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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) ENTERING INTO OF THE CALL OPTION DEED; AND (2) PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Placing Agent



ENTERING INTO OF THE CALL OPTION DEED

The Board announces that on 19 June 2025 (after trading hours), the Company as grantee and the Grantor as grantor entered into the Call Option Deed at a consideration of HK\$1.00, pursuant to which, among others, the Grantor has agreed to grant the Company (or its designated company) the Call Option to acquire all the Option Share and assign the Shareholder's Loan. The Call Option is exercisable once at the sole discretion of the Company at any time during the Exercise Period (being the period of six months commencing on the date of the Call Option Deed or up to such later date as may be agreed by the parties in writing), to purchase the Option Share and the Shareholder's Loan at the Option Purchase Price.

Upon signing of the Call Option Deed, the Company shall pay a sum of HK\$19.1 million as refundable Deposit, which shall be applied towards the satisfaction of part of the Option Purchase Price if the Call Option is exercised. In the event that (a) the conditions precedent set out in the Call Option Deed have not been satisfied or waived (as the case may be) on or before 4:00 p.m. on the Long Stop Date, or (b) no option notice was served upon the expiry of the Exercise Period, or (c) the completion of the transfer of the Option Share and the assignment of the Shareholder's Loan (if any) upon exercise of the Call Option does not take place for any reason, or (d) the Call Option Deed is terminated pursuant to the terms therein (whichever is earliest), the Company shall have the right to issue a termination notice in writing to the Grantor, and the Grantor shall return the Deposit to the Company (or as it may direct) in full without interest within 30 Business Days from the date of such termination notice.

GEM Listing Rules Implications

Pursuant to Rule 19.75(1) of the GEM Listing Rules, only the premium will be taken into consideration for the purposes of classification of notifiable transactions. As all applicable percentage ratios in respect of the grant of the Call Option are less than 5%, the entering into of the Call Option Deed does not constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules. The Company will comply with the relevant requirements under the GEM Listing Rules on the exercise of the Call Option as and when appropriate.

PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

The Board is also pleased to announce that on 19 June 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to act as the placing agent of the Company during the Placing Period to procure not less than six (6) Placees to subscribe for the Convertible Bonds, on a best effort basis, in the aggregate principal amount of up to HK\$20 million.

Assuming full exercise of the Conversion Rights at the initial Conversion Price of HK\$6.4 per Conversion Share (subject to adjustment), a maximum of 3,125,000 Conversion Shares will be allotted and issued by the Company, representing (i) approximately 2.03% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 1.99% of the total number of issued Shares as enlarged by the allotment and issue of the 3,125,000 Conversion Shares (assuming that there will be no change in the issued share capital of the Company from the date of this announcement and up to the date of full conversion of the Convertible Bonds).

The initial Conversion Price of HK\$6.4 per Conversion Share represents (i) a premium of approximately 10.15% over the closing price of HK\$5.81 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 12.28% over the average closing price for the five consecutive trading days immediately prior to the date of the Placing Agreement as quoted on the Stock Exchange of HK\$5.7 per Share.

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing will be HK\$20 million and the net proceeds from the Placing (after deduction of placing commission and other related expenses of the Placing) will be approximately HK\$19.1 million. The Company intends to use the entire net proceeds for paying the refundable Deposit.

The Placing is not subject to Shareholders' approval as the Conversion Shares will be allotted and issued under the General Mandate. An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

Shareholders and potential investors of the Company should note that the Placing Agreement and the transactions contemplated thereunder are subject to the satisfaction of certain conditions precedent and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

ENTERING INTO OF THE CALL OPTION DEED

The Board announces that on 19 June 2025 (after trading hours), the Company as grantee and the Grantor as grantor entered into the Call Option Deed at a consideration of HK\$1.00, pursuant to which, among others, the Grantor has agreed to grant the Company (or its designated company) the Call Option to acquire all the Option Share and assign the Shareholder's Loan. Details of the Call Option Deed are set out as follows:

Date: 19 June 2025

Parties: (1) the Company as grantee; and
(2) the Grantor as grantor

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, save for the Grantor's interest in 3,153,600 Shares, representing approximately 2.05% of the issued share capital of the Company, the Grantor is a third party independent of, and not connected with, the Company and its connected person(s).

