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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)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF  
NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent to the Company**



Reference is made to the announcement of China Shenghai Group Limited (the “**Company**”) dated 20 November 2023 (the “**Announcement**”) in relation to the placing of new Shares under General Mandate. Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Announcement.

On 23 November 2023, the Company and the Placing Agent have entered into a supplemental agreement, pursuant to which (i) the Long Stop Date has been changed from 14 December 2023 to 8 December 2023; and (ii) the expiry date of the placing period (the “**Placing Period**”) has changed from 13 December 2023 to 7 December 2023.

Save and except for the aforesaid change of the Long Stop Date and the Placing Period, all other terms of the Placing Agreement shall remain unchanged and the Placing Agreement shall remain in full force and effect.

The Board considers the change of the Placing Period and the Long Stop Date are in the interests of the Company and the Shareholders as a whole.

## USE OF PROCEEDS FROM THE PLACING

As disclosed in the Announcement, the net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing are estimated to be approximately HK\$42.3 million and used as the general working capital of the Group.

The Directors would like to supplement that the net proceeds from the Placing are intended to be applied as to (i) approximately HK\$12.0 million for staff expenses, professional fees and other headquarters expenses which are expected to be fully utilized by the end of December 2024, (ii) approximately HK\$8 million for repayment of debentures which is expected to be fully utilized by the end of December 2023; and (iii) approximately HK\$22.3 million for purchase(s)/deposit(s) for goods, marketing and promotion expenses and corporate development for the Group's existing business which are expected to be fully utilized by the end of June 2024.

**Shareholders and potential investors should note that Completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

For and on behalf of the Board  
**China Shenghai Group Limited**  
**Hu Hongchu**  
*Joint-Chairman and Executive Director*

Xiamen, the PRC, 23 November 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Hu Hongchu, Mr. Li Tingfeng and Ms. Chen Chun, the non-executive directors of the Company are Mr. Liu Chuanyi and Mr. Chen Futian and the independent non-executive directors of the Company are Mr. Shum Ching Hei, Mr. He Jian and Mr. Lin Zhenqing.*