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**中國升海集團有限公司**  
**China Shenghai Group Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1676)**

**VOLUNTARY ANNOUNCEMENT**

This is a voluntary announcement made by the Board in relation to the update of business development of the Group.

**INTRODUCTION**

The Board is pleased to announce that on 27 July 2022, Gansu Yicheng, a fully owned subsidiary of the Company and Zhonghong Pangbo entered into the Potential Cooperation Memorandum in relation to the long term strategic cooperation on food industry chain.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Zhonghong Pangbo, and its controlling shareholder(s), are independent third parties of the Company and its connected persons (as defined in the Listing Rules).

**KEY TERMS OF THE POTENTIAL COOPERATION MEMORANDUM**

Pursuant to the terms of the Potential Cooperation Memorandum, the Parties will combine their respective strengths in products, sales channels and resources, with a vision to make high-quality and healthy agricultural products available to residents around the globe and strive to jointly build an innovative high-end agricultural technology service platform.

The Potential Cooperation Memorandum shall be valid for one year from 27 July 2022.

As the potential cooperation is subjected to finalisation upon entering into a definitive agreement, the potential cooperation may or may not proceed. Should the Parties are unable to reach a definitive agreement or to extend the Potential Cooperation Memorandum, the Potential Cooperation Memorandum shall cease and terminate and none of the Parties thereto shall seek for compensation against and/or have any obligations and liabilities towards each other.

Save for the terms on confidential information, the Potential Cooperation Memorandum is not legal binding.

## **REASONS FOR ENTERING INTO THE POTENTIAL COOPERATION AGREEMENT**

The principal activity of Zhonghong Pangbo is the management of industry chain in relation to ecological construction, internet, health management and healthy agriculture.

The Group has been identifying and exploring suitable projects and/or investment with good profit potential for acquisition so as to diversify the Group's business and bring return to the shareholders of the Company. The Directors believe that the Potential Cooperation Memorandum will further strengthen the layout of the Group's existing food businesses. The Directors consider that the terms of the Potential Cooperation Memorandum are based on normal commercial terms in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have following meanings:

“Board”	the Board of Directors of the Company
“Company”	China Shenghai Group Limited
“Directors”	the directors of the Company
“Gansu Yicheng”	Gansu Mandi Yicheng Commerce Co., Ltd. 甘肅滿地易城商貿有限公司, a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the parties to the Potential Cooperation Memorandum, being Gansu Yicheng and Zhonghong Pongbo
“Potential Cooperation Memorandum”	the potential cooperation memorandum entered into by Gansu Yicheng and Zhonghong Pongbo on 27 July 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhonghong Pangbo

Zhonghong Pingbo (Beijing) Group Co., Ltd. 中宏龐博  
(北京) 集團股份有限公司, a Company established  
under the laws of the People’s Republic of China

By the Order of the Board  
**China Shenghai Group Limited**  
**Liu Junting**  
*Joint-Chairman and Executive Director*

Hong Kong, 27 July 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Liu Junting, Mr. Liu Rongru and Ms. Chen Chun and the independent non-executive directors of the Company are Mr. Liu Dajin, Mr. He Jian and Mr. Lin Zhenqing.*