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ZHI SHENG GROUP HOLDINGS LIMITED

智昇集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8370)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions of the Placing Agreement have been satisfied and Completion took place on 25 June 2019. An aggregate of 134,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Places at the Placing Price of HK\$0.235 per Placing Share.

Reference is made to the announcement of Zhi Sheng Group Holdings Limited (the “**Company**”) dated 6 June 2019 (the “**Announcement**”) and the supplemental announcement dated 10 June 2019 in relation to the placing of new shares under general mandate. Terms defined herein shall have the same meanings as those in the Announcement unless the context requires otherwise.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions of the Placing Agreement have been satisfied and Completion took place on 25 June 2019. An aggregate of 134,000,000 Placing Shares (representing approximately 16.67% of the issued share capital of the Company as enlarged by the Placing) have been successfully placed by the Placing Agent to not less than six Places at the Placing Price of HK\$0.235 per Placing Share. The Placing Shares were allotted and issued pursuant to the General Mandate.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Places and their respective ultimate beneficial owners are Independent Third Parties. None of the Places has become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company immediately upon Completion.

The net proceeds from the Placing of approximately HK\$30.76 million will be utilised as follows:

- (i) approximately 42% of the total estimated net proceeds, or approximately HK\$12.92 million, will be used for purchase of raw materials for production;
- (ii) approximately 23% of the total estimated net proceeds, or approximately HK\$7.07 million, will be used to increase the Group's liquidity, thus allowing the Group to offer longer credit period to customers, so as to increase market competitiveness of the Group; and
- (iii) approximately 35% of the total estimated net proceeds, or approximately HK\$10.77 million, will be used for working capital of the Group to meet obligation such as payment of professional parties' fee.

The shareholding structures of the Company immediately before and after Completion are set out as follows:

	Immediately before Completion		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate (%)</i>	<i>Number of Shares</i>	<i>Approximate (%)</i>
Shareholders				
Sun Universal Limited ^(Note 1)	245,300,400	36.62	245,300,400	30.51
Brilliant Talent Global Limited ^(Note 2)	116,580,000	17.40	116,580,000	14.50
Public Shareholders				
The Placees	—	—	134,000,000	16.67
Other public Shareholders	<u>308,119,600</u>	<u>45.98</u>	<u>308,119,600</u>	<u>38.32</u>
Total	<u>670,000,000</u>	<u>100.00</u>	<u>804,000,000</u>	<u>100.00</u>

Notes:

1. The entire issued share capital of Sun Universal Limited is legally and beneficially owned by Mr. Ma Gary Ming Fai. Accordingly, Mr. Ma Gary Ming Fai and his spouse, namely Ms. Hung Fung King Margaret, are deemed to be interested in the Shares held by Sun Universal Limited for the purpose of Part XV of the SFO.
2. The entire issued share capital of Brilliant Talent Global Limited is owned by Ms. Zhang Gui Hong, who is the spouse of Mr. Yi Cong, an executive Director. Accordingly, Ms. Zhang Gui Hong and Mr. Yi Cong are deemed to be interested in all the Shares held by Brilliant Talent Global Limited for the purpose of Part XV of the SFO.

For and on behalf of the Board
Zhi Sheng Group Holdings Limited
Yi Cong
Executive Director

Hong Kong, 25 June 2019

As at the date of this announcement, the Board comprises Mr. Yi Cong and Mr. Liang Xing Jun as executive Directors; Mr. Luo Guoqiang as non-executive Director; and Mr. Chan Wing Kit, Ms. Cao Shao Mu and Mr. Kwok Sui Hung as independent non-executive Directors.

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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.