
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zhi Sheng Group Holdings Limited (the “**Company**”), you should at once hand this circular and accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

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)

(1) PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND (2) NOTICE OF EGM

Financial Adviser to the Company



Capital 9 Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A notice convening an extraordinary general meeting (the “**EGM**”) of the Company to be held on Monday, 19 May 2025 at 11:00 a.m. at Unit 1603B, 16/F, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are encouraged to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

This circular will remain on the Stock Exchange’s website at www.hkexnews.hk on the “Latest Listed Company Information” for at least 7 days from the date of its posting and on the Company’s website at www.qtbjj.com.

30 April 2025

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
CHARACTERISTICS OF GEM	i
DEFINITIONS	1
LETTER FROM THE BOARD	5
NOTICE OF EGM	EGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Announcement”	the announcement of the Company dated 27 March 2025 in relation to the proposed issue of the Bonds under Specific Mandate
“associate”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bonds”	the zero coupon convertible bonds in the aggregate principal amount of HK\$120 million (initially as to HK\$90 million to the First Subscriber and HK\$30 million to the Second Subscriber, subject to reallocation) due on 29 August 2025 to be issued by the Company to the Subscribers and convertible into Shares at the initial conversion price of HK\$4 per Share (subject to adjustments) pursuant to the terms and conditions of the Subscription Agreement
“Bondholder(s)”	the holder in whose name the Bonds is registered in the register of bondholders to be maintained by the Company, and the first registered holder being the Subscribers, and “holder” in relation to the Bonds has the corresponding meaning
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Zhi Sheng Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8370)
“Completion”	completion of the subscription for and issue of the Bonds in accordance with the terms and conditions of the Subscription Agreement

DEFINITIONS

“Completion Date”	the date of Completion, being the fifteenth Business Day after the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Subscription Agreement or such other date as the Company and the Subscribers may agree in writing
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Conversion Price”	the initial conversion price of HK\$4 per Conversion Share for the Bonds, subject to adjustments
“Conversion Rights”	rights of the Bondholder(s) to convert the principal amount outstanding under the Bonds registered in its name into Shares subject to the terms and conditions of the Bonds
“Conversion Shares”	the new Shares which may be issued upon exercise by the Bondholder(s) of the conversion rights attached to the Bonds
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on Monday, 19 May 2025 (or any adjournment thereof) for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the proposed issue of the Bonds and the grant of the Specific Mandate)
“First Subscriber”	Mr. Chatchaval Jiaravanon
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	the GEM listing committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Third Party(ies)”	the individual(s) or company(ies) which is/are not connected with any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates and is/are independent of the Company
“Land”	any parcel(s) of land located in Rayong District or other districts in Thailand suitable for the development and operation of the data centre service business of the Group, with an expected gross area of approximately or not less than 140,000 square meters
“Latest Practicable Date”	25 April 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Long Stop Date”	31 July 2025 or such later date as the Company and the Subscribers may agree in writing
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Subscriber”	CMAG Fund SPC
“SFO”	The Securities and Futures Ordinance of Hong Kong
“Share(s)”	the ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be obtained by the Directors from the Shareholders at the EGM for the allotment and issue of the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the First Subscriber and the Second Subscriber
“Subscription”	the subscription of the Bonds pursuant to the terms and conditions of the Subscription Agreement

DEFINITIONS

“Subscription Agreement”	the agreement dated 27 March 2025 entered into between the Company and the Subscribers for the subscription and proposed issue of the Bonds, as amended from time to time
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Thailand”	the Kingdom of Thailand
“treasury shares”	has the same meaning ascribed to it under the GEM Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Lai Ningning

Mr. Yi Cong

Mr. Liang Xing Jun

Mr. Ma Gary Ming Fai

Registered office:

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P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

Non-executive Director:

Mr. Luo Guoqiang

Principal place of business

in the PRC:

A401, Moore Car Hui

No.68, Julong Road

Wuhou District

Chengdu

Sichuan Province

The People's Republic of China

Independent non-executive Directors:

Mr. Chan Wing Kit

Mr. Lin Xiaodong

Ms. Chan Pui Shan

Principal place of business

in Hong Kong:

Room 1123, 11/F, Star House

3 Salisbury Road

Tsim Sha Tsui

Kowloon, Hong Kong

30 April 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ISSUE OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE;
AND
(2) NOTICE OF EGM**

INTRODUCTION

Reference is made to the Announcement in relation to, inter alia, the proposed issue of the Bonds under Specific Mandate.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the proposed issue of the Bonds under Specific Mandate; and (ii) a notice convening the EGM.

