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*Unless otherwise defined herein, capitalised terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 30 December 2016 (the “**Prospectus**”) issued by Zhi Sheng Group Holdings Limited (the “**Company**”).*

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares or other securities of the Company. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

ZHI SHENG GROUP HOLDINGS LIMITED

智昇集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 268,000,000 Placing Shares

**Final Placing Price : HK\$0.31 per Placing Share, plus brokerage
of 1%, SFC transaction levy of 0.0027%
and Stock Exchange trading fee of 0.005%
(payable in full on application in Hong Kong
dollars)**

Nominal value : HK\$0.01 per Share

Stock code : 8370

Sole Sponsor



ConvoY Capital

ConvoY Capital Hong Kong Limited

Sole Bookrunner and Sole Lead Manager



CSL Securities Limited

- The Placing Price has been determined at HK\$0.31 per Placing Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on a Placing Price of HK\$0.31 per Placing Share, the net proceeds to be received by the Company from the Placing, after deducting the underwriting fees and other expenses payable by the Company in relation to the Placing, are estimated to be approximately HK\$59.7 million.
- The 268,000,000 Placing Shares initially offered under the Placing have been moderately over-subscribed and have been conditionally allocated to a total of 125 selected institutional, professional and other investors in Hong Kong.
- The Offer Size Adjustment Option has not been exercised by the Sole Lead Manager and has lapsed.
- A total of 103 placees have been allotted up to two board lots of Shares, representing approximately 82.4% of the total number of placees under the Placing, and these Shares represent approximately 0.32% of the total number of the Placing Shares.
- The Directors confirm that, to the best of their knowledge and belief, all the placees under the Placing and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules) including any of its directors, chief executive, controlling shareholders or substantial shareholders (as defined under the GEM Listing Rules) of the Company and any of its subsidiaries and their respective close associates (as defined under the GEM Listing Rules), and are not any type of person or group of persons as referred to in Rule 10.12(4) of the GEM Listing Rules, whether in their own names or through nominees, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by a connected person of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from a connected person of the Company in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee will individually be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing, and the Directors confirm that there will be no new substantial shareholder (as defined in the GEM Listing Rules) immediately after completion of the Capitalisation Issue and the Placing.
- The Directors further confirm that, immediately after completion of the Capitalisation Issue and the Placing, the Company will comply with Rule 11.23(7) of the GEM Listing Rules that the public float of the Company will not be less than 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders and the Shares in public hands will be held among at least 100 persons, as required under Rule 11.23(8) of the GEM Listing Rules.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 20 January 2017. Shares will be traded in board lots of 8,000 Shares each. The stock code of the Shares is 8370.

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| <ul style="list-style-type: none">● Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares. |
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PLACING PRICE AND USE OF PROCEEDS

Pursuant to the Price Determination Agreement entered into between the Company and the Sole Bookrunner (for itself and on behalf of the Underwriters) dated 10 January 2017, the Placing Price was determined at HK\$0.31 per Placing Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

The net proceeds to be received by the Company from the Placing, after deducting the underwriting fees and other expenses payable by the Company in relation to the Placing, are estimated to be approximately HK\$59.7 million. The Directors intend to use the net proceeds in accordance with the purposes set forth in the section headed “Future Plans and Use of Proceeds” in the Prospectus in the following manner:

- approximately 8.38% of the total estimated net proceeds, or approximately HK\$5.0 million will be used for the renovation of the exhibition hall of the Group at its Chengdu headquarters;
- approximately 18.26% of the total estimated net proceeds, or approximately HK\$10.9 million, will be used for the acquisition of new machinery and equipment;
- approximately 59.63% of the total estimated net proceeds, or approximately HK\$35.6 million, will be used for repayment of existing short-term bank borrowing of the Group (which has an annual interest rate of 20% above the PBOC bench interest rate), the proceeds of which was used for working capital purposes;
- approximately 12.06% of the total estimated net proceeds, or approximately HK\$7.2 million, will be used for repayment of short-term borrowings of the Group (which the Directors expect to have an annual interest rate of 18%), which was used for repayment of shareholders’ loan owed to Mr. Ma, Oasis and Ms. Sum respectively before Listing; and
- approximately 1.67% of the total estimated net proceeds, or approximately HK\$1.0 million, will be used for the funding of working capital and other general corporate purposes of the Group.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 268,000,000 Placing Shares initially offered under the Placing have been moderately over-subscribed.

