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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)**

### **(1) DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHT AND**

### **(2) EXEMPTED CONNECTED TRANSACTION FINANCIAL ASSISTANCE FROM A CONNECTED PERSON**

#### **ACQUISITION OF LAND USE RIGHT**

The Board is pleased to announce that Inner Mongolia Haokuan, an indirect non-wholly owned subsidiary of the Company, successfully won the bid for the land use right of the Land offered for sale by the Bureau by way of listing for sale (掛牌出讓) at the official base price of RMB15,871,556. On 12 May 2025, Inner Mongolia Haokuan (as transferee) entered into the State-owned Construction Land Use Right Grant Contract\* (國有建設用地使用權出讓合同) with the Bureau (as transferor) for the Land Acquisition.

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 constituted 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.

#### **FINANCIAL ASSISTANCE FROM A CONNECTED PERSON**

The refundable deposit was, and the consideration (including the refundable deposit) will be, financed by an unsecured interest-free loan facility of up to RMB16 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.

## **(1) ACQUISITION OF LAND USE RIGHT**

The Board is pleased to announce that Inner Mongolia Haokuan, an indirect non-wholly owned subsidiary of the Company, successfully won the bid for the land use right of the Land offered for sale by the Bureau by way of listing for sale (掛牌出讓) at the official base price of RMB15,871,556.

On 12 May 2025, Inner Mongolia Haokuan (as transferee) entered into the State-owned Construction Land Use Right Grant Contract\* (國有建設用地使用權出讓合同) with the Bureau (as transferor) for the Land Acquisition. Pursuant to the Land Use Right Contract, the Land is located in Xilingol League, Inner Mongolia Autonomous Region, the PRC with a total site area of 107,969.77 sq.m.. The land use right of the Land is designated for industrial use for a term of grant of 50 years.

The Consideration was determined based on, among others, the official base price of the bid of RMB15,871,556. 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 location, use and potential development prospects of the Land; and (iii) the valuation of the land use right of the Land conducted by an independent valuer of RMB15,871,556 as at 10 March 2025 (the “**Valuation**”).

A bidding deposit of RMB5 million paid by Inner Mongolia Haokuan at the time of bid submission for the Land Acquisition will become part of the Consideration, and balance of the Consideration will be payable by Inner Mongolia Haokuan to the Bureau within 30 days from the date of the Land Use Right Contract.

The refundable deposit was, and the consideration (including the refundable deposit) will be, financed by the loan facility offered by Mr. Lai, details of which are set out in the section headed “(2) FINANCIAL ASSISTANCE FROM A CONNECTED PERSON” in this 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 and the interim report of the Company for the six months ended 31 December 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. In March 2025, the Company acquired the land use right of a land located in Hohhot City in Inner Mongolia Autonomous Region, the PRC for building its own data centre, details of which are set out in the announcements of the Company dated 14 February 2025, 24 February 2025 and 11 March 2025, respectively.

The Land Acquisition 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 the central region of Inner Mongolia Autonomous Region will further enhance the Group's ability to expand its data centre services business in light of the increase in demand for data centre services in Inner Mongolia Autonomous Region 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 Haokuan is a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company and is principally engaged in internet information services, software development and data processing and storage supporting services.

The Bureau is a PRC governmental body responsible for the administration of natural resources in Taibus Banner in Xilingol League, Inner Mongolia Autonomous Region, the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bureau and its ultimate beneficial owner(s) are Independent Third Parties.

## **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 constituted 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.

Due to inadvertent mistake of the staff handling the Land Acquisition who failed to timely report the status of the transaction to the senior management of the Group, the Land Acquisition has not been announced in a timely manner pursuant to the requirements under Chapter 19 of the GEM Listing Rules. To prevent the recurrence of similar incident in the future, the Group will improve its internal reporting and monitoring arrangement to ensure the status of any potential transaction of the Group (including but not limited to acquisition of land use right) will be timely reported and closely monitored, and provide training on relevant requirements under the GEM Listing Rules to the staff designated to handle potential transaction. The Company and the Board sincerely apologise for the inconvenience caused to the Shareholders and investors of the Company in connection which was inadvertent and not intentional.

### **(2) FINANCIAL ASSISTANCE FROM A CONNECTED PERSON**

The refundable deposit was, and the consideration (including the refundable deposit) will be, financed by an unsecured interest-free loan facility of up to RMB16 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
“Bureau”	太仆寺旗自然資源局 (The Natural Resources Bureau of Taibus Banner*), a PRC governmental body responsible for the administration of natural resources in Taibus Banner in Xilingol League, Inner Mongolia Autonomous Region, the PRC
“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
“Consideration”	RMB15,871,556, being the price for the grant of the land use right for the Land
“Director(s)”	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
“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 Haokuan”	內蒙古皓寬云啟數據科技有限公司 (Inner Mongolia Haokuan Yunqi Data Technology Limited*), a limited liability company established under the laws of the PRC which is an indirect non-wholly owned subsidiary of the Company
“Land”	a land located in Xilingol League, the Inner Mongolia Autonomous Region, the PRC with a total site area of 107,969.77 sq.m.
“Land Acquisition”	the acquisition of the land use right of the Land through participating in the listing-for-sale
“Land Use Right Contract”	the State-owned Construction Land Use Right Grant Contract* (國有建設用地使用權出讓合同) entered into between Inner Mongolia Haokuan and the Bureau on 12 May 2025 for the Land Acquisition
“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, 16 May 2025

*As at the date of this announcement, the Board comprises Mr. Lai Ningning, Mr. Yi Cong, Mr. Liang Xing Jun and Mr. Ma Gary Ming Fai 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](http://www.hkexnews.hk) for at least 7 days from the date of its posting and on the Company’s website at [www.qtbgj.com](http://www.qtbgj.com).*

*\* For illustrative purposes*