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JISHENG GROUP HOLDINGS LIMITED

吉盛集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8133)

CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

References are made to (i) the prospectus of Jisheng Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 July 2023 (the “**Prospectus**”) relating to the rights issue on the basis of one (1) rights share for every two (2) existing shares (the “**Rights Issue**”); and (ii) the announcement of the Company dated 23 August 2023 in relation to the results of the Rights Issue (the “**Rights Issue Results Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

USE OF PROCEEDS

As disclosed in the Rights Issue Results Announcement, the gross proceeds from the Rights Issue would be approximately HK\$10.2 million and the net proceeds from the Rights Issue were estimated to be approximately HK\$9.0 million. The Company would apply the net proceeds from the Rights Issue in accordance with the proposed use of proceeds set out in the section headed “Letter from the Board — Rights Issue — Reasons for the Rights Issue and the use of proceeds” in the Prospectus.

As disclosed in the section headed “Letter from the Board — Rights Issue — Reasons for the Rights Issue and the use of proceeds” in the Prospectus, the Company intended to apply the net proceeds from the Rights Issue of (i) approximately HK\$2.25 million for capital contribution to the JV Companies which are expected to be utilised by 31 December 2025; (ii) approximately HK\$2.25 million for investments in other business opportunities to be identified by the Group from time to time which are expected to be utilised by 31 December 2024; and (iii) approximately HK\$4.5 million for general working capital of the Group which are expected to be utilised by 31 December 2024.

As at the date of this announcement, the Group has utilised approximately HK\$2.25 million and HK\$4.21 million in other business opportunities and general working capital of the Group, respectively. The remaining unutilised net proceeds for general working capital of the Group and capital contribution to the JV Companies amounted to approximately HK\$0.29 million and HK\$2.25 million, respectively.

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, after careful consideration and detailed evaluation of the Group's operations and business strategy, the Directors had resolved to change the use of the remaining unutilised net proceeds for capital contribution to the JV Companies from the Rights Issue in the amount of approximately HK\$2.25 million to be used as general working capital of the Group, which is expected to be fully utilised by the Group by the end of 2024.

The utilisation of the net proceeds from the Rights Issue up to the date of this announcement and the revised use of net proceeds from the Rights Issue after the change in use of proceeds are set forth below:

	Proposed use of the net proceeds as disclosed on the Prospectus <i>HK\$ million</i>	Actual use of the net proceeds as at the date of this announcement <i>HK\$ million</i>	Remaining balance of the net proceeds as at the date of this announcement <i>HK\$ million</i>	Revised use of remaining balance of the net proceeds <i>HK\$ million</i>
Investments in other business opportunities to be identified by the Group from time to time	2.25	2.25	—	—
Capital contribution to the JV Companies	2.25	—	2.25	—
General working capital of the Group	<u>4.50</u>	<u>4.21</u>	<u>0.29</u>	<u>2.54</u>
Total	<u><u>9.00</u></u>	<u><u>6.46</u></u>	<u><u>2.54</u></u>	<u><u>2.54</u></u>

REASONS FOR THE CHANGE IN USE OF PROCEEDS

Having closely monitored and assessed the recent economic development in China, in particular, the uncertainties brought by its real estate market, the Board considers that a more cautious approach in relation to the execution of the Group's plan for developing the cultural related business in the PRC should be adopted.

Due to the unforeseeable continual aftermath impact of the COVID-19 pandemic together with the slower-than-expected economic recovery, the Group has been striving to enhance its resources allocation and to face the challenges. The Board believes that the reallocation of the unutilised net proceeds for capital contribution to the JV Companies will provide higher level of flexibility for the Group to cope with its operational needs and to manage its financial risks amid the current unstable business environment.

The Board is of the view that the change in use of the unutilised net proceeds for capital contribution to the JV Companies will not have any material adverse impact on the existing business and operations of the Group and is in the best interests of the Company and its Shareholders as a whole. Save as disclosed in this announcement, the Board confirms that there are no other changes to the use of the other net proceeds from the Rights Issue.

By order of the Board
Jisheng Group Holdings Limited
Woo Lan Ying
Chairman

Hong Kong, 18 December 2023

As at the date of this announcement, the executive Directors are Ms. Woo Lan Ying and Mr. Shang Ruisen, and the independent non-executive Directors are Ms. Leung Shuk Lan, Ms. Yuen Wai Man and Mr. Au Sui Keung Albert.

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 website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.jishenggroup.com.