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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)

**(i) COMPLETION OF THE SUBSCRIPTIONS;
(ii) CONVERSION OF 2024 CONVERTIBLE BONDS;
AND
(iii) CHANGE IN USE OF PROCEEDS FROM
THE SUBSCRIPTIONS**

References are made to (1) the announcement of Zhi Sheng Group Holdings Limited (the “**Company**”) dated 21 October 2024, (2) the circular of the Company dated 26 November 2024 (the “**Circular**”) and (3) the poll results announcement dated 13 December 2024 in relation to, among other things, the Subscriptions. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF THE SUBSCRIPTIONS

The Board is pleased to announce that all conditions precedents of the Subscription Agreements have been fulfilled and Completion took place on 20 December 2024 in accordance with the terms and conditions of Subscription Agreements. A total of 45,000,000 Subscription Shares have been allotted and issued to the Subscribers, pursuant to the terms of the Subscription Agreements, at the Subscription Price of HK\$0.30 per Subscription Share.

CONVERSION OF 2024 CONVERTIBLE BONDS

On 17 December 2024, the Company received a conversion notice from Rock Link Limited, being one of the bondholders of the 2024 Convertible Bonds in the principal amount of HK\$2.48 million and an Independent Third Party, exercising its rights to convert the 2024 Convertible Bonds at the conversion price of HK\$0.683 per conversion share (the “**Conversion**”). 3,631,039 conversion shares, representing approximately 4.00% of the total number of issued Shares immediately before the Completion and Conversion and approximately 2.61% of the total number of issued Shares enlarged by the Shares issued under the Subscriptions and Conversion, will be allotted and issued to Rock Link Limited. The conversion shares shall rank *pari passu* with, and carry the same rights in all aspects (including the rights to dividends) as, the other Shares in issue as at the date of the allotment and among themselves in all respects.

CHANGE IN USE OF PROCEEDS FROM THE SUBSCRIPTIONS

As disclosed in the Circular, the net proceeds from the Subscriptions, after deduction of relevant legal and advisory costs, will amount to approximately HK\$12.9 million. In view of the Conversion, the Company will change the use of the net proceeds from the Subscriptions, and apply (i) HK\$9.92 million for the repayment of the 2024 Convertible Bonds in the principal amount of HK\$9.92 million held by the Bondholder A and (ii) approximately HK\$2.98 million as the general working capital of the Group. The Board considers that such change of use of the net proceeds allows the Company to deploy its financial resources more flexibly and effectively and aligns with the current business needs of the Group. The Board believes that the change in use of proceeds will not have any material adverse effect on the existing business and operation of the Group and is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before Completion and Conversion; (ii) immediately after Completion but before Conversion; and (iii) immediately after Completion and Conversion are set out as follows:

	(i) Immediately before Completion and Conversion		(ii) Immediately after Completion but before Conversion		(iii) Immediately after Completion and Conversion	
	Shares	%	Shares	%	Shares	%
Sun Universal Limited (Note 1)	26,330,040	29.02	26,330,040	19.40	26,330,040	18.89
Brilliant Talent Global Limited (Note 2)	8,040,000	8.86	8,040,000	5.92	8,040,000	5.77
The Subscriber I (Note 3)	–	–	33,000,000	24.31	33,000,000	23.68
The Subscriber II	–	–	12,000,000	8.84	12,000,000	8.61
Rock Link Limited (Note 4)	2,066,666	2.28	2,066,666	1.52	5,697,705	4.09
Other public Shareholders	54,296,626	59.84	54,296,626	40.01	54,296,626	38.96
Total	<u>90,733,332</u>	<u>100.00</u>	<u>135,733,332</u>	<u>100.00</u>	<u>139,364,371</u>	<u>100.00</u>

Notes:

1. The entire issued share capital of Sun Universal Limited is owned by Mr. Ma Gary Ming Fai, an executive Director. Mr. Ma Gary Ming Fai is 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.
3. The Subscriber I is wholly and beneficially owned by Mr. Lai.

4. Rock Link Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Fang Yan Zau Alexandar. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Rock Link Limited and its ultimate beneficial owner and associates are Independent Third Parties.
5. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

By order of the Board
Zhi Sheng Group Holdings Limited
Ma Gary Ming Fai
Executive Director

Hong Kong, 20 December 2024

As at the date of this announcement, the Board comprises Mr. Yi Cong, Mr. Liang Xing Jun, Mr. Ma Gary Ming Fai and Mr. Lai Ningning as executive Directors; Mr. Luo Guoqiang as non-executive Director; and Mr. Chan Wing Kit, Ms. Chan Pui Shan and Mr. Lin Xiaodong 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 “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company’s website at www.qtbj.com.