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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)**

### **PROFIT WARNING**

This announcement is made by Zhi Sheng Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the information currently available, the Group expects to record an increase of more than 70% in loss attributable to the owners of the Company for the nine months ended 30 September 2021 (the “**Reporting Period**”) as compared to the corresponding period last year. The significant increase in loss is mainly attributable to: (1) administrative expenses, amounting to approximately RMB10 million, recognized by equity-settled share-based accounting method as a result of the grant of share options by the Company during the Reporting Period; (2) revenue realized from the furniture segment decreased by more than 20% as compared to the corresponding period last year, because the majority of potential customers were cautious in purchasing or postponing the replacement of furniture products, resulting in fewer new sales orders being placed; (3) provision for loss of inventories of the furniture segment increased approximately 2 times as compared to the corresponding period last year; and (4) expected credit loss of the trade receivables of the furniture segment increased by more than 130% as compared to the corresponding period last year.

Besides, in terms of the data centre segment, revenue related to buildout management projects began to be recognized as the projects progressed, and it is expected that its overall revenue would increase approximately 2 times as compared to the corresponding period last year. Accordingly, excluding the amortization of intangible asset arising from the acquisition of the data centre business, it is expected that financial results of the data centre segment will have a positive impact on the Group’s financial performance.

The Company is still in the process of finalizing the Group's results for the Reporting Period. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group and the information currently available, and is not based on any figures or information which have been audited or reviewed by the auditor or the audit committee of the Company. Actual results of the Group for the Reporting Period may be different from those disclosed in this announcement. Shareholders and potential investors of the Company are advised to read carefully the results announcement of the Company for the Reporting Period, which is expected to be published in mid-November 2021.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 20 October 2021

*As at the date of this announcement, the executive Directors are Mr. Yi Cong, Mr. Liang Xing Jun, Mr. Ma Gary Ming Fai and Mr. Lai Ningning; the non-executive Director is Mr. Luo Guoqiang; and the independent non-executive Directors are Mr. Chan Wing Kit, Ms. Cao Shao Mu and Mr. Kwok Sui Hung.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange 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, 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).*