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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)**

## **AMENDMENT OF TERMS OF THE 2024 CONVERTIBLE BONDS**

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On 2 September 2024 (after trading hours), the Company entered into the Supplemental Deed Poll to, subject to fulfilment of certain conditions, change the maturity date of the 2024 Convertible Bonds to 19 February 2025 (with related consequential amendments as a result). Save for such Amendments, all other terms and conditions of the 2024 Convertible Bonds remain unchanged, valid and in full force.

### **GEM LISTING RULES IMPLICATIONS**

Pursuant to Rule 34.05 of the GEM Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company has applied for, and the Stock Exchange has granted, the approval for the Amendments pursuant to Rule 34.05 of the GEM Listing Rules.

**Shareholders and potential investors of the Company should note that the Supplemental Deed Poll and the Amendments 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.**

## **AMENDMENT OF TERMS OF THE 2024 CONVERTIBLE BONDS**

### **Background**

References are made to the announcement dated 3 January 2024 and the circular dated 22 January 2024 (the “**Circular**”) of the Company in relation to, among others, the issue of the 2024 Convertible Bonds in the principal amount of HK\$12,400,000 in aggregate. Capitalised terms used herein shall have the same meanings as defined in the Circular unless otherwise specified.

As disclosed in the Circular, the 2024 Convertible Bonds was issued to Subscriber A and Subscriber B as settlement for outstanding amount payable by the Company to them under the 2020 Convertible Bonds, which in turn was issued in connection with acquisition of the entire share capital of Polyqueue Limited by the Company (for further details of the previous transaction, please refer to announcements of the Company of 21 October 2019 and 15 January 2020 and the circular of the Company dated 13 December 2019). The Company proposes to shorten the maturity date of the 2024 Convertible Bonds from the second anniversary of the issue of the 2024 Convertible Bonds (i.e. 26 February 2026) to 19 February 2025 (for further details of reasons, please refer to the paragraph headed “Reasons for and benefits of the amendments to the 2024 Convertible Bond” in this announcement).

As at the date of this announcement, (i) the aggregate principal amount of the 2024 Convertible Bonds remaining outstanding held by the bondholders, being the original subscribers, collectively is HK\$12,400,000 (as to HK\$9,920,000 and HK\$2,480,000 to Subscriber A and Subscriber B, respectively); and (ii) none of the conversion rights attached to the 2024 Convertible Bonds has been exercised by the bondholders.

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

### **Supplemental Deed Poll**

On 2 September 2024 (after trading hours), the Company entered into the Supplemental Deed Poll to, subject to fulfilment of certain conditions, change the maturity date of the 2024 Convertible Bonds to 19 February 2025 (with related consequential amendments as a result). Save for such Amendments, all other terms and conditions of the 2024 Convertible Bonds remain unchanged, valid and in full force.

### **Conditions Precedent**

The amendment set out in the Supplemental Deed Poll is subject to, and shall take effect upon, the satisfaction of the following conditions:

- (a) the Stock Exchange having approved the amendments contemplated under the Supplemental Deed Poll pursuant to the GEM Listing Rules;
- (b) the GEM Listing Committee granting approval for the listing of, and permission to deal in, the Conversion Shares and the approval not having been subsequently revoked or cancelled; and

- (c) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Supplemental Deed Poll and the transactions contemplated thereunder having been obtained.

### **Terms of the 2024 Convertible Bonds after the Amendments**

The principal terms of the 2024 Convertible Bonds immediately after the Amendments are summarized as follows:

- Principal amount : HK\$12,400,000
- Maturity Date : 19 February 2025 (the “**Maturity Date**”)
- Interest rate : The 2024 Convertible Bonds shall not bear any interest.
- Conversion period : Subject to the terms and conditions of conversion, the period commencing from the date of issue of the 2024 Convertible Bonds (i.e. 26 February 2024) up to and including the date which is 3 days prior to the Maturity Date (the “**Conversion Period**”).
- Conversion right : Provided that:
- (i) any conversion shall be made in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion unless the principal amount of the outstanding 2024 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 2024 Convertible Bonds shall be converted; and
  - (ii) any conversion of the 2024 Convertible Bonds does not result in the public float of the Shares being less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued Shares of the Company,
- the holders of the 2024 Convertible Bonds shall have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the 2024 Convertible Bonds registered in their names into Shares.
- Conversion Price : HK\$0.683 per Conversion Share, subject to adjustments as set out and in accordance with the terms and conditions of the 2024 Convertible Bonds.