PROPOSED ISSUE OF BONDS

On 27 March 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscribers, pursuant to which the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for, the Bonds in an aggregate principal amount of HK\$120 million.

The principal terms of the Subscription Agreement are set out below.

Subscription Agreement

Date: 27 March 2025 (after trading hours)

Parties: (i) the Company;
(ii) the First Subscriber; and
(iii) the Second Subscriber

Subject matter

The Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for, the Bonds in an aggregate principal amount of HK\$120 million.

Conditions precedent

The Completion shall be subject to the fulfilment or satisfaction of the following conditions on or before the Long Stop Date:

- (a) all necessary consents, licences and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Subscribers in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

LETTER FROM THE BOARD

- (c) the warranties set out in the Subscription Agreement given by the Company remaining true, accurate and complete in all respects;
- (d) the relevant resolution(s) having been passed by the Shareholders at its general meeting approving the proposed issue of the Bonds and the Specific Mandate;
- (e) the GEM Listing Committee granting or agreeing to grant the listing of, and permission to deal in, all of the Conversion Shares under the Bonds, and such permission not having been subsequently revoked or withdrawn;
- (f) the Company or its wholly owned subsidiary having identified a suitable Land and secured an option, exercisable at its sole discretion, to acquire the majority interests in such Land (either directly or indirectly through holding companies); and
- (g) the Company or its wholly owned subsidiary having received from top tier internet companies successful tender award notice(s) in relation to the provision of data centre service for processing capacity of not less than 30mw in aggregate for not less than 5 years.

Any Subscriber may at any time waive by notice in writing to the Company the condition (c) above. Save for condition (c) above, none of the conditions are capable of being waived. In the event any of the condition above are not fulfilled (or as the case may be, waived) by the Long Stop Date, all rights, obligations and liabilities of the parties to the Subscription Agreement shall cease and determine and none of the parties shall have any claim against the others save for any antecedent breach and/or any rights or obligations which may have accrued under the Subscription Agreement prior to such termination.

As at the Latest Practicable Date, none of the conditions precedent set out above has been fulfilled.

Completion

Subject to fulfillment or waiver (as the case may be) of the conditions set out in the paragraph headed “Conditions precedent” above, Completion shall take place on the Completion Date. The Subscribers shall pay the Company the respective amount of subscription money, the aggregate amount of which equals the principal amount of the Bonds, at Completion by cashier order, or such other method as agreed by the Company and the Subscribers.

LETTER FROM THE BOARD

Terms and conditions

The principal terms and conditions of the Bonds are set out as follows:

Issuer	:	The Company
Subscriber	:	The Subscribers
Principal amount	:	HK\$120 million in aggregate (initially as to HK\$90 million to the First Subscriber and HK\$30 million to the Second Subscriber) (subject to re-allocation) (in aggregate, the “ Subscription Amount ”)

The Subscribers may, by delivering a joint written notice to the Company (the “**Re-allocation Notice**”) at least 10 Business Days prior to Completion, reallocate the Subscription Amount between themselves. In such case, the reallocated amounts shall be paid by each Subscriber accordingly, provided that: (a) the aggregate amount paid by the Subscribers shall at all times equal the Subscription Amount; and (b) a Re-allocation Notice once delivered to the Company, shall be irrevocable and binding on the Subscribers, who shall be obligated to pay the reallocated amount specified therein. For the avoidance of doubt, if no Re-allocation Notice is received by the Company at least 10 Business Days prior to Completion, the Subscribers shall pay the Subscription Amount in the above manner.

Maturity date	:	29 August 2025
Interest rate	:	The Bonds shall not bear any interest.
Conversion period:	:	Subject to the terms and conditions of conversion, the period commencing from the date of issue of the Bonds up to and including the date which is 3 days prior to the maturity date of the Bonds, i.e. 26 August 2025. The Conversion Shares shall be subject to a 12-month lock-up from the date of allotment and issue of the Conversion Shares.

LETTER FROM THE BOARD

Conversion restrictions : Any conversion of the Bonds shall be made in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion of the Bonds unless the principal amount of the outstanding Bonds is less than HK\$1,000,000 in which case the whole (but not part only) of such outstanding principal amount of the Bonds shall be converted.