Conditions precedent

Exercise of the Call Option and completion of the transfer of the Option Share and the assignment of the Shareholders' Loan (if any) are subject to the following conditions:

- (1) all necessary consents and approvals required to be obtained on the part of the Grantor in respect of the Call Option Deed and the transactions contemplated thereunder having been obtained;
- (2) all necessary consents and approvals required to be obtained on the part of the Company (or its designated company) in respect of the Call Option Deed and the transactions contemplated thereunder having been obtained;
- (3) if necessary, the passing by the Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the exercise of the Call Option and the transactions contemplated thereunder;
- (4) evidence showing that after the Reorganisation, the Target Company is the beneficial owner of not less than 51% of the interest in the Land (whether directly or indirectly), or in such entity being the buyer in the Land SPA, having been obtained;

- (5) the valuation report showing in the valuation of the Land of not less than Baht 494,915,105.74 as at the reference date by an independent property valuer in the form reasonably satisfactory to the Company, having been obtained;
- (6) the installation of water and electricity facilities on the Land having been commenced;
- (7) the Target Company or any of its subsidiary having received from a top social media platform company successful tender award notice 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 (the “**Tender**”);
- (8) a legal opinion issued by a firm of lawyers qualified to practice laws in Thailand in such form and substance satisfactory of the Company covering such matters in relation to the Target Group from Thai legal perspective, including but not limited to, the legality and validity of the incorporation and continued existence of all members of the Target Group incorporated in Thailand and the ownership of the Land (or the legality, validity and enforceability of the Land SPA), having been obtained; and
- (9) the Sale and Purchase Agreement having been signed.

Save for conditions (5) and (6) above which are waivable by the Company, none of the conditions above are capable of being waived. If the conditions above have not been satisfied or waived (as the case may be) on or before 4:00 p.m. on the Long Stop Date, the Call Option Deed shall cease and determine and the Deposit (without interest) shall be returned to the Company in full, and neither parties shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches.

Exercise Period

The Call Option is exercisable once at the sole discretion of the Company at any time during the period commencing on the date of the Call Option Deed and ending on the date falling six months from the date of the Call Option Deed or such later date as may be agreed by the parties in writing (the “**Exercise Period**”).

Option Purchase Price and Deposit

The Option Purchase Price shall be an amount to be determined in the Sale and Purchase Agreement on an “at cost” basis, being the aggregate of (a) the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement and (b) the Shareholder’s Loan as at the date of the Sale and Purchase Agreement.

Upon signing of the Call Option Deed, the Company shall pay a sum of HK\$19.1 million as refundable deposit (the “**Deposit**”), which shall be applied towards the satisfaction of part of the Option Purchase Price upon the Call Option is exercised. In the event that (a) the conditions precedent set out above have not been satisfied or waived (as the case may be) on or before 4:00 p.m. on the Long Stop Date, or (b) no option notice was served upon the expiry of the Exercise Period, or (c) the completion of the transfer of the Option Share and the assignment of the Shareholder’s Loan (if any) upon exercise of the Call Option does not take place for any reason, or (d) the Call Option Deed is terminated pursuant to the terms therein (whichever is earliest), the Company shall have the right to issue a termination notice in writing to the Grantor, and the Grantor shall return the Deposit to the Company (or as it may direct) in full without interest within 30 Business Days from the date of such termination notice. In addition, the Grantor irrevocably and unconditionally undertakes to the Company that the Deposit will be injected into the Target Company for supporting the development and operation of the Target Company by way of shareholder’s loan.

