Company shall use the net proceeds from the issue of the Subscription Shares for developing the dealership network and for general working capital purposes.

## **INFORMATION OF PARTIES TO THE SUBSCRIPTION AGREEMENT**

### **Information of the Investor**

The Investor is a holding company which takes long-term strategic investments in multinational businesses, particularly those with an Asian focus, and in other high quality companies with existing or potential links with the Investor group. Its principal attributable interests are in Jardine Matheson (57%), Hongkong Land (50%), Dairy Farm (78%), Mandarin Oriental (77%) and Jardine Cycle & Carriage (75%), which in turn has a 50% interest in Astra. The Investor is 84% held by Jardine Matheson. The Investor is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Investor's interests are managed from Hong Kong by Jardine Matheson Limited.

### **Information of the Company**

The Company is a leading national automobile distribution group in China which principally engaged in providing one-stop services including sales of new and second-hand automobiles, after-sales, refitting, 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.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Investor has a diversified business portfolio with very rich experience in automobile and automobile dealership industry of the Mainland market as well as in-depth understanding of this industry. The combination of the Company's leading position in China's automobile dealership market, coupled with the Investor's experience in this sector across Asia and its long-term vision, represents a powerful long-term strategic partnership and we are very confident with our substantial and sustainable development in the future.

## **BOARD CONFIRMATION**

The Board (excluding those Directors in the independent board committee of the Company, who will give their opinion based on the recommendations of the independent financial adviser) are of the view that the terms of Subscription Agreement are on normal commercial terms and fair and reasonable and are also in the interest of the Company and its Shareholders as a whole.

As Mr. Pang Yiu Kai currently holds a position as an executive director in the Investor, Mr. Pang Yiu Kai has abstained from voting on the relevant Board resolutions in relation to the Subscription Agreement.

## **LISTING RULES IMPLICATION**

As of the date of this announcement, the Investor, through its wholly-owned subsidiary JSH, indirectly holds 332,855,581 Shares, representing 15.51% of the issued share capital the Company, and therefore is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Proposed Placing constitutes a connected transaction of the Company.

The Subscription Agreement will be subject to the Independent Shareholders' approval at the EGM. JSH will be required to abstain from voting on the relevant resolutions in respect of the Subscription Agreement at the EGM.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

There has not been any equity fund raising activity or any issue of equity securities of the Company in the 12 months preceding the date of this announcement.

## **CONVENTION OF EGM**

The EGM will be held by the Company to approve the following resolutions:

- (i) that the Directors be authorised to allot and issue the Subscription Shares (on the terms and conditions of the Subscription Agreement) to the Investor (or its nominee); and
- (ii) that an additional person nominated by the Investor be elected as a non-executive Director subject to the completion of the subscription and issue of the Subscription Shares.

A circular containing, among other things, (i) further details of the Proposed Placing; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in relation to the Subscription Agreement; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Subscription Agreement; and (iv) a notice convening the EGM, will be dispatched to the Shareholders on or before 9 May 2017.

To the best knowledge of the Directors, save for JSH, no other Shareholder is required to abstain from voting at the EGM in respect of the resolutions in respect of the Subscription Agreement.

### **CONTROLLING SHAREHOLDERS' UNDERTAKING**

The ultimate controlling Shareholders of the Company, Mr. Huang Yi and Mr. Li Guoqiang, have irrevocably undertaken to the Investor that (1) they shall procure that the Company convenes the EGM as soon as reasonably practicable and to be held no later than 30 Business Days in Hong Kong after the date of the Subscription Agreement at which the abovementioned resolutions (each as an ordinary resolution) will be put to the Shareholders; (2) they shall exercise, and procure the registered holders of the 1,307,607,376 Shares in which they hold beneficial interest to exercise, the voting rights attaching to such Shares to vote in favour of the resolutions at the EGM; and (3) they shall not, and shall procure the registered holders not to, sell, transfer, cancel, dispose of, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal in any of such Shares until after the earlier of the conclusion of the EGM or 31 July 2017.

### **APPLICATION FOR LISTING**

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

### **INDEPENDENT FINANCIAL ADVISOR**

An independent financial advisor will be appointed by the Company to advise the independent board committee and the Independent Shareholders in respect of the Proposed Placing.

**SINCE COMPLETION OF THE SUBSCRIPTION OF THE PLACING SHARES IS SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT AND BOTH PARTIES' TERMINATION RIGHTS, THE PLACING MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.**

## TERMS AND DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“affiliate”	in relation to a person, any entity that directly or indirectly Controls such person or is directly or indirectly Controlled by such person, or any entity that is under direct or indirect common Control with such person
“Board”	the board of directors of the Company
“Business Day”	a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and on which the Stock Exchange is open for business of dealing in securities
“Company”	Zhongsheng Group Holdings Limited, a limited liability company incorporated under the laws of Cayman Islands whose registered address is at P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands and whose Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Completion Date”	two Business Days after the date on which all conditions (if applicable) in respect of the subscription of the Subscription Shares have been fulfilled or waived in accordance with the Subscription Agreement
“Control”	possession, directly or indirectly, of the power to direct or cause the direction of the operations and management or policies of an entity, whether through the ownership of voting securities, by contract or otherwise, and “Controlled” and “Controls” shall be construed accordingly
“Convertible Bonds”	the HK\$3,091,500,000 2.85% Convertible bonds due 2017 issued by the Company to JSH on 25 April 2014 which will mature on 25 April 2017
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be held for Shareholders to vote for or against the resolutions in respect of the Subscription Agreement and the Proposed Placing, the time and address of convention of which are to be announced in the notice to such extraordinary general meeting

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	Shareholder(s) other than JSH, a wholly-owned subsidiary of the Investor, who is a party to the Subscription Agreement
“Investor”	Jardine Strategic Holdings Limited, a limited liability company incorporated under the laws of Bermuda whose registered address is at Jardine House, 33-35 Reid Street, Hamilton, Bermuda
“JSH”	JSH Investment Holdings Limited, a limited liability company incorporated under the laws of British Virgin Islands, who is a substantial Shareholder of the Company holding 332,855,581 Shares, representing 15.51% of the issued share capital the Company as at the date of this announcement and a wholly-owned subsidiary of the Investor
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Ltd.
“PRC”	the People’s Republic of China, which (for the purpose of this announcement) excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Placing”	the proposed placing of 120,557,263 Shares to the Investor pursuant to the Subscription Agreement
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	ordinary share(s) with a par value of HK\$0.0001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement entered into between the Company and the Investor on 13 April 2017, pursuant to which the Company agrees to issue the Subscription Shares to the Investor (or its nominee), and the Investor agrees to subscribe (or procure its nominee to subscribe) for the Subscription Shares
“Subscription Price”	HK\$11.15064 per Subscription Share

“Subscription Shares”

120,557,263 new Shares

*The terms “associate”, “connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless otherwise defined above or where the context otherwise requires.*

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

Hong Kong, 13 April 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 director of the Company is Mr. Pang Yiu Kai; and the independent nonexecutive directors of the Company are Mr. Shen Jinjun, Mr. Lin Yong, Mr. Shoichi Ota and Mr. Ying Wei.*