The Offer Size Adjustment Option has not been exercised by the Sole Lead Manager and has lapsed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 268,000,000 Placing Shares have been conditionally allocated to a total of 125 selected institutional, professional and other investors in Hong Kong. A total of 103 placees have been allotted up to two board lots of Shares, representing approximately 82.4% of the total number of placees under the Placing, and these Shares represent approximately 0.32% of the total number of the Placing Shares. The distribution of the Placing Shares is set out as follows:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing (Taking no account of options that may be granted under the Share Option Scheme)
Top placee	31,536,000	11.77%	4.71%
Top 5 placees	132,512,000	49.44%	19.78%
Top 10 placees	200,360,000	74.76%	29.90%
Top 25 placees	267,184,000	99.70%	39.88%
Number of Placing Shares allocated			Number of placees
8,000 to 80,000			103
80,001 to 800,000			2
800,001 to 8,000,000			5
8,000,001 to 12,000,000			7
12,000,001 and above			8
Total:			125

The Directors confirm that, to the best of their knowledge and belief, all the placees under the Placing and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules) including any of its directors, chief executive, controlling shareholders or substantial shareholders (as defined under the GEM Listing Rules) of the Company and any of its subsidiaries and their respective close associates (as defined under the GEM Listing Rules), and are not any type of person or group of persons as referred to in Rule 10.12(4) of the GEM Listing Rules, whether in their own names or through nominees, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by a connected person of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from a connected person of the Company in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it. No placee will individually be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing, and the Directors confirm that there will be no new substantial shareholder (as defined in the GEM Listing Rules) immediately after completion of the Capitalisation Issue and the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(2)(b) of the GEM Listing Rules, the Shares in public hands should, as at the time of Listing, be held among at least 100 persons.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time of Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, the three largest public Shareholders shall not beneficially own more than 50% of the Shares in public hands at the time of Listing. The Directors confirm that, immediately after the completion of the Capitalisation Issue and the Placing, the public float of the Company will be not less than 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders and the Shares in public hands will be held among at least 100 persons.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, which is expected to be Friday, 20 January 2017, or any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for subscription monies for the Placing Shares. No temporary documents or evidence of title will be issued by the Company.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on or about Thursday, 19 January 2017 for credit to the respective CCASS Participants' or CCASS Investor Participants' stock accounts designated by the Sole Lead Manager (for itself and on behalf of the Underwriters), the placees or their agents (as the case may be).

Prospective investors of the Placing Shares should note that the Sole Sponsor and/or the Sole Lead Manager (for itself and on behalf of the Underwriters) is entitled to terminate the Underwriting Agreement by notice in writing to the Company (for itself and on behalf of the executive Directors and the Controlling Shareholders), upon the occurrence of any of the events set forth in the paragraph headed "Grounds for termination" in the section headed "Underwriting" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be on Friday, 20 January 2017. In the event that conditions of the Placing as mentioned therein are not fulfilled (or, where applicable, not waived) prior to the time and date specified in the Prospectus, the Placing will lapse and all monies received will be refunded to the applicants of the Placing Shares without interests and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.qtbgi.com on the next business day following such lapse.

All share certificates for the Placing Shares will only become valid documents of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be Friday, 20 January 2017.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 20 January 2017. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.qtbgi.com accordingly. The Shares will be traded in board lots of 8,000 Shares each. The stock code for the Shares is 8370.

By Order of the Board
Zhi Sheng Group Holdings Limited
Yi Cong
Executive Director

Hong Kong, 19 January 2017

As at the date of this announcement, the executive Directors are Mr. Yi Cong, Mr. Liang Xing Jun, the non-executive Director is Mr. Ma Gary Ming Fai, and the independent non-executive Directors are Mr. Chan Wing Kit, Ms. Cao Shao Mu and Mr. Kwok Sui Hung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading, and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk, on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company's website at www.qtbj.com.