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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)**

#### **(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE AND**

#### **(2) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

##### **(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

The Board is pleased to announce that on 21 October 2024 (after trading hours), the Company and the Subscriber I entered into the Subscription Agreement I, pursuant to which, among others, the parties conditionally agreed that the Subscriber I shall subscribe for, and the Company shall allot and issue, the Subscription Shares I at the Subscription Price.

The Subscription Shares I represent (i) approximately 36.37% of the total number of issued Shares as at the date of this announcement; (ii) approximately 26.67% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares I; and (iii) approximately 24.31% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares I and Subscription Shares II, assuming that there will be no changes in the total number of issued Shares between the date of this announcement and the Completion Date.

Completion of the Subscription Agreement I is conditional upon, among other things, (i) the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares I and (ii) the passing of necessary resolution(s) at the EGM to approve the Subscription Agreement I and the transactions contemplated hereunder, including the Specific Mandate I for the allotment and issue of the Subscription Shares I.

The Subscription Shares I will be allotted and issued by the Company under the Specific Mandate I. An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares I.

## **GEM LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Subscriber I is wholly and beneficially owned by Mr. Lai, who is an executive Director, and is therefore a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription I constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholder's approval requirements under Chapter 20 of the GEM Listing Rules.

As Mr. Lai is considered to have a material interest in the Subscription I and the transactions contemplated thereunder, he had abstained from voting on the Board resolution(s) of the Company to approve the Subscription Agreement I and the transactions contemplated thereunder.

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Subscription Agreement I are on normal commercial terms or better and fair and reasonable, is in the interests of the Company and its shareholders as a whole and as to how to vote at the EGM. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **(2) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

The Board is pleased to announce that on 21 October 2024 (after trading hours), the Company and the Subscriber II entered into Subscription Agreement II, pursuant to which, among others, the Company has conditionally agreed to allot and issue, and the Subscriber II has conditionally agreed to subscribe for, the Subscription Shares II at the Subscription Price.

The Subscription Shares II represent (i) approximately 13.23% of the total number of issued Shares as at the date of this announcement; (ii) approximately 11.68% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares II; and (iii) approximately 8.84% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares I and Subscription Shares II, assuming that there will be no changes in the total number of issued Shares between the date of this announcement and the Completion Date.

Completion of the Subscription Agreement II is conditional upon, among other things, (i) the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares II and (ii) the passing of necessary resolution(s) at the EGM to approve the Subscription Agreement II and the transactions contemplated hereunder, including the Specific Mandate II for the allotment and issue of the Subscription Shares II.

The Subscription Shares II will be allotted and issued by the Company under the Specific Mandate II. An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares II.

## **EGM**

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreements and the transactions contemplated thereunder and the grant of the Specific Mandates for the allotment and issue of the Subscription Shares.

To the best of the knowledge, information and belief of the Directors, no existing Shareholder has a material interest in the transactions contemplated under the Subscription Agreement I and no Shareholder is required to abstain from voting on the resolution(s) to approve the Subscription Agreement I and the transactions contemplated thereunder at the EGM.

To the best of the knowledge, information and belief of the Directors, no existing Shareholder has a material interest in the transactions contemplated under the Subscription Agreement II and no Shareholder is required to abstain from voting on the resolution(s) to approve the Subscription Agreement II and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) details of the Subscription Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Subscription Agreement I and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement I and the transactions contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 2 December 2024 in order to allow the Company sufficient time to prepare the necessary information for inclusion in the circular.

**Completion of the Subscriptions are subject to the satisfaction of the conditions precedent in the Subscription Agreements, and the Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

**(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

The Board is pleased to announce that on 21 October 2024 (after trading hours), the Company and the Subscriber I entered into the Subscription Agreement I, pursuant to which the parties conditionally agreed that the Subscriber I shall subscribe for, and the Company shall allot and issue, the Subscription Shares I at the Subscription Price.

