

**ZHONGSHENG GROUP HOLDINGS LTD:  
TOYOTA SALES ARE ONE OF THE KEYS  
TO THE FINANCIAL SUCCESS OF THIS COMPANY**

**But What If Toyota Does Not Survive ?**

It has to be first for the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC): Senior Management of a company, pitching an **Initial Public Offering (IPO)**, is flogging its scrip at a Prospective, Price-Earnings Multiple, ranging from 34.60 times to 46.50 times.

**TARGET** () cannot recall, seeing such a high Prospective, Price-Earnings Multiple – ever.

The company that is Offering its shares at this sky-high Prospective, Price-Earnings Multiple is Zhongsheng Group Holdings Ltd () (Code: 881, Main Board, The Stock Exchange of Hongkong Ltd), a company that is a vendor of motor vehicles in the PRC.

Zhongsheng Group Holdings Ltd published and distributed its Global Offering Prospectus, last Tuesday, in an attempt to land between \$HK2,552,000,000 and \$HK3,461,000,000.

Being realists, Management intimated that it is likely, only, to entice prospective investors to its corporate bosom at the lowest end of the Offer Price Range: \$HK9.54 per share.

The Company is making a Global Offering of 286,160,000 Shares of a Nominal Value of \$HK0.0001 per Share at between \$HK9.54 per Share and \$HK12.83 per Share.

HKSAR investors are being Offered 30.65 million Shares, while International Investors are being Offered 255.51 million Shares.

On the assumption that the Company will land about \$HK2,552,000,000 from prospective shareholders, it will apply these funds accordingly:

1. About 70 percent – \$HK1,787,000,000 – to be used for the expansion of the Company's motor-vehicle dealerships in the PRC; 2. About 4 percent – \$HK102 million – to be used to upgrade maintenance and refurbishment of dealerships;
3. About 8 percent – \$HK204 million – to be used for the Company's used, motor-vehicle sales business;
4. About 4 percent – \$HK102 million – to be used to establish additional quick-service shops;
5. About 4 percent – \$HK102 million – to be used to establish additional motor-vehicle, accessory exhibition centres; and,
6. About 10 percent – \$HK255 million – to be tipped into the General Working Capital Account.

This medium has disregarded any prospect of Zhongsheng Group Holdings Ltd, obtaining anything more than the lowest end of the Offer Price Range: \$HK9.54 per Share.

The business of this Company, as already stated, is in the sales of motor vehicles in the PRC, proper, being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC.

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