Information of the Grantor

The Grantor is an individual investor who is a Hong Kong resident and a merchant. As at the date of this announcement, the Grantor is interested in 3,153,600 Shares, representing approximately 2.05% of the issued share capital of the Company. Saved for the above, the Grantor is a third party independent of, and not connected with, the Company and its connected person(s).

Information of the Target Company, the Thai Company and the Thai Data Centre Company

The Target Company is a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, the Target Company is wholly and beneficially owned by the Grantor. HVL is a company incorporated in Hong Kong with limited liability and is wholly-owned by the Grantor through the Target Company as at the date of this announcement.

The Thai Company is a private company limited by shares incorporated under the laws of Thailand. As at the date of this announcement, the Thai Company is wholly owned by HVL.

The Thai Data Centre Company is a private company limited by shares incorporated under the laws of Thailand. As at the date of this announcement, the Thai Data Centre Company is wholly owned by the Thai Company.

GEM Listing Rules Implications

Pursuant to Rule 19.75(1) of the GEM Listing Rules, only the premium will be taken into consideration for the purposes of classification of notifiable transactions. As all applicable percentage ratios in respect of the grant of the Call Option are less than 5%, the entering into of the Call Option Deed does not constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules. The Company will comply with the relevant requirements under the GEM Listing Rules on the exercise of the Call Option as and when appropriate.

PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

The Board is pleased to announce that on 19 June 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to act as the placing agent of the Company during the Placing Period to procure not less than six (6) Placees to subscribe for the Convertible Bonds, on a best effort basis, in the aggregate principal amount of up to HK\$20 million.

THE PLACING AGREEMENT

Date: 19 June 2025 (after trading hours)

Parties: (i) The Company; and

(ii) The Placing Agent

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placing Agent and its ultimate controlling shareholder(s) is an Independent Third Party as at the date of this announcement.

Placees

The Placing Agent will act as agent for the Company to procure not less than six (6) Placees to subscribe for the Convertible Bonds on terms and conditions set out in the Placing Agreement on a best effort basis. The Placee(s) shall be any investor who is either a professional or institutional investor or other investors selected and procured by the Placing Agent and is independent as referred to in the Placing Agreement.

The Placing Agent shall use its best endeavours to procure that each Placee, and its ultimate beneficial owners (if applicable), shall be Independent Third Parties.

Conditions precedent

Completion is conditional upon fulfilment of the following conditions:

- (a) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, all of the Conversion Shares, and such listing and permission not subsequently being revoked or withdrawn;

- (b) all necessary consents and approval as may be obtained by the Company having been obtained for the Placing; and
- (c) there being no event of default (as defined in the instrument constituting the Convertible Bonds) having occurred or occurring.

The Placing Agent may at any time, at their discretion and upon such terms as they think fit, waive by notice in writing to the Company the condition (c) above. Save for condition (c) above, none of the conditions above are capable of being waived. If any of the conditions above is not fulfilled or waived (as the case may be) on or before 4 July 2025 or such later date as may be agreed between the Placing Agent and the Company in writing, each of the Company and the Placing Agent may, at any time thereafter, terminate its obligations under the Placing Agreement by notice in writing to the other party, whereupon the obligations of each of the Company and the Placing Agent under the Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against any of the others, save for any antecedent breach thereof.

Termination

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company given at any time up to 8:00 a.m. on the Completion Date if:

- (a) there is any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Placing Agent has or is likely to have material and adverse effect on the financial position of the Company; or
- (b) there is any material change in local, national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (c) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (d) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (e) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality of the Placing Agreement, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties to the Placing Agreement; or

- (f) there is any such adverse change in the general affairs, management, business, stockholders' equity or in the financial or trading position of the Company which in the reasonable opinion of the Placing Agent is materially adverse to the success of the Placing.

If the Placing Agreement shall be terminated pursuant to the any of the situations above, all liabilities under the Placing Agreement shall cease and determine and no party to the Placing Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements under the Placing Agreement.

Completion

Subject to fulfilment or waiver (as the case may be) of the aforesaid conditions precedent, Completion shall take place on the Completion Date.

