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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHT

ACQUISITION OF LAND USE RIGHT

Reference is made to the announcement of Zhi Sheng Group Holdings Limited (the “**Company**”) dated 14 February 2024 (the “**Announcement**”) relating to the submission of a bid for the Land Acquisition. Unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the Announcement.

The Board is pleased to announce that Inner Mongolia Haoyang, an indirect wholly-owned subsidiary of the Company, has received a transaction notice (成交通知書) issued by the Hohhot City Public Resources Trading Centre* (呼和浩特市公共資源交易服務中心) on 24 February 2025 confirming that, among others, Inner Mongolia Haoyang has successfully won the bid for the Land Acquisition on 23 February 2025 at the official base price of RMB13,208,976 (the “**Consideration**”).

Subject to the completion procedures with the relevant PRC government entity, Inner Mongolia Haoyang (as transferee) will enter into the State-owned Construction Land Use Right Grant Contract* (國有建設用地使用權出讓合同) (the “**Land Use Right Contract**”) with the Entity or the relevant PRC government authority (as transferor) by 3 March 2025.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) in respect of the Land Acquisition exceed 5% but all of which are less than 25%, the Land Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements but exempt from Shareholders’ approval requirement under Chapter 19 of the GEM Listing Rules.

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Pursuant to the bid result, the Land is located in Hohhot City, Inner Mongolia Autonomous Region, the PRC with a total site area of 50,034 sq.m.. The land use right of the Land is designated for industrial use for a term of grant of 50 years. Subject to the completion procedures with the relevant PRC government entity, Inner Mongolia Haoyang (as transferee) will enter into the Land Use Right Contract with the Entity or the relevant PRC government authority (as transferor) by 3 March 2025.

The Consideration was determined based on, among others, the official base price of the bid of RMB13,208,976. The Group considered that the bidding price and the Consideration were fair and reasonable after taking into account (i) the official base price of the bid; (ii) the prime location of the Land; and (iii) the valuation of the land use right of the Land conducted by an independent valuer of approximately RMB14,000,000 as at 14 February 2025 (the “**Valuation**”).

As disclosed in the Announcement, the Consideration will be financed by the loan facility offered by Mr. Lai, details of which are set out in the Announcement.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

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 thus enables 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 Land Acquisition to be aligned with the strategic development plan of the Group.

The Board considers that the Land Acquisition (including but not limited to the Consideration which is supported by the Valuation) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Company is an investment holding company. 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. Inner Mongolia Haoyang is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company and is principally engaged in internet information services, software development and data processing and storage supporting services.

The Entity is a PRC government entity responsible for the administration of land resources in Tumed Left Banner in Hohhot City, 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 ultimate beneficial owner(s) are Independent Third Parties.

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The Company will make further announcement relating to the material development of the Land Acquisition as and when appropriate.

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

Hong Kong, 24 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*