Provided that (i) any conversion of the Bonds does not result in the Bondholders and/or the parties acting in concert with any of them and/or their respective associates being interested in 30% or more of the issued share capital of the Company as enlarged by the allotment and issued of the Conversion Shares (or such lower percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder which exercised the Conversion Rights, or result in the change in control or de facto control of the Company under the GEM Listing Rules), whether or not such mandatory offer obligation is triggered off by the fact that the number of Conversion Shares to be allotted and issued upon the exercise of the Conversion Rights attaching to the Bonds (if applicable, including any Shares acquired by the parties acting in concert with any of the Bondholders) or otherwise pursuant to other provisions of the Takeovers Code; and (ii) any conversion of the Bonds does not result in the public float of the Shares being less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued Shares, the Bondholder shall, subject to compliance with the procedures set out in the terms and conditions of the Bonds, have the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the Bonds registered in their name into Shares.

LETTER FROM THE BOARD

Conversion Price : The initial Conversion Price shall be HK\$4 per Conversion Share, subject to adjustments hereunder described.

Adjustment to the Conversion Price : The Conversion Price of the Bonds shall from time to time be subject to adjustment upon occurrence of the following events:

- (a) If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying the Conversion Price by the following fraction:

$$\frac{A}{B}$$

where:

A = the revised nominal amount; and

B = the former nominal amount.

Each such adjustment shall be effective from the close of business in Hong Kong on the Business Day immediately succeeding the date on which the consolidation or sub-division becomes effective.

LETTER FROM THE BOARD

- (b) If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying the Conversion Price by the following fraction:

$$\frac{A}{A+B}$$

where:

A = the aggregate nominal amount of the issued Shares immediately before such issue; and

B = the aggregate nominal amount of the Shares issued in such capitalisation.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.

- (c) If and whenever the Company shall make any capital distribution (as defined in the instrument constituting the Bonds) to the Shareholders (whether on a reduction of capital or otherwise) or shall grant to Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying the Conversion Price by the following fraction:

$$\frac{A - B}{A}$$

where:

LETTER FROM THE BOARD

A = the market price (as defined in the instrument constituting the Bonds) on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) next preceding day of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by the auditors, of the portion of the capital distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the capital distribution is distributions in cash the fair market value shall be the cash value and determination by the auditors is not required.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the capital distribution or grant.

- (d) If and whenever the Company shall offer to the Shareholders new Shares for subscription by way of rights, or shall grant to the Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 70% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

LETTER FROM THE BOARD

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price; and

C = the aggregate number of Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant, provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the Bondholders (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if they had exercised the Conversion Rights under the Bonds registered in their Bondholder holds out of the total principal amount of the Bonds outstanding at the time of the proposed redemption.

LETTER FROM THE BOARD

- (e) (aa) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration (as defined in the instrument constituting the Bonds) per Share initially receivable for such securities is less than 70% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A = the number of Shares in issue immediately before the date of the issue;

B = the number of Shares which the total effective consideration receivable for the securities issued would purchase at such market price; and

C = the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

LETTER FROM THE BOARD

- (bb) If and whenever the rights of conversion or exchange or subscription attached to any such securities as mentioned in section (aa) of this paragraph (e) are modified so that the total effective consideration per Share initially receivable for such securities shall be less than 70% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A = the number of Shares in issue immediately before the date of such modification;

B = the number of Shares which the total effective consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price; and

C = the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect.

LETTER FROM THE BOARD

- (f) If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 70% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate amount payable for the issue would purchase at such market price; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

- (g) If and whenever the Company shall issue Shares for the acquisition of asset at a total effective consideration per Share which is less than 70% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted in such manner as may be determined by the auditors. Such adjustment shall become effective on the date of issue.

Redemption : No outstanding amount of Bonds shall be redeemed at the request of the Company nor the Bondholders before the maturity date of the Bonds. The Company shall be entitled, on the maturity date of the Bonds, to redeem the then outstanding Bonds, at 100% of the principal of the Bonds or any part thereof.

LETTER FROM THE BOARD

- Transferability : The Bondholders may only assign or transfer the Bonds to the transferee subject to the prior notification to the Company. The Bonds may not be assigned or transferred, in whole or in part, to any connected person of the Company (as defined under the GEM Listing Rules).
- Voting rights : The Bondholders shall not be entitled to attend or vote at any meetings of the Company by reason only of it being a Bondholder.
- Listing : No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange. An application has been made by the Company to the Stock Exchange for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the Conversion Rights.
- Ranking : The Conversion Shares will, when allotted and issued, rank *pari passu* in all respects among themselves and with all other fully paid Shares in issue including the right to all dividends, distributions and other payments made or to be made after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant conversion date.
- Security : The obligations of the Company under the Bonds are unsecured.