**THE SUBSCRIPTION AGREEMENT I**

The principal terms of the Subscription Agreement I are as follows:

**Date**

21 October 2024 (after trading hours)

**Parties**

The Company and the Subscriber I

**Number of Subscription Shares I**

The Subscription Shares I represent (i) approximately 36.37% of the total number of issued Shares as at the date of this announcement; (ii) approximately 26.67% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares I; and (iii) approximately 24.31% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares I and Subscription Shares II, assuming that there will be no changes in the total number of issued Shares between the date of this announcement and the Completion Date. Based on the closing price of the Shares of HK\$0.76 per Share on the Last Trading Day, the Subscription Shares I have a market value of HK\$25,080,000 and an aggregate nominal value of HK\$3,300,000.

The Subscription Shares I will be allotted and issued under the Specific Mandate I. An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares I.

**Subscription Price**

The Subscription Price is HK\$0.30 per Subscription Share, and the aggregate Subscription Price of all Subscription Shares I of HK\$9,900,000 payable by the Subscriber I shall be payable in cash upon completion of the Subscription I.

The Subscription Price represents:

- (i) a discount of approximately 60.53% to the closing price of HK\$0.76 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 60.63% to the average closing price of HK\$0.762 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day; and

- (iii) a premium of approximately 25.52% over the Group's audited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$0.239 as at 30 June 2024 (based on a total of 90,733,332 Shares as at the Last Trading Day and the Group's audited consolidated net asset value attributable to the Shareholders of approximately RMB19,797,000 (equivalent to approximately HK\$21,660,000) as at 30 June 2024).

The net Subscription Price (after deduction of all professional fees and related expenses) is estimated to be approximately HK\$0.29 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber I with reference to, among other things, the prevailing market price of the Shares, the market conditions and the funding needs of the Group.

### **Ranking of the Subscription Shares I**

The Subscription Shares I when allotted and issued, shall rank *pari passu* in all respects among themselves, and with all other existing Shares outstanding on the date of allotment and issue of the Subscription Shares I including all dividends declared or payable or distribution made or proposed on or after the date of completion of the Subscription I.

### **Conditions Precedent**

Completion of the Subscription I is conditional upon the following conditions being fulfilled on or before the Long Stop Date:

- (a) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares I;
- (b) all necessary consents and approvals required to be obtained by the parties under the Subscription Agreement I in respect of the Subscription Agreement I and the transactions contemplated thereunder, including but not limited to the Subscription I, having been obtained; and
- (c) the passing of necessary resolution(s) at the EGM to be held and convened by the Independent Shareholders to approve the Subscription Agreement I and the transactions contemplated hereunder, including the Specific Mandate I for the allotment and issue of the Subscription Shares I.

None of the conditions set out above may be waived by the Company or the Subscriber I. If the conditions set out above are not fulfilled on or before the Long Stop Date, the Subscription Agreement I shall terminate and neither of the parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of such Subscription Agreement I.

## **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors has been established to give a recommendation to the Independent Shareholders as to whether the terms of the Subscription Agreement I are on normal commercial terms or better and fair and reasonable, whether the Subscription I is in the interests of the Company and its shareholders as a whole and as to how to vote at the EGM. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

**As completion of the Subscription I is subject to the satisfaction of the conditions precedent in the Subscription Agreement I, the Subscription I may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

### **(2) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

The Board is pleased to announce that on 21 October 2024 (after trading hours), the Company and the Subscriber II entered into the Subscription Agreement II, pursuant to which the parties conditionally agreed that the Subscriber II shall subscribe for, and the Company shall allot and issue, the Subscription Shares II at the Subscription Price.

#### **THE SUBSCRIPTION AGREEMENT II**

The principal terms of the Subscription Agreement II are as follows:

##### **Date**

21 October 2024 (after trading hours)

##### **Parties**

The Company and the Subscriber II

##### **Number of Subscription Shares II**

The Subscription Shares II represent (i) approximately 13.23% of the total number of issued Shares as at the date of this announcement; (ii) approximately 11.68% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares II; and (iii) approximately 8.84% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares I and Subscription Shares II, assuming that there will be no changes in the total number of issued Shares between the date of this announcement and the Completion Date. Based on the closing price of the Shares of HK\$0.76 per Share on the Last Trading Day, the Subscription Shares II have a market value of HK\$9,120,000 and an aggregate nominal value of HK\$1,200,000.

The Subscription Shares II will be allotted and issued under the Specific Mandate II. An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares II.