Placing commission

The Company shall pay to the Placing Agent a placing commission equal to 2.5% of the aggregate principal amount of the Convertible Bonds actually placed by the Placing Agent.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

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

Issuer:	:	The Company
Principal amount	:	Up to HK\$20 million
Maturity date	:	31 January 2026 (the “ Maturity Date ”)
Interest rate	:	The Convertible Bonds shall not bear any interest.
Conversion Price	:	The initial Conversion Price shall be HK\$6.4 per Conversion Share, which represents (i) a premium of approximately 10.15% over the closing price of HK\$5.81 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 12.28% over the average closing price for the five consecutive trading days immediately prior to the date of the Placing Agreement as quoted on the Stock Exchange of HK\$5.7 per Share.

The net issue price of the Conversion Shares (after deduction of placing commission and other related expenses of the Placing) is estimated to be approximately HK\$6.11 per Conversion Share.

The Conversion Price was determined based on arm's length negotiations between the parties with reference to the prevailing market prices of the Shares on the Stock Exchange, the business performance of the Group and the future development of the Group. The Directors consider that the Conversion Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Adjustment to the
Conversion Price

: The Conversion Price of the Convertible 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 preceding the date on which the consolidation or sub-division becomes effective.

- (b) If and whenever the Company shall issue (other than in lieu of a cash dividend and other than issue that would amount to a capital distribution) any Shares credited as fully paid to the Shareholders 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 Convertible 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:

A = the market price (as defined in the instrument constituting the Convertible 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:

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 per Share; and

C = the aggregate number of Shares offered for subscription or comprised in the relevant 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 Convertible Bonds registered in their Bondholder holds out of the total principal amount of the Convertible Bonds outstanding at the time of the proposed redemption.

- (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 Convertible 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 per Share; 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.

- (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.

- (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.

Conversion period : The Conversion Rights may be exercised at any time prior to the Maturity Date up to 4:00 p.m. on the day immediately prior to and exclusive of the Maturity Date.

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

PROVIDED that the maximum number of Conversion Shares issuable upon conversion of the Convertible Bonds shall be subject to the threshold of (i) 3,125,000 Shares (the “**Listing Approval Threshold**”); or (ii) such number of Shares which may be permissible to be issued under the General Mandate (the “**General Mandate Threshold**”), whichever is lower. If there is any event occurred (including but not limited to the dilutive events as stated in the terms and conditions of the Convertible Bonds) which leads to the number of Conversion Shares issuable under the Convertible Bonds to exceed the Listing Approval Threshold or the General Mandate Threshold (whichever is lower), then the Company shall comply with all applicable requirements under the GEM Listing Rules as and when necessary, including but not limited to, seeking specific mandate from the Shareholders approving the issue and allotment of Conversion Shares pursuant to the terms therein. If such specific mandate has not been sought, then the Bondholder(s) shall be entitled to convert the Convertible Bonds into such number of Conversion Shares subject to the Listing Approval Threshold or the General Mandate Threshold (as appropriate) based on the adjusted Conversion Price and any outstanding remaining principal amount of the Convertible Bonds shall be redeemed by the Company on the Maturity Date in cash in accordance with the terms of the Convertible Bonds.

Redemption upon maturity : The Company shall be, on the Maturity Date, redeem the then outstanding Convertible Bonds, at 103% of the principal amount of the Convertible Bonds.

- Transferability : The Convertible Bonds are transferable by the Bondholders in multiples of units of principal amount of the Convertible Bonds of HK\$1,000,000 or its integral multiples on each assignment or transfer, save that if at any time, the principal outstanding amount of the Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of the principal outstanding amount of the Convertible Bonds shall not be assigned or transferred, provided that no Convertible Bonds can be assigned or transferred to any connected person of the Company without prior written consent of the Company.
- Voting rights : The Bondholder(s) will not be entitled to receive any notices of attending nor the right of attending or voting at any meetings of the Company by reason only of it being the Bondholder(s).
- Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.
- An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.
- Ranking : The Conversion Shares will, when allotted and issued, rank *pari passu* in all respects with the Shares in issue as at the conversion date.
- Security : The obligations of the Company under the Bonds are unsecured.

