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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 BUSINESS UPDATE

The announcement is made by the board of directors (the “**Board**”) of Zhi Sheng Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis in order to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

References are made to the announcements of the Company dated 25 January 2022 and 2 June 2023 (the “**Announcements**”) and the circular of the Company dated 25 March 2022 (the “**Circular**”) in relation to, among other matters, (i) the entering into of the Agreement for the provision of financial assistance by way of pledge of properties of the Group and (ii) the receipt of written notice dated 15 May 2023 from the Bank requesting Sichuan Greenland to observe and perform its obligations under the Pledge if the Borrower fails to make repayment. Unless otherwise stated, the capitalised terms used herein shall have the same meaning as defined in the Announcements and Circular.

The Bank subsequently sought an order from the Dongguan Third Primary People’s Court, Guangdong (廣東省東莞市第三人民法院) (the “**Court**”) for, among others, confirmation of the Bank’s rights (“**Disposal Rights**”) to enforce the pledge and sell the Properties by auction in settlement of the liability owed by the Borrower to the Bank in light of the Borrower’s failure to perform its repayment obligation regarding the Loan.

The hearing was held on 22 August 2023 and the civil judgment (“**Judgment**”) of the Court was handed down on 16 January 2024, pursuant to which, among others, the Disposal Rights of the Bank was confirmed. In response to the Judgment, the Board has been currently taking advices and considering to appeal to the Court. As disclosed in the annual report of the Company for the year ended 30 June 2023, an impairment loss on assets, namely the Properties, of approximately RMB49.8 million has been provided by the Group in the financial year. In addition, the Group has been identifying other suitable location for relocation of the production base of the Group currently located at the Properties in case the Bank enforces the Disposal Rights.

Further announcement(s) will be made by the Company as and when appropriate to keep the Shareholders and potential investors of the Company informed of the material developments in this matter. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 24 January 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 Sainti as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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, 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.