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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

(1) POSSIBLE DISCLOSEABLE TRANSACTION – POTENTIAL ACQUISITION OF LAND USE RIGHT AND

(2) EXEMPTED CONNECTED TRANSACTION – FINANCIAL ASSISTANCE FROM A CONNECTED PERSON

The Board hereby announces on a voluntary basis to provide the shareholders and potential investors of the Company with the latest business development of the Group.

POTENTIAL ACQUISITION OF LAND USE RIGHT

The Board is pleased to announce that, on 13 February 2025, Inner Mongolia Haoyang, an indirect wholly-owned subsidiary of the Company, has submitted a bid for the acquisition of the land use right of the Land held by the Entity through participating in listing-for-sale (掛牌出讓) and has paid the refundable deposit of approximately RMB13.2 million, equivalent to the official base price, in accordance with the requirements of the listing-for-sale.

As one or more of the applicable percentage ratio(s) in respect of the proposed Land Acquisition based on the official base price is more than 5% but all of which are less than 25%, the Land Acquisition (if succeeded) will constitute a discloseable transaction of the Company and will be subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

FINANCIAL ASSISTANCE FROM A CONNECTED PERSON

The refundable deposit was, and the consideration (including the refundable desposit) if the bidding for the land use right of the Land is successful will be, financed by an unsecured interest-free loan facility of up to RMB14 million offered by Mr. Lai for a term of three (3) years from the date of the drawdown (or such later date as agreed by Mr. Lai and the Company in writing) for the settlement of sum payable relating to the Land Acquisition.

As Mr. Lai is an executive Director and a substantial Shareholder and therefore a connected person of the Company, the financial assistance received by the Group from Mr. Lai constitutes a connected transaction under Chapter 20 of the GEM Listing Rules. However, as (i) it is conducted on normal commercial terms or better; and (ii) it is not secured by the assets of the Group, the provision of the financial assistance from Mr. Lai is a fully exempted connected transaction of the Company pursuant to Rule 20.88 under the GEM Listing Rules.

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(1) POSSIBLE DISCLOSEABLE TRANSACTION – POTENTIAL ACQUISITION OF LAND USE RIGHT

The Board is pleased to announce that, on 13 February 2025, Inner Mongolia Haoyang, an indirect wholly-owned subsidiary of the Company, has submitted a bid for the acquisition of the land use right of the Land held by the Entity through participating in listing-for-sale (掛牌出讓) and has paid the refundable deposit of approximately RMB13.2 million, equivalent to the official base price, in accordance with the requirements of the listing-for-sale. Such deposit will form part of the consideration for the Land Acquisition if the bid is successful, or otherwise be refunded to Inner Mongolia Haoyang in full without interest within five business days after the bidding period which will end on 23 February 2025.

The refundable deposit was, and the consideration (including the refundable deposit) if the bidding for the land use right of the Land is successful will be, financed by the loan facility offered by Mr. Lai, details of which are set out under the section headed “(2) Exempted Connected Transaction – Financial Assistance From A Connected Person” below.

Information of the Land

The Land is located at Hohhot City, the Inner Mongolia Autonomous Region, the PRC with a site area of approximately 50,000 sq.m.. The land use right of the Land is designated for industrial use for a term of grant of 50 years.

Reasons for and benefits of the potential Land Acquisition

The Group is principally engaged in the manufacture and sale of furniture products and sells its products to the domestic PRC market, and the data centre business in the PRC.

The Group currently has one leased data centre which is located in Shanghai. As set out in the annual report of the Company for the year ended 30 June 2024, it has been the Group's business strategy to pursue its customer expansion by enhancing brand promotion and elevate its scale of data centre business to the next level as quickly as possible. It has also been a long term goal of the Group to build its own data centre and develop an intelligent computing centre. The Land Acquisition, if materialised, will enable the Group to build its own data centre, which is in line with the development strategy of the Group and can create long-term interests for the Group. The location of the Land which is situated in a prime location of Inner Mongolia presents an invaluable opportunity for the Group to expand its data centre services business in light of the increase in demand for data centre services in Inner Mongolia in recent years. The Board considers the potential Land Acquisition to be aligned with the strategic development plan of the Group.

GEM Listing Rules implications

As one or more of the applicable percentage ratio(s) in respect of the proposed Land Acquisition based on the official base price is more than 5% but all of which are less than 25%, the Land Acquisition (if succeeded) will constitute a discloseable transaction of the Company and will be subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Company will make further announcement(s) of any material development relating to the Land Acquisition as and when appropriate and comply with all applicable requirements under Chapter 19 of the GEM Listing Rules.

As the Land Acquisition may or may not proceed, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

(2) EXEMPTED CONNECTED TRANSACTION – FINANCIAL ASSISTANCE FROM A CONNECTED PERSON

The refundable deposit was, and the consideration (including the refundable desposit) if the bidding for the land use right of the Land is successful will be, financed by an unsecured interest-free loan facility of up to RMB14 million offered by Mr. Lai for a term of three (3) years from the date of the drawdown (or such later date as agreed by Mr. Lai and the Company in writing) for the settlement of sum payable relating to the Land Acquisition.

As Mr. Lai is an executive Director and a substantial Shareholder and therefore a connected person of the Company, the financial assistance received by the Group from Mr. Lai constitutes a connected transaction under Chapter 20 of the GEM Listing Rules. However, as (i) it is conducted on normal commercial terms or better; and (ii) it is not secured by the assets of the Group, the provision of the financial assistance from Mr. Lai is a fully exempted connected transaction of the Company pursuant to Rule 20.88 under the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

“associate”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“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 (stock code: 8370)
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Entity”	土默特左旗土地收儲交易中心 (The Land Repossession and Reservation Trading Centre of Tumud Left Banner*), a PRC government entity responsible for the administration of land resources in Tumud Left Banner in Hohhot, Inner Mongolia Autonomous Region, the PRC. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Entity and its associates are Independent Third Parties
“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
“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)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates

“Inner Mongolia Haoyang”	內蒙古皓揚云啟數據科技有限公司 (Inner Mongolia Haoyang Yunqi Data Technology Limited*), a limited liability company established under the laws of the PRC which is an indirectly wholly-owned subsidiary of the Company
“Land”	a land located in Hohhot City, the Inner Mongolia Autonomous Region, the PRC with a total site area of approximately 50,000 sq.m., details of which are set out under the section headed “Information of the Land” in this announcement
“Land Acquisition”	the acquisition of the land use right of the Land held by the Entity through participating in the listing-for-sale
“Mr. Lai”	Mr. Lai Ningning, an executive Director and a substantial Shareholder
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of par value of HK\$0.1 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
“sq.m.”	square metre
“%”	per cent

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

Hong Kong, 14 February 2025

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. Chan Pui Shan and Mr. Lin Xiaodong 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 for at least 7 days from the date of its posting and on the Company’s website at www.qtbj.com.

** For illustrative purposes*