Conversion Shares

Assuming full exercise of the Conversion Rights at the initial Conversion Price of HK\$6.4 per Conversion Share (subject to adjustment), a maximum of 3,125,000 Conversion Shares will be allotted and issued by the Company, representing (i) approximately 2.03% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 1.99% of the total number of issued Shares as enlarged by the allotment and issue of the 3,125,000 Conversion Shares (assuming that there will be no change in the issued share capital of the Company from the date of this announcement and up to the date of full conversion of the Convertible Bonds).

The maximum aggregate nominal value of the Conversion Shares (with a par value of HK\$0.1 each) will be HK\$312,500.

General Mandate

The Placing is not subject to Shareholders' approval as the Conversion Shares will be allotted and issued under the General Mandate. Up to the date of this announcement, no Shares have been issued pursuant to the General Mandate.

As at the date of this announcement, the Company may issue up to 18,146,666 Shares under the General Mandate. Accordingly, the allotment and issue of the Conversion Shares is not subject to Shareholders' approval.

Application for listing of the Conversion Shares

As at the date of this announcement, 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 Convertible Bonds.

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

INFORMATION OF THE GROUP AND THE PLACING AGENT

The Group

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 Placing Agent

First Shanghai Securities Limited, the Placing Agent, is a company duly incorporated under the laws of Hong Kong and a licensed corporation by the SFC to carry out and conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under and pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

EQUITY 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 date of this announcement:

Date of announcement	Equity fund raising exercise	Net proceeds	Intended use of proceeds	Actual use of proceeds
21 October 2024, 20 December 2024 and 17 February 2025	Subscription of new shares under specific mandate	HK\$12.9 million	As general working capital of the Group	Fully utilised as intended
27 March 2025	Subscription of convertible bonds under specific mandate	HK\$119.4 million	(i) as to approximately HK\$60 million for the potential acquisition of land; (ii) as to approximately HK\$10 million as general working capital of the Group; and (iii) as to approximately HK\$49.4 million for the development of data centres	The subscription has not completed as at the date of this announcement.

EFFECT 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 date of this announcement; and (ii) immediately upon full conversion of the Convertible Bonds at the initial Conversion Price, assuming there being no other change in the issued share capital and shareholding structure of the Company from the date of this announcement and up to the date of full conversion of the Convertible Bonds:

	(i) As at the date of this announcement		(ii) Immediately upon full conversion of the Convertible Bonds (Note 1)	
	Shares	%	Shares	%
Lightning Cloud Ltd. (Note 2)	33,000,000	21.44	33,000,000	21.02
Sun Universal Limited (Note 3)	26,330,040	17.11	26,330,040	16.77
Brilliant Talent Global Limited (Note 4)	8,040,000	5.22	8,040,000	5.12
The Placees	–	–	3,125,000	1.99
Other public Shareholders	86,518,489	56.23	86,518,489	55.10
Total	<u>153,888,529</u>	<u>100.00</u>	<u>157,013,529</u>	<u>100.00</u>

Notes:

1. Assuming no change in total issued share capital of the Company other than the Placing.
2. The entire issued share capital of Lightning Cloud Ltd. is owned by Mr. Lai Ningning, an executive Director. Mr. Lai Ningning is deemed to be interested in the Shares held by Lightning Cloud Limited for the purpose of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
3. 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 (Chapter 571 of the Laws of Hong Kong).
4. 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.
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.

As at the date of this announcement, there are 200,000 outstanding Share Options with an exercise price of HK\$2.2 per Share which entitle the holders of the Share Options to subscribe for 200,000 Shares under the Share Option Scheme.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

REASONS FOR AND BENEFITS OF ENTERING INTO THE OPTION DEED, THE PLACING AND USE OF PROCEEDS

References are made to the announcement of the Company dated 27 March 2025 (the “**Announcement**”) and the circular of the Company dated 30 April 2025 (the “**Circular**”) in relation to, among others, the entering into of the Subscription Agreement with the Subscribers.