## **Subscription Price**

The Subscription Price is HK\$0.30 per Subscription Share, and the aggregate Subscription Price of all Subscription Shares II of HK\$3,600,000 payable by the Subscriber II shall be payable in cash upon completion of the Subscription II.

The Subscription Price represents:

- (i) a discount of approximately 60.53% to the closing price of HK\$0.76 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 60.63% to the average closing price of HK\$0.762 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day; and
- (iii) a premium of approximately 25.52% over the Group's audited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$0.239 as at 30 June 2024 (based on a total of 90,733,332 Shares as at the Last Trading Day and the Group's audited consolidated net asset value attributable to the Shareholders of approximately RMB19,797,000 (equivalent to approximately HK\$21,660,000) as at 30 June 2024).

The net Subscription Price (after deduction of all professional fees and related expenses) is estimated to be approximately HK\$0.29 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber II with reference to, among other things, the prevailing market price of the Shares, the market conditions and the funding needs of the Group.

## **Ranking of the Subscription Shares II**

The Subscription Shares II when allotted and issued, shall rank *pari passu* in all respects among themselves, and with all other existing Shares outstanding on the date of allotment and issue of the Subscription Shares II including all dividends declared or payable or distribution made or proposed on or after the date of completion of the Subscription II.

## **Conditions Precedent**

Completion of the Subscription II is conditional upon the following conditions being fulfilled on or before the Long Stop Date:

- (a) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares II;
- (b) all necessary consents and approvals required to be obtained by the parties under the Subscription Agreement II in respect of the Subscription Agreement II and the transactions contemplated thereunder, including but not limited to the Subscription II, having been obtained; and

- (c) the passing of necessary resolution(s) at the EGM to be held and convened by the Shareholders who are entitled to vote and not required to be abstained from voting under the GEM Listing Rules and other applicable rules and regulations to approve the Subscription Agreement II and the transactions contemplated hereunder, including the Specific Mandate II for the allotment and issue of the Subscription Shares II.

None of the conditions set out above may be waived by the Company or the Subscriber II. If the conditions set out above are not fulfilled on or before the Long Stop Date, the Subscription Agreement II shall terminate and neither of the parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of such Subscription Agreement II.

**As completion of the Subscription II is subject to the satisfaction of the conditions precedent in the Subscription Agreement II, the Subscription II may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **LOCK-UP UNDERTAKINGS**

Each of the Subscribers undertakes to and covenants with the Company that, without the prior written consent of the Company, it shall not, and shall procure the registered owner or nominee of the Subscription Shares (if applicable) not to, at any time during a period commencing on the Completion Date and ending on the date which is twelve (12) months from the Completion Date (both dates inclusive), offer, pledge, charge, sell, contract to sell, sell any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of (nor enter into any agreement to transfer or dispose of or otherwise create any options, rights, interests or encumbrances), either directly or indirectly, conditionally or unconditionally, any of the Subscription Shares or any part thereof or any interest therein.

## **INFORMATION OF THE PARTIES**

### **The Company**

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 with a large proportion of its sales derived from Sichuan Province, Chongqing City and Guizhou Province, and the data centre business in the PRC.

### **The Subscriber I**

The Subscriber I is a company incorporated in the British Virgin Islands with limited liability and an investment holding company. The ultimate beneficial owner of the Subscriber I is Mr. Lai.

As at the date of this announcement, Mr. Lai is an executive Director and the holder of 10,000,000 share options granted by the Company on 2 August 2021 under the share option deed of the Company dated 2 June 2021. None of the outstanding options have been exercised as at the date of this announcement.



## **The Subscriber II**

The Subscriber II is a company incorporated in Hong Kong with limited liability and is principally engaged in trading of furniture. The ultimate beneficial owner of the Subscriber II is Zhang Ditang.