Conversion Shares

Based on the initial Conversion Price of HK\$4 per Conversion Share (subject to adjustment), a maximum of 30,000,000 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights in full, representing (i) approximately 19.49% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) approximately 16.31% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Bonds (assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date and up to conversion of the Bonds in full at the initial Conversion Price).

LETTER FROM THE BOARD

The maximum aggregate nominal value of the Conversion Shares (with a par value of HK\$0.1 each) will be HK\$3,000,000.

Specific Mandate to issue the Conversion Shares

The Conversion Shares will be allotted and issued under the Specific Mandate to be approved by the Shareholders at the EGM.

Application for listing

As at the Latest Practicable Date, the Company did not hold any treasury shares and does not plan to use treasury shares to satisfy its obligation upon conversion of any of the Bonds.

An application has been made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange.

Conversion Price

The initial Conversion Price of HK\$4 per Conversion Share:

- (i) a discount of approximately 31.03% to the closing price of HK\$5.80 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) is equal to the closing price of HK\$4.00 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (iii) represents a premium of approximately 0.50% over the average closing price of approximately HK\$3.98 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreement;
- (iv) represents a premium of approximately 0.76% over the average closing price of approximately HK\$3.97 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Subscription Agreement;

LETTER FROM THE BOARD

- (v) represents a discount of approximately 0.99% to the average closing price of approximately HK\$4.04 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Subscription Agreement;
- (vi) there is no theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules), represented by the theoretical diluted price of HK\$4.00 per Share to the benchmarked price of HK\$4.00 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreement); and
- (vii) represents a premium of approximately 1,567% over the unaudited net asset value per Share as at 31 December 2024 of approximately RMB0.22 (equivalent to approximately HK\$0.24).

The initial Conversion Price of HK\$4 was arrived at after arm's length negotiations between the Company and the Subscribers with reference to, among others, the prevailing market price of the Shares and the Group's business prospect. The Board considers the Conversion Price is fair and reasonable taking into account that (i) it is equal to the closing price of the Shares on the date of the Subscription Agreement, (ii) it represents a slight premium over the five-day and ten-day average closing prices of the Shares, and (iii) the discount to the closing price of the Shares on the Latest Practicable Date and the aforesaid slight premium falls within the premium/discount range of conversion price over/to closing price represented by the issue of convertible bonds by other listed issuers (excluding those involving a debt restructuring or resumption of listing) in Hong Kong in the past 12 months which ranged from a premium of approximately 371% to a discount of approximately 91%, with median of approximately 9% premium.

INFORMATION OF THE PARTIES TO THE SUBSCRIPTION AGREEMENT

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of furniture products and sells its products to the domestic PRC market, and the data centre business.

The First Subscriber, Mr. Chatchaval Jiaravanon, is a key member of the family ("**CP Group Family**") controlling The Charoen Pokphand Group Company ("**CP Group**"). He is currently chairman and founder of Charoen Energy and Water Asia and Lightnet Group, and owner of Fortune Media. CP Group Family is one of Asia's wealthiest families and CP Group is one of the Asia's largest diversified holding company.

LETTER FROM THE BOARD

The Second Subscriber, CMAG Fund SPC, is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands with an investment focus in the real estate, sustainable energy and private credit sector. CMAG Fund SPC is controlled, advised and managed by Wonder Capital Group Limited (a licensed corporation for carrying on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO in Hong Kong). Wonder Capital Group Limited is a company incorporated in Hong Kong with limited liability, which is ultimately owned as to 37.58%, 26.41%, 19.04% and 16.97% by Chan Wing Chee Gigi, Lee Wing Yin Jessica, Chan Sai Wai and Chen Ping respectively, who are Independent Third Parties as at the Latest Practicable Date.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscribers and its respective ultimate beneficial owner and associates is an Independent Third Party.