As disclosed in the section headed “Letter from the Board – Reasons for the proposed issue of Bonds” under the Circular, it has been the Group’s business strategy to expedite the elevation and expansion of its data centre business to achieve a transformative scale. It was also mentioned in the Circular that in order to capitalise on opportunities in the data centre market in Thailand as part of the Group’s overall development plan, the Group had 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.

Given the substantial capital involvement expected for the acquisition of a land parcel in Thailand and building of data centre on such land, the issue of the interest-free and unsecured SM Convertible Bonds presents an excellent opportunity for the Group to raise additional fund, which can 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 such land and the development of the data centre service business.

As mentioned in the Announcement and the Circular, completion of the Subscription Agreement is subject to, among others, (a) the Company or its wholly owned subsidiary having (i) identified a suitable land parcel(s) and secured an option, exercisable at its sole discretion, to acquire the majority interests in such land parcel(s) (either directly or indirectly through holding companies); and (ii) received from top tier internet companies successful tender award notice(s) in relation to the Tender. The Group has identified the Land which is suitable for the development and operation of the data centre business of the Group. However, due to (a) the land acquisition requirements in Thailand, in particular, the approval of the Thailand Board of Investment of Thailand (the “**BOI Approval**”) for foreign companies to purchase Thai land for business use; (b) the funding requirement on the part of the Group to complete the acquisition of the Land; and (c) the additional time required by the Group for conducting the due diligence review, the Company is not in a position to acquire the Land outright. Meanwhile, Mr. Man, a minority Shareholder who is familiar with the land acquisition procedures in Thailand, beneficially owns the Thai Data Centre Company which has obtained the BOI Approval. Mr. Man agreed to facilitate the strategy of the Group by securing the Land and initiating the necessary ground work in preparation of the construction of the data centre, and to grant a call option allowing the Company, at its sole discretion, to acquire not less than 51% of the interest in the Land from him on an at-cost basis. As at the date of this announcement, the Thai Data Centre Company has entered into the Land SPA with the relevant Thai developer in relation to the acquisition of the Land and the construction agreements regarding the installation of water and electricity facilities thereon. It is expected that approximately HK\$19 million would be required by the Target Group for land payment and/or payment for water, electricity and/or other start-up costs of the Target Group.

Subsequently, it had also come to the attention of the Group that the Tender can only be awarded and carried out by companies incorporated in Thailand holding suitable land. Having considered that there is no member of the Group currently possessing the requisite qualifications for the Tender prior to the exercise of the Call Option, it is pragmatic for the Thai Data Centre Company to bid for and secure the Tender. Furthermore, to address the capital requirement of the Target Group for the acquisition of the Land and the construction work, and considering that the Company is only intended to acquire 51% interests in the Land, HVL, Zeewaa Green, the Thai Company and Mr. Man had entered into an investment agreement, pursuant to which, among others, Zeewaa Green shall subscribe for 49% interests in the Thai Company conditional upon, among others, the successful award of the Tender to the Thai Company and/or its subsidiaries.

Against the context above, (i) the Company and the Grantor entered into the Call Option Deed for the grant of the Call Option, and (ii) the Placing Agreement has been entered into in order to raise fund for payment of the Deposit, which shall in turn be injected into the Target Group by the Grantor by way of a shareholder's loan for its working capital requirement. The Company is also of the view that certain conditions precedent relating to the Tender under the Subscription Agreement may not be fulfilled by 31 July 2025 (being the long stop date of the Subscription Agreement) and is in the course of negotiating with the Subscribers with respect to the modification of such conditions precedent. The Board wishes to emphasize that the negotiations are still ongoing and may or may not proceed. Further announcement(s) will be made by the Company in compliance with the GEM Listing Rules as and when appropriate.