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

## **REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS**

References are made to the announcements of the Company dated 3 January 2024, 2 September 2024 and the circular of the Company dated 22 January 2024 in relation to, among others, the issue of the 2024 Convertible Bonds. As stated in the announcement of the Company dated 2 September 2024, the maturity date of the 2024 Convertible Bonds falls on 19 February 2025. As stated in the annual report of the Company for the year ended 30 June 2024, the Group recorded net current assets of approximately RMB6.5 million, which was a substantial decrease as compared with RMB18.3 million as at 30 June 2023. Although the Group had cash and cash equivalents of approximately RMB22.1 million as at 30 June 2024, over 88% of which were denominated in RMB and owned by the subsidiaries of the Company established and operating in the PRC. The disposal of such cash resources maintained by the PRC subsidiaries out of the PRC are subject to the PRC's Foreign Exchange Control Regulations, thus there are difficulties for the Group in remitting those cash reserves out of the PRC for repaying the 2024 Convertible Bonds. In addition, the Directors consider it more beneficial for the Group to retain its internal cash resources to support the Group's daily operation. Hence, the Group has imminent funding needs in Hong Kong.

The gross proceeds from the Subscriptions will be HK\$13.5 million. The net proceeds from the Subscriptions, after deduction of relevant legal and advisory costs, is estimated to be approximately HK\$12.9 million. The Company intends to apply the net proceeds of (i) HK\$12.4 million for the repayment of the 2024 Convertible Bonds which will mature on 19 February 2025; and (ii) approximately HK\$0.5 million for the general working capital of the Group. The Board considers that the Subscriptions represent a good opportunity to reduce the indebtedness of the Group. The Board has also considered other fund-raising methods including bank borrowing, rights issue and open offer. As (i) bank borrowing may increase the interest burden of the Group, and (ii) rights issue and open offer are comparably time and cost consuming as preparation and publication of listing document, prospectus and/or application form are required, and the acceptance level is uncertain given the generally thin trading liquidity of the Group over the past years, the Board considers that notwithstanding the potential dilution effect which will arise from the Subscriptions, the Subscriptions are more desirable given the factors above and imminent funding needs of the Group.

The Directors (excluding the independent non-executive Directors whose view will be expressed in the circular after considering the opinion of the Independent Financial Adviser) consider that the terms of the Subscription Agreement I are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors consider that the terms of the Subscription Agreement II are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The completion of the Subscription I and Subscription II are not inter-conditional upon each other. Further announcement will be made by the Company as necessary in accordance with the GEM Listing Rules in case of any change of use of proceeds.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below the details of the equity fund raising activity of the Company conducted in the past twelve months immediately preceding the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds</b>	<b>Intended use of the net proceeds</b>	<b>Actual use of proceeds</b>
3 January 2024	Subscription of convertible bonds (i.e. 2024 Convertible Bonds)	HK\$12.4 million	Setting off all outstanding amount payable by the Company to Billion Eggs Limited and Rock Link Limited for the outstanding convertible bonds issued by the Company on 15 January 2020	Fully applied as intended

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following is a table illustrating the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Subscription I only; (iii) immediately after completion of the Subscription II only; and (iv) immediately after completion of the Subscription I and Subscription II, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the Completion Date:

	<b>(i) As at the date of this announcement</b>		<b>(ii) Immediately after completion of the Subscription I only</b>		<b>(iii) Immediately after completion of the Subscription II only</b>		<b>(iv) Immediately after completion of the Subscription I and Subscription II</b>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Sun Universal Limited ( <i>Note 1</i> )	26,330,040	29.02	26,330,040	21.28	26,330,040	25.63	26,330,040	19.40
Brilliant Talent Global Limited ( <i>Note 2</i> )	8,040,000	8.86	8,040,000	6.50	8,040,000	7.83	8,040,000	5.92
The Subscriber I ( <i>Note 3</i> )	—	—	33,000,000	26.67	—	—	33,000,000	24.31
The Subscriber II	—	—	—	—	12,000,000	11.68	12,000,000	8.84
Other public Shareholders	<u>56,363,292</u>	<u>62.12</u>	<u>56,363,292</u>	<u>45.55</u>	<u>56,363,292</u>	<u>54.86</u>	<u>56,363,292</u>	<u>41.53</u>
<b>Total</b>	<u>90,733,332</u>	<u>100.00</u>	<u>123,733,332</u>	<u>100.00</u>	<u>102,733,332</u>	<u>100.00</u>	<u>135,733,332</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 Securities and Futures Ordinance.
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. 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.

## **GEM LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Subscriber I is wholly and beneficially owned by Mr. Lai, who is an executive Director, and is therefore a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription I constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholder's approval requirements under Chapter 20 of the GEM Listing Rules.