- Adjustment to Conversion Price: : Excluding the share consolidation (which became effective on 14 February 2024) which will not trigger any adjustments, the Conversion Price shall from time to time be adjusted by reason of any consolidation or sub-division of Shares. If and whenever the Shares by reason of any consolidation or subdivision become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount.
- Redemption : The Company shall be entitled, on the Maturity Date, to redeem the then outstanding 2024 Convertible Bonds, at 100% of the principal of the 2024 Convertible Bonds or any part thereof.
- Transferability : The holders of the 2024 Convertible Bonds may only assign or transfer the 2024 Convertible Bonds to the transferee subject to the prior notification to the Company. The 2024 Convertible Bonds may not be assigned or transferred, in whole or in part, to any connected person of the Company (as defined under the GEM Listing Rules).
- Voting rights : Holders of the 2024 Convertible Bonds shall not be entitled to attend or vote at any meetings of the Company by reason only of it being a holder of the 2024 Convertible Bonds.
- Listing : No application will be made for the listing of the 2024 Convertible Bonds on the Stock Exchange or any other stock exchange. The Company has applied for, and the Stock Exchange has granted, the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the 2024 Convertible Bonds.
- Ranking : The Conversion Shares will, when allotted and issued, rank *pari passu* in all respects among themselves and with all other fully paid Shares in issue including the right to all dividends, distributions and other payments made or to be made, the record date for which falls on or after the date of such allotment and issue.

## **REASONS FOR AND BENEFITS OF THE AMENDMENTS TO THE 2024 CONVERTIBLE BOND**

The Amendments are principally proposed to comply with applicable PRC laws, rules and regulations and in connection with certain filing/registration requirements applicable to the 2024 Convertible Bonds. Despite the shortening of the maturity date, the Directors are of the view that the Amendments will not pose any significant impact on the operations of the Group after preliminary discussions with the existing bondholders on their willingness to change the maturity date and taking into account the financial conditions of the Group.

The Board (including the independent non-executive Directors) considers that the terms and conditions of the Supplemental Deed Poll are fair and reasonable, and the Amendments are in the interests of the Company and the Shareholders as a whole.

### **Specific Mandate to issue the Conversion Shares**

Based on the Conversion Price of HK\$0.683 per Conversion Share, a total of 18,155,197 Conversion Shares will be allotted and issued upon the exercise of the conversion rights attached to the 2024 Convertible Bonds in full. A specific mandate was granted to the Directors by Shareholders at the extraordinary general meeting of the Company held on 7 February 2024 (the “**Specific Mandate**”) to issue the 2024 Convertible Bonds and the allotment and issue of the Conversion Shares upon exercise of conversion rights attaching to the 2024 Convertible Bonds. The Specific Mandate has not been previously utilised prior to the date of this announcement, and therefore, all the Conversion Shares would be allotted and issued pursuant to the Specific Mandate subject to the listing approval of the Stock Exchange not having been subsequently revoked or cancelled.

### **GEM LISTING RULES IMPLICATIONS**

Pursuant to Rule 34.05 of the GEM Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company has applied for, and the Stock Exchange has granted, the approval for the Amendments pursuant to Rule 34.05 of the GEM Listing Rules.

**Shareholders and potential investors of the Company should note that the Supplemental Deed Poll and the Amendments 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:

“2020 Convertible Bonds”	the convertible bonds issued by the Company on 15 January 2020 in the aggregate principal amount of HK\$12,400,000
“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

“Amendments”	the proposed amendment of the terms and conditions of the 2024 Convertible Bond pursuant to the Supplemental Deed Poll to change the maturity date of the 2024 Convertible Bonds to 19 February 2025 (with related consequential amendments as a result)
“associate”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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
“Conversion Price”	the conversion price of the 2024 Convertible Bonds of HK\$0.683 per Conversion Share, subject to adjustments
“Conversion Share(s)”	the Shares falling to be allotted and issued upon the conversion rights attaching to the 2024 Convertible Bonds being exercised, which amount to approximately 18,155,197 Shares based on the initial Conversion Price
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Share(s)”	the ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	Billion Eggs Limited, a company incorporated in the BVI with limited liability and which is wholly-owned by Ms. Grace Wahyuni Sardjono
“Subscriber B”	Rock Link Limited, a company incorporated in the BVI with limited liability and which is wholly-owned by Mr. Fang Yan Zau Alexandar
“Subscribers”	collectively, Subscriber A and Subscriber B and each a “Subscriber”
“Supplemental Deed Poll”	the supplemental deed poll dated 2 September 2024 executed by the Company to amend the terms of the 2024 Convertible Bonds
“%”	per cent

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

Hong Kong, 2 September 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. Cao Shao Mu and Mr. Li Saint Chi Saini 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).*