REASONS FOR THE PROPOSED ISSUE OF THE BONDS

Development plan

The Group currently has one leased data centre which is located in Shanghai. As set out in the annual report of the Company for the year ended 30 June 2024 and the interim report of the Company (the “**2025 IR**”) for the six months ended 31 December 2024 (the “**1H 2025**”), it has been the Group’s business strategy to pursue its customer expansion by enhancing brand promotion and elevate its scale of data centre business to the next level as quickly as possible. It has also been a long term goal of the Group to build and manage its own multi-tenants hyperscale artificial intelligence data centre and develop an intelligent computing centre. In March 2025, the Company acquired the land use right of a land located in Hohhot City in Inner Mongolia, the PRC for building its own data centre, details of which are set out in the announcements of the Company dated 14 February 2025, 24 February 2025 and 11 March 2025, respectively.

According to market information released in February 2025, the Thailand data centre market is one of the developing and emerging markets for data centre development in Southeast Asia. The Thailand data centre market was valued at US\$1.56 billion in 2024, and is projected to reach US\$3.19 billion by 2030, rising at a compound annual growth rate of 12.66%. There are over 30 operational colocation data centres in Thailand. Key government initiatives, such as Thailand 4.0 and the Eastern Economic Corridor, have been instrumental in creating a favorable investment environment. Tax incentives, enhanced infrastructure, and simplified regulations have played a significant role in establishing Thailand as a competitive player in the industry. The Board of Investment (the “**BOI**”) of Thailand has approved numerous data centre and cloud service projects mainly located in Bangkok, Samut Prakan, Chonburi, and Rayong. In 2024, the BOI approved 46 data centre and cloud related projects, with total investment amount of around US\$5 billion. As at 17 March 2025, the approved investment amount of data centres and cloud related projects was approximately US\$2.7 billion.

LETTER FROM THE BOARD

In order to capitalise on opportunities in the data centre market in Thailand, the Group has initiated efforts to identify land parcel(s) in Thailand suitable for building data centre and development and operation of data centre service business. The Group aims to provide the data centre services to top tier internet companies in Thailand with multiple-year contracts. Based on the Group's preliminary assessment, the targeted land parcel(s) would ideally be located in Rayong District or other suitable districts in Thailand with an expected gross area of approximately or not less than 140,000 square meters. Further announcement on the aforesaid development will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

Funding needs and internal resources of the Group

Substantial capital involvement is expected for the acquisition of a land parcel in Thailand and building of data centre on such land. As stated in the 2025 IR, the Group recorded loss of approximately RMB2.9 million and net cash used in operating activities of approximately RMB4.3 million for 1H 2025. It had cash of approximately RMB28.3 million as at 31 December 2024, a major portion of which denominated in RMB and conversion of those RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations. In view of the above, having considered that the Bonds are interest-free and unsecured which minimise the financial burden to the Group, the proposed issue of the Bonds would alleviate the short-term liquidity pressure of the Group and ensure the Group maintains sufficient financial soundness for carrying out its business development plans, including but not limited to the potential acquisition of the Land and the development of the data centre service business.

Other funding raising alternatives

Apart from the proposed issue of the Bonds, the Board has also considered other fund-raising methods including bank borrowing, rights issue and open offer. Taking into account the business plan and funding needs of the Group, in particular, the potential acquisition of land parcel(s) for building data centre in Thailand as mentioned above, the Board considers that it will be in the interest of the Group in the long term to introduce into the Company investors or potential shareholders who/which are renounced entrepreneurs and/or large enterprises with solid telecom industry background, sound financial background and/or business network. Hence, the Company believes that the Subscription is the most feasible available option for the Company and is in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

USE OF PROCEEDS

The estimated net proceeds from the proposed issue of the Bonds after deduction of related expenses (including professional fees) are approximately HK\$119.4 million. The Company intends to utilise up to approximately HK\$60 million for the potential acquisition of Land, approximately HK\$49.4 million for the development of data centres and approximately HK\$10 million as general working capital of the Group. The net proceeds are expected to be utilised by the end of February 2026.