The grant of Call Option, which is exercisable at the sole discretion of the Company, affords the Company strategic flexibility to acquire the majority interests in the Thai Company, which in turn holds the Land and potentially the Tender, at an at-cost basis without immediate commitment. The Call Option further allows the Company to have sufficient time to conduct thorough due diligence review on the Target Group and securing funding required on exercising the Call Option and also to fulfill the necessary compliance requirements on the part of the Company (including but not limited to those under the GEM Listing Rules). In addition, in view of the intention to proceed with the possible exercise of the Call Option and the funding needs of the Target Group to complete the on-going construction of the water and electricity facilities, and after arm's length negotiation between the Company and the Grantor, the Board considers it is fair and reasonable to pay the refundable Deposit. The Company will monitor the intended use of the Deposit by reviewing and checking the monthly financial information of the Target Group. Taking into account the background of the entire arrangement and the satisfactory financial strength and reputation of the Grantor, the Board is satisfied that the Grantor would be able to return the Deposit to the Company in accordance with the terms of the Call Option Deed.

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing will be HK\$20 million and the net proceeds from the Placing (after deduction of placing commission and other related expenses of the Placing) will be approximately HK\$19.1 million. The net proceeds from the Placing will be applied entirely towards payment of the refundable Deposit. In the event that the Convertible Bonds are not placed in full, the net proceeds from the Placing is not sufficient to pay the refundable Deposit in full, the remaining balance will be paid from the Group's internal resources.

The terms of the Placing Agreement were arrived at arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions and the recent trading performance of the Shares. In view of the reasons and benefits above, the Directors are of the view that the terms of the Option Deed and the Placing Agreement (including the Conversion Price and the placing commission) are fair and reasonable, and the acquisition of the Call Option and the Placing are in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors of the Company should note that the Placing Agreement and the transactions contemplated thereunder are subject to the satisfaction of certain conditions precedent and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

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

“associate”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	holder of the Convertible Bonds
“Business Day”	any day (excluding Saturday, Sunday, a public holiday in Hong Kong or any day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours and the Stock Exchange is open for business of dealing in securities throughout its normal trading hours
“Call Option”	the option to require the transfer and assignment by the Grantor of the Option Share and the Shareholder’s Loan to the Company at the Option Purchase Price subject to and upon the terms and conditions of the Call Option Deed
“Call Option Deed”	the call option deed dated 19 June 2025 entered into between the Company as grantee and the Grantor as grantor in relation to the Call Option
“Circular”	the circular of the Company dated 30 April 2025 in relation to, among others, the issue of the SM Convertible Bonds
“Company” or “Grantee”	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”	the completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement

“Completion Date”	a date falling on the third Business Day following the conditions precedents pursuant to the Placing Agreement being fulfilled or waived (as the case may be), or such other date as the Company and the Placing Agent may agree in writing
“connected person”	has the same meaning ascribed to it under the GEM Listing Rules
“Conversion Price”	the initial conversion price of HK\$6.4 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Convertible Bonds
“Conversion Rights”	rights of the Bondholder(s) to convert the principal amount outstanding under the Convertible Bonds registered in its name into Shares subject to the terms and conditions of the Convertible Bonds
“Conversion Share(s)”	the new Share(s) to be allotted and issued by the Company upon exercise of the Conversion Rights
“Convertible Bonds”	the zero coupon convertible bonds in the principal amount of up to HK\$20 million to be issued by the Company pursuant to the terms of the Placing Agreement
“Director(s)”	the director(s) of the Company
“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
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 14 October 2024, pursuant to which, the Board has been authorised to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of passing such resolution

