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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Reference is made to the annual report of Zhi Sheng Group Holdings Limited (the “**Company**”) for the year ended 30 June 2023 published on 28 September 2023 (the “**Annual Report**”). Unless otherwise defined in this announcement or the context requires, capitalized terms herein shall have the same meaning as those defined in the Annual Report.

In addition to the information provided in the subsection headed “Connected/Related Party Transactions” under the “Report of the Board of Directors” section and Note 35 “Related Party Transactions” to the consolidated financial statements in the Annual Report, the Company would like to provide additional information regarding the RMB50 million loan (the “**Loan**”) provided to Mega Data Investment Ltd. (the “**SPV**”) pursuant to a conditional loan agreement dated 2 June 2021 between the Company as lender and the SPV as borrower (the “**SPV Loan Agreement**”).

The SPV is owned as to 50% by Cloud Knight Global Limited (“**Cloud Knight**”), which in turn is wholly owned by Mr. Man Lap, and as to 50% by Lightning Cloud Limited (“**Lightning Cloud**”), which in turn is wholly owned by Mr. Lai Ningning, one of the Company’s executive Directors.

REASON FOR GRANTING THE LOAN AND HOW IT MEETS THE COMPANY’S BUSINESS STRATEGY

The reason for the Loan is that it offers the Group a good business opportunity to have a stable interest income. The Loan was utilised by the SPV for onward capital and other contributions to Cloud Treasure Investment Limited (the “**JV**”), a joint venture company partly owned by the SPV, for the establishment, operation and/or investment in data centre business in the PRC.

The SPV Loan Agreement was entered into as part of a series of transactions together with the buildout management agreement dated 1 June 2021 between Beijing Wannuotong Technology Company Limited* (北京萬諾通科技有限公司), a subsidiary of the Company (“**WNT**”) and Gu’an Fu’ai Electronics Co., Ltd.* (固安福愛電子有限公司), a subsidiary of the JV. Under that agreement, WNT provides engineering and management services with respect to the buildout works involving data centre(s). For further details of the Loan and

the buildout management agreement, please also refer to the announcement dated 2 June 2021, the circular dated 16 July 2021 and the announcement dated 2 August 2021 of the Company.

Given that the data centre business is one of the Group's main business segments, the Company believes that the above transactions taken together are in line with the Company's business strategy to develop this business segment.

PRINCIPAL TERMS OF THE SPV LOAN AGREEMENT

The principal terms of the SPV Loan Agreement are set out below:

Date 2 June 2021

Principal Up to RMB100,000,000 in HK\$ equivalents

As at the date of this announcement, the principal amount of the Loan is RMB50 million.

Pursuant to the terms of the SPV Loan Agreement, the Loan shall only be utilised by the SPV for onward capital and other contribution to the JV. The outstanding Loan amount shall at any time not exceeding 30% of the accumulated capital contribution of the SPV to the JV.

Interest rate 6% per annum, payable on or before 31 December of each year

Term for drawdown The Loan shall be drawn down in two tranches. The tranche 1 of the Loan shall be in the principal amount of not less than HK\$55,000,000 and shall be drawn within 90 days upon signing of the SPV Loan Agreement (or such longer period as the Company may agree). The tranche 2 of the Loan shall be drawn within one year upon signing of the SPV Loan Agreement (or such longer period as the Company may agree) subject to, among others, availability of the financial resources of the Company.

Subject to the fulfillment of conditions precedent of the SPV Loan Agreement, the availability period of the Loan shall be available from 60 days after the date of the SPV Loan Agreement up to the date falling 12 months from signing of the SPV Loan Agreement (or such other period as may be agreed by the parties thereto).

As at the date of this announcement, tranche 1 of the Loan was drawn on 10 August 2021, and tranche 2 of the Loan was not drawn.

Collateral

Share charge executed by each of Cloud Knight and Lightning Cloud in favour of the Company in respect of the entire issued share capital of the SPV.

Personal guarantees to be executed by each of Mr. Man and Mr. Lai.

Repayment

The SPV shall repay the principal amount of the Loan together with interest accrued thereon on or before 30 months from the drawdown date of the tranche 1 of the Loan (i.e. 10 February 2024).

The Company shall have the right to demand for early repayment of all or part of the outstanding amount of the Loan.

The information contained in this supplemental announcement does not affect other information contained in the Annual Report. Save as disclosed above, all other information in the Annual report remains unchanged.

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

Hong Kong, 1 February 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 Sianti 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 identification purpose only*