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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 announcement of the Company dated 25 January 2022 and the circular of the Company dated 25 March 2022 (the “**Circular**”) in relation to, among other matters, the entering into of the Agreement for the provision of financial assistance by way of pledge of properties of the Group. Unless otherwise stated, the capitalized terms used herein shall have the same meaning as defined in the Circular.

Pursuant to the Agreement, the Company had procured its subsidiary, Sichuan Greenland Furniture Co., Limited* (四川青田家俱實業有限公司) (“**Sichuan Greenland**”), to pledge the Properties (the “**Pledge**”) to assist the Borrower or its subsidiary to obtain the Financing. A subsidiary of the Borrower, being Dongguan City Hengli Furniture Corporate Co., Ltd.* (東莞市恒利家私實業有限公司) (“**Dongguan Hengli**”), obtained a loan in the principal amount of RMB45 million (the “**Loan**”) from a bank in the PRC, which was secured by, among others, the Properties and repayable within 12 months from the date of drawdown (i.e. on or about 13 May 2023).

Subsequent to the provision of the Pledge, the Board had from time to time followed up with the Borrower and Mr. Luo Jinyao (“**Mr. Luo**”) on the status of the compliance with the terms of the Agreement and the repayment of the Loan and other amounts payable thereunder. As the due date of the Loan was approaching, on 15 May 2023, the Company has instructed its legal advisers to issue a letter to the Borrower and Mr. Luo to further follow up on the progress of repayment of the Loan, as well as the latest financial position of the Borrower, Dongguan Hengli and/or Mr. Luo. As at the date of this announcement, the Company has yet to receive any formal response from the Borrower, Dongguan Hengli or Mr. Luo.

It has recently come to the Board’s attention that Sichuan Greenland has received from the Bank a written notice dated 15 May 2023 which (1) stated that the Loan has become mature; and (2) requested Sichuan Greenland to observe and perform its obligations under the Pledge.

The Group has been continuously following up with the Borrower, Dongguan Hengli and Mr. Luo, and has also been in ongoing discussions with the Bank on the possible solutions for the aforesaid matter to protect the interests of the Group. The Group is also seeking legal advice on the actions it may take in relation to repayment of the Loan and/or the said letter and notice and will take proactive actions to safeguard the Group's assets, interest and position. 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, 2 June 2023

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 Saini 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.

* *For identification purpose only*