As Mr. Lai is considered to have a material interest in the Subscription I and the transactions contemplated thereunder, he had abstained from voting on the Board resolution(s) of the Company to approve the Subscription Agreement I and the transactions contemplated thereunder.

## **EGM**

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreements and the transactions contemplated thereunder and the grant of the Specific Mandates for the allotment and issue of the Subscription Shares.

To the best of the knowledge, information and belief of the Directors, no existing Shareholder has a material interest in the transactions contemplated under the Subscription Agreement I and no Shareholder is required to abstain from voting on the resolution(s) to approve the Subscription Agreement I and the transactions contemplated thereunder at the EGM.

To the best of the knowledge, information and belief of the Directors, no existing Shareholder has a material interest in the transactions contemplated under the Subscription Agreement II and no Shareholder is required to abstain from voting on the resolution(s) to approve the Subscription Agreement II and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) details of the Subscription Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Subscription Agreement I and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement I and the transactions contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 2 December 2024 in order to allow the Company sufficient time to prepare the necessary information for inclusion in the circular.

**Completion of the Subscriptions are subject to the satisfaction of the conditions precedent in the Subscription Agreements, and the Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

“2024 Convertible Bonds”	the zero coupon convertible bonds issued by the Company on 26 February 2024 in the aggregate principal amount of HK\$12,400,000, details of which are set out in the announcements of the Company dated 3 January 2024, 2 September 2024 and the circular of the Company dated 22 January 2024
“associate”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business 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
“Completion”	completion of the Subscriptions

“Completion Date”	five Business Day following the day on which all the conditions precedents pursuant to the Subscription Agreements are satisfied in full, or such other date as the Company and the Subscribers may agree in writing
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Subscription Agreements and the transactions contemplated thereunder (including the grant of the Specific Mandates for the allotment and issue of the Subscription Shares)
“GEM”	GEM operated by 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
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement I and the transactions contemplated thereunder (including the grant of the Specific Mandate I)
“Independent Shareholders”	the Shareholders other than those who are required to abstain under the GEM Listing Rules from voting at the EGM for the resolution(s) approving the Subscription Agreement I and the transactions contemplated thereunder (including the grant of the Specific Mandate I)
“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
“Last Trading Day”	21 October 2024, being the date of the Subscription Agreements

“Long Stop Date”	30 April 2025 or such other date may be agreed by the Company and the Subscribers
“Mr. Lai”	Mr. Lai Ningning, an executive Director
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“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 I”	the specific mandate to be sought from the Independent Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Subscription Shares I
“Specific Mandate II”	the specific mandate to be sought from the Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Subscription Shares II
“Specific Mandates”	collectively, Specific Mandate I and Specific Mandate II
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	Lightning Cloud Ltd., a company incorporated in the British Virgin Islands with limited liability
“Subscriber II”	Z Living International Company Limited, a company incorporated in Hong Kong with limited liability
“Subscribers”	collectively, Subscriber I and Subscriber II
“Subscription I”	the subscription of the Subscription Shares I by the Subscriber I in accordance with the terms and conditions of the Subscription Agreement I
“Subscription II”	the subscription of the Subscription Shares II by the Subscriber II in accordance with the terms and conditions of the Subscription Agreement II
“Subscription Agreement I”	the subscription agreement dated 21 October 2024 entered into between the Company and the Subscriber I in relation to the Subscription I
“Subscription Agreement II”	the subscription agreement dated 21 October 2024 entered into between the Company and the Subscriber II in relation to the Subscription II

“Subscription Agreements”	collectively, Subscription Agreement I and Subscription Agreement II
“Subscription Price”	HK\$0.30 per Subscription Share
“Subscription Shares I”	an aggregate of 33,000,000 new Shares to be subscribed by the Subscriber I pursuant to the Subscription Agreement I
“Subscription Shares II”	an aggregate of 12,000,000 new Shares to be subscribed by the Subscriber II pursuant to the Subscription Agreement II
“Subscription Shares”	collectively, Subscription Shares I and Subscription Shares II
“Subscriptions”	collectively, Subscription I and Subscription II
“%”	per cent

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

Hong Kong, 21 October 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](http://www.hkexnews.hk) for at least 7 days from the date of its posting and on the Company’s website at [www.qtbj.com](http://www.qtbj.com).*