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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)**

### **VOLUNTARY ANNOUNCEMENT**

#### **ENTERING INTO OF THE NON-LEGALLY BINDING TERM SHEET IN RELATION TO THE PROPOSED FORMATION OF JOINT VENTURE**

The Board is pleased to announce that on 14 October 2020 (after trading hours), Polyqueue, being a wholly owned subsidiary of the Company, entered into the non-legally binding Term Sheet with the other JV Parties in relation to the Proposed Formation of JV for the purpose of establishment, operation and/or investment in the data centre business in the PRC.

**The Board wishes to emphasize that the Term Sheet is not legally binding and may or may not lead to the entering into of the Definitive Agreement. As such, the Proposed Formation of JV may or may not proceed. Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Formation of JV will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.**

This announcement is made by the Company on a voluntary basis.

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#### **PRINCIPAL TERMS OF THE TERM SHEET**

Pursuant to the Term Sheet, the JV Company shall be incorporated in the British Virgin Islands and the Group shall hold a minority interest in the JV Company. The initial equity commitment to the JV Company shall be funded pro rata to each JV Party's shareholding in the JV Company. The actual amount of initial equity commitment and any future capital contribution schedule shall be mutually agreed among the JV Parties and set out in the Definitive Agreement.

## **INFORMATION ABOUT INVESTOR A AND INVESTOR B**

Investor A is an affiliate of a leading global alternative asset management firm which invests in real estate among other asset classes and is principally engaged in raising, investing and managing funds on behalf of institutional and individual investors.

Investor B is a Hong Kong based investment management and advisory company which specializes in the hard assets and entertainment areas.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Investor A and Investor B is an Independent Third Party.

### **Reasons for and benefits of the Proposed Formation of JV**

The Group is principally engaged in (i) the manufacture and sale of office furniture products in the PRC; and (ii) the data centre business in the PRC.

The Directors are of the view that through the Proposed Formation of the JV, they can leverage on (i) the Group's experience and expertise in the data centre industry to source potential investment opportunities; (ii) Investor A's experience and capacity to raise additional third-party capital and financing; and (iii) Investor B's capital contribution to fund potential investments so as to support the development of the data centre business and capture new investment opportunities.

In view of the foregoing, the Directors consider that the entering into of the Term Sheet and the Proposed Formation of JV, if materialised, are in the interests of the Company and its shareholders as a whole.

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## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	Zhi Sheng Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (Stock Code: 8370)
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Definitive Agreement”	the formal joint venture agreement which may or may not be entered into among the JV Parties in relation to the Proposed Formation of JV

“Director(s)”	the director(s) of the Company
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and his/her/its respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company in accordance with the GEM Listing Rules
“Investor A”	an affiliate of a leading global alternative asset management firm
“Investor B”	a Hong Kong based investment management and advisory company
“JV Company”	the joint venture company to be incorporated in the British Virgin Islands with limited liability as contemplated under the Term Sheet
“JV Parties” and each a “JV Party”	among others, Polyqueue, Investor A and Investor B
“Polyqueue”	Polyqueue Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Proposed Formation of JV”	the proposed formation of the JV Company for the purpose of establishment, operation and/or investment in the data centre business in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Term Sheet” the non-legally binding term sheet dated 14 October 2020 and entered into among the JV Parties in relation to the Proposed Formation of JV

“%” per cent

By order of the Board  
**Zhi Sheng Group Holdings Limited**  
**Yi Cong**  
*Executive Director*

Hong Kong, 14 October 2020

*As at the date of this announcement, the Board comprises Mr. Yi Cong and Mr. Liang Xing Jun as executive directors; Mr. Luo Guoqiang as non-executive director; and Mr. Chan Wing Kit, Ms. Cao Shao Mu and Mr. Kwok Sui Hung as independent non-executive directors.*

*This announcement, for which the directors of the Company 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 of the Company, 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, there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk), on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) 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).*