The net price per Conversion Share, which is calculated by dividing the aggregate net proceeds by the maximum number of the Conversion Shares based on the initial Conversion Price, is approximately HK\$3.98.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, and for illustrative purpose only, the following table illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) immediately upon full conversion of the Bonds, assuming there being no other change in the issued share capital and shareholding structure of the Company from the Latest Practicable Date and up to the date of full conversion of the Bonds:

	As at the Latest Practicable Date		Immediately upon full conversion of the Bonds	
	Shares	%	Shares	%
Lightning Cloud Ltd. (Note 1)	33,000,000	21.44	33,000,000	17.95
Sun Universal Limited (Note 2)	26,330,040	17.11	26,330,040	14.32
Brilliant Talent Global Limited (Note 3)	8,040,000	5.22	8,040,000	4.37
First Subscriber	–	–	22,500,000	12.24
Second Subscriber	–	–	7,500,000	4.07
Other public Shareholders	86,518,489	56.23	86,518,489	47.05
Total	<u>153,888,529</u>	<u>100.00</u>	<u>183,888,529</u>	<u>100.00</u>

Notes:

1. The entire issued share capital of Lightning Cloud Ltd. is owned by Mr. Lai Ningning (“**Mr. Lai**”), an executive Director. Mr. Lai is deemed to be interested in the Shares held by Lightning Cloud Ltd. for the purpose of Part XV of the SFO.
2. The entire issued share capital of Sun Universal Limited is owned by Mr. Ma Gary Ming Fai (“**Mr. Ma**”), an executive Director. Mr. Ma is deemed to be interested in the Shares held by Sun Universal Limited for the purpose of Part XV of the SFO.

LETTER FROM THE BOARD

3. 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.
4. 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.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Equity fund raising exercise	Net proceeds	Intended use of proceeds	Actual use of proceeds
21 October 2024	Subscription of new shares under specific mandate	HK\$12.9 million	As general working capital of the Group	Fully utilised as intended

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

EGM

A notice convening the EGM to be held at Unit 1603B, 16/F, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong on Monday, 19 May 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. The EGM will be held for the Shareholders to consider and, if thought fit, pass the resolution to approve, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the proposed issue of the Bonds and the grant of the Specific Mandate). In compliance with the GEM Listing Rules, the relevant resolution will be voted on by way of poll at the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates would have a material interest in the Subscription Agreement and the transactions contemplated thereunder. No Shareholder would be required to abstain from voting on the relevant resolution at the EGM.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at such meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 14 May 2025 to Monday, 19 May 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, for registration no later than 4:30 p.m. on Tuesday, 13 May 2025.

RECOMMENDATION

The Directors consider that the Subscription Agreement and the transactions contemplated thereunder (including the proposed issue of the Bonds and the grant of the Specific Mandate) are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

COMPETING INTERESTS

Mr. Ma is an executive Director and Ms. Hung Fung King Margaret, Mr. Ma's spouse, holds approximately 99.9% interest in Myshowhome (Hong Kong) Limited ("**Myshowhome HK**"), which in turn holds 100% interest in Dongguan Shangpin Furniture Co., Ltd. (東莞市尚品家具有限公司) ("**Shangpin**"). Mr. Ma confirms that Myshowhome HK is engaged in trading business. Shangpin is a wholly foreign-owned enterprise established under the laws of the PRC on 10 July 2012 with a registered capital of HK\$8 million and is principally engaged in the trading of furniture and therefore competes or may compete either directly or indirectly with the Group's business.

LETTER FROM THE BOARD

Mr. Lai is a director and shareholder directly interested in approximately 23.47% of the equity interest in Beijing Haokuan Network Technology Co., Ltd.* (北京皓寬網絡科技有限公司) (“**Beijing Haokuan**”) and directly interested in 50% of the equity interest in Haokuan Hebei Network Technology Co., Ltd.* (皓寬河北網絡科技有限公司), both being companies established in the PRC. Mr. Lai confirms that these companies and Beijing Haokuan’s non wholly owned subsidiaries, Haokuan Network (Guangzhou) Co., Ltd.* (皓寬網絡(廣州)有限公司) and Shanghai Haokuan Cloud Network Co., Ltd.* (上海皓寬雲網絡有限公司), are engaged in, among others, the data centre business in the PRC and therefore competes or may compete either directly or indirectly with the Group’s business. Mr. Lai, through Lightning Cloud Ltd., is (i) interested in 50% of Mega Data Investment Ltd., a special purpose vehicle which owns 40% of a joint venture company, namely, Cloud Treasure Investment Limited (“**Cloud Treasure**”); and (ii) interested in 50% of another special purpose vehicle which indirectly owns a minority interest in Cloud Treasure. Cloud Treasure, through its subsidiary, owns 100% of Gu’an Fu’ai Electronics Co., Ltd.* (固安福愛電子有限公司) which is principally engaged in the investment in data centre business in the PRC and therefore competes or may compete either directly or indirectly with the Group’s business.