“Grantor” or “Mr. Man”	Mr. Man Lap, an individual investor who is a Hong Kong resident and a merchant. As at the date of this announcement, the Grantor is interested in 3,153,600 Shares, representing approximately 2.05% of the issued share capital of the Company
“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
“HVL”	Haoyang Ventures Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Grantor through the Target Company as at the date of this announcement
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Codes) with any of the connected persons of the Company or any of their respective associates
“Land”	any parcel(s) of land located in Rayong Province 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
“Land SPA”	the agreement dated 15 May 2025 entered into between a Thai developer as seller and the Thai Data Centre Company as buyer in relation to the acquisition of the Land
“Long Stop Date”	the date falling on the last day of the six-month period commencing on the date of the service of the option notice, or such later day as the Grantor and the Company may agree in writing
“Option Purchase Price”	an amount to be determined in the Sale and Purchase Agreement, being the aggregate of (a) the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement and (b) the Shareholder’s Loan as at the date of the Sale and Purchase Agreement
“Option Share”	the legal and beneficial ownership of the entire issued share of the Target Company

“Placee(s)”	any professional, institutional and/or other investor(s) to whom the Placing Agent or its agents shall procure or, as the case may be, shall have procured, and is independent as referred to in the Placing Agreement, to subscribe for the Convertible Bonds
“Placing”	the placing of the Convertible Bonds on the terms and subject to the conditions precedent set out in the Placing Agreement
“Placing Agent”	First Shanghai Securities Limited, a company duly incorporated under the laws of Hong Kong and a licensed corporation by the SFC to carry out and conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under and pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the placing agent of the Company to the Placing
“Placing Agreement”	the placing agreement dated 19 June 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing from the date of the Placing Agreement and ending at 5:00 p.m. (Hong Kong time) on 30 June 2025, or such other period as may be agreed between the Company and the Placing Agent in writing
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Reorganisation”	the proposed reorganisation to be undertaken by the Grantor, to the effect that upon immediate completion of such reorganisation, (i) the Target Company shall be the holding company of HVL; (ii) HVL and Zeawaa Green shall own the Thai Company as to 51% and 49% respectively; and (iii) the Thai Company shall be holding the entire interest in the Thai Data Centre Company
“Sale and Purchase Agreement”	a formal and binding sale and purchase agreement in respect of the transfer of the Option Share from the Grantor to the Company (or its designated company)
“SFC”	the Securities and Futures Commission of Hong Kong

“Share(s)”	the ordinary share(s) with a par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	all money, debts and liabilities due, owing or incurred by the Target Company to the Grantor, whether actually or contingently as at completion of the transfer of the Option Share and the assignment of the Shareholders’ Loan
“Share Option(s)”	option(s) entitling holder(s) of which to subscribe Shares pursuant to the terms and conditions of the Share Option Scheme
“Share Option Scheme”	share option scheme of the Company adopted on 19 December 2016
“SM Convertible Bonds”	the zero coupon convertible bonds in the aggregate principal amount of HK\$120 million due on 29 August 2025 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, the First Subscriber and CMAG Fund SPC, being the subscribers under the Subscription Agreement
“Subscription Agreement”	the agreement dated 27 March 2025 entered into between the Company and the Subscribers for the subscription and proposed issue of the SM Convertible Bonds, as amended from time to time
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Target Company”	Intelligence Advantage Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by the Grantor as at the date of this announcement

“Target Group”	collectively, the Target Company, HVL, the Thai Company and the Thai Data Centre Company after the Reorganisation,
“Thai Company”	Haoyang Holdings (Thailand) Limited, a private company limited by shares incorporated under the laws of Thailand, which is wholly owned by HVL as at the date of this announcement
“Thai Data Centre Company”	Haoyang Data Center 1 (Thailand) Limited, a private company limited by shares incorporated under the laws of Thailand, which is wholly owned by the Thai Company as at the date of this announcement
“Thailand”	the Kingdom of Thailand
“Zeewaa Green”	Zeewaa Green Co., Ltd., a private company limited by shares incorporated under the laws of Thailand, which is wholly owned by the First Subscriber as at the date of this announcement
“%”	per cent

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

Hong Kong, 19 June 2025

As at the date of this announcement, 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, 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.