Saved as disclosed above, as at the Latest Practicable Date and in so far as the Directors were aware of, none of the Directors and their respective close associates (as defined under the GEM Listing Rules) had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By order of the Board
Zhi Sheng Group Holdings Limited
Lai Ningning
Chief Executive Officer and Executive Director

* For identification purposes only

NOTICE OF EGM

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Zhi Sheng Group Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) will be held at Unit 1603B, 16/F, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong on Monday, 19 May 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as resolution of the Company:

Unless otherwise specified, capitalised terms defined in the circular dated 30 April 2025 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified.

ORDINARY RESOLUTION

“THAT:

- 1 (a) the Subscription Agreement dated 27 March 2025 (the “**Subscription Agreement**”) (a copy of which has been produced to the EGM and marked “A” and initialled by the chairman of the EGM for the purpose of identification) and entered into between the Company as issuer and Mr. Chatchaval Jiaravanon (the “**First Subscriber**”) and CMAG Fund SPC (the “**Second Subscriber**”) as subscribers in relation to the issue of the convertible bonds in an aggregate principal amount of HK\$120 million (initially as to HK\$90 million to the First Subscriber and HK\$30 million to the Second Subscriber, subject to reallocation) (the “**Bonds**”), which entitle the holder(s) thereof to convert the same into shares (the “**Conversion Shares**”) in the share capital of the Company in accordance with the terms of the Bonds at the initial conversion price of HK\$4 (subject to adjustments) per Conversion Share and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Conversion Shares upon exercise of the conversion rights attaching to the Bonds) be and are hereby approved, confirmed and ratified;

NOTICE OF EGM

- (b) subject to and conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the Conversion Shares, the board of directors (the “**Directors**”) of the Company be and are hereby granted a specific mandate to allot and issue the Conversion Shares to the relevant holder(s) of the Bonds upon exercise of the conversion rights attached to the Bonds in accordance with the terms of the Bonds. The aforementioned specific mandate is in addition to, and shall not prejudice nor revoke any general or special mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and
- (c) any one or more of the Directors be and is/are hereby authorised to do such acts and things, to sign and execute all such further documents (and to affix the common seal of the Company thereon, if necessary) and to take such steps as he/she/they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Subscription Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.”

By order of the Board

Zhi Sheng Group Holdings Limited

Lai Ningning

Chief Executive Officer and Executive Director

Hong Kong, 30 April 2025

Registered office:

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

*Principal place of business
in the PRC:*

A401, Moore Car Hui
No.68, Julong Road
Wuhou District
Chengdu
Sichuan Province
The People’s Republic of China

*Principal place of business
in Hong Kong:*

Room 1123, 11/F, Star House
3 Salisbury Road
Tsim Sha Tsui
Kowloon, Hong Kong

NOTICE OF EGM

Notes:

1. For the purpose of determining shareholders' eligibility to attend and vote at the Meeting, the register of members of the Company will be closed from Wednesday, 14 May 2025 to Monday, 19 May 2025, both days inclusive, during which period no transfer of the Shares will be effected. In order to be eligible to attend and vote at the Meeting, unregistered holders of the Shares should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 13 May 2025.
2. Any shareholder of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy does not have to be a shareholder of the Company.
3. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for the above meeting (or any adjournment thereof).
4. Completion and delivery of a form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the Meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any Shares, any one of such joint holder may vote at the Meeting, either in person or by proxy in respect of such Shares as if he/she was solely entitled thereto; but if more than one of such joint holders is present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such Shares shall alone be entitled to vote in respect thereof.
6. A form of proxy for use at the Meeting is attached herewith.
7. Any voting at the Meeting shall be taken by poll.
8. The form of proxy shall be signed by a shareholder of the Company or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney authorised.
9. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect any time after 7:00 a.m. on the date of the Meeting, the Meeting will be postponed. The Company will publish an announcement on the website of the Company at www.qtbgj.com and on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk to notify shareholders of the Company of the date, time and place of the rescheduled meeting.

As at the date of this notice, the Board comprises Mr. Lai Ningning, Mr. Yi Cong, Mr. Liang Xing Jun and Mr. Ma Gary Ming Fai as executive Directors; Mr. Luo Guoqiang as non-executive Director; and Mr. Chan Wing Kit, Mr. Lin Xiaodong and Ms. Chan Pui Shan as independent non-executive Directors.