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CHINA SUPPLY CHAIN HOLDINGS LIMITED

中國供應鏈產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3708)

SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

THE SUBSCRIPTION

On 6 January 2025, the Subscriber I and Subscriber II as entered into the Subscription Agreements with the Company, pursuant to which the Subscriber I and Subscriber II have conditionally agreed to subscribe and the Company has conditionally agreed to issue 670,600,000 Subscription Shares and 448,200,000 Subscription Shares to the Subscriber I and Subscriber II at the subscription price of HK\$0.012 per Subscription Share for an aggregate consideration of HK\$13,425,600 under the General Mandate respectively.

The Subscription Shares represent (i) approximately 20% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 16.67% of the issued share capital as enlarged by the issue of 1,118,800,000 Subscription Shares (assuming that there will not be any change in the issued share capital of the Company between the date of the Subscription Agreements and the Completion Date save for the issue of such Subscription Shares).

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

THE SUBSCRIPTION

On 6 January 2025, the Subscriber I and Subscriber II entered into the Subscription Agreements with the Company, pursuant to which the Subscriber I and Subscriber II have conditionally agreed to subscribe and the Company has conditionally agreed to issue the 670,600,000 Subscription Shares and 448,200,000 Subscription Shares to the Subscriber I and Subscriber II at the subscription price of HK\$0.012 per Subscription Share for an aggregate consideration of HK\$13,425,600 under the General Mandate respectively.

THE SUBSCRIPTION AGREEMENTS

Date

6 January 2025

Parties

- (i) The Subscribers; and
- (ii) The Company, as issuer.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Subscribers and their ultimate beneficial owners are Independent Third Parties.

Subscription Shares

Pursuant to the Subscription Agreements, the Subscribers have conditionally agreed to subscribe totally for 1,118,800,000 Subscription Shares at HK\$0.012 per Subscription Share, representing (i) approximately 20% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital as enlarged by the issue of 1,118,800,000 Subscription Shares (assuming that there will not be any change in the issued share capital of the Company between the date of the Subscription Agreements and the Completion Date save for the issue of such Subscription Shares). The aggregate nominal value of the Subscription Shares will be HK\$2,237,600.

Subscription Price

The Subscription Price of HK\$0.012 per Subscription Share represents:

- (i) a discount of approximately 20% to the closing price of HK\$0.015 per Share as quoted on the Stock Exchange on 6 January 2025, being the date of the Subscription Agreements; and
- (ii) a discount of approximately 18.92% to the average closing price of HK\$0.0148 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Subscription Agreements.

The aggregate consideration of the Subscription is HK\$13,425,600, which will be paid in cash by the Subscribers to the Company upon Completion. The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscribers. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Subscription is in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares under the Subscription will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

General Mandate to allot and issue the Subscription Shares

The Subscription Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Subscription Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorized to issue up to 1,118,800,000 Shares under the General Mandate. Up to the date of this announcement, no Shares has been issued under the General Mandate. Accordingly, the issue of the 1,118,800,000 Subscription Shares is not subject to the approval of the Shareholders.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Conditions precedent

The completion of the Subscription is conditional upon:

- (a) the Listing Committee granting the listing of and permission to deal in Subscription Shares;
- (b) the warranties under the Subscription Agreements remaining true and accurate in all material respects; and
- (c) all necessary consents and approvals as may be required in respect of the Subscription Agreements and the transactions contemplated thereunder having been obtained by the Company and the Subscribers.

In the event that the conditions precedent of the Subscription Agreements shall not have been fulfilled in full on or before 5:00 p.m. on the date falling on 27 January 2025 (or such other date as the parties thereto may agree in writing), all rights, obligations and liabilities of the parties to the Subscription Agreements in relation to the Subscription shall cease and terminate and none of the parties shall have any claim against any other in respect of the Subscription save for any antecedent breaches of the Subscription Agreements.

Completion

Completion shall take place not later than the fifth Business Day immediately after the fulfillment of the conditions precedent of the Subscription Agreements (or such other later date as may be agreed between parties to the Subscription Agreements).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The gross proceeds to be raised from the Subscription will be approximately HK\$13,425,600. After taking into account the estimated expenses in relation to the Subscription, the estimated net proceeds from the Subscription will be approximately HK\$13,420,000, representing a net price of HK\$0.012 per Subscription Share. The Group intends to apply HK\$13,420,000 for general working capital of the Group and/or for investments in potential new projects to be identified by the Group in the future.

The Directors consider that the Subscription represent a good opportunity to raise additional funds to meet the Group's funding needs, reduce debt by way of raising funds through equities and strengthen the shareholder base of the Company. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

As at the date of this announcement, the Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company upon completion of the Subscription (assuming the Subscription Shares are placed in full and there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Subscription) are set out as below:

	Immediately before completion of the Subscription		Immediately after completion of the Subscription	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Shareholders				
Smart Paradise International Limited (“ Smart Paradise ”)	3,268,750,000	58.43	3,268,750,000	48.69
Public Shareholders				
The Subscriber I	—	—	670,600,000	9.99
The Subscriber II	—	—	448,200,000	6.68
Other public Shareholders	<u>2,325,250,000</u>	<u>41.57</u>	<u>2,325,250,000</u>	<u>34.64</u>
Total	<u>5,594,000,000</u>	<u>100</u>	<u>6,712,800,000</u>	<u>100</u>

Note:

1. Mr. Dai Jian is the sole beneficial owner and director of Smart Paradise.
2. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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

DEFINITIONS

In this announcement, the terms and expressions used herein shall, unless the context otherwise requires, have the same meanings when used herein:

“AGM”	the annual general meeting of the Company held on 30 December 2024 to approve the General Mandate
“Board”	the board of Directors from time to time
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	China Supply Chain Holding Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (Stock Code: 3708)
“Completion”	Completion of the subscription of the Subscription Shares
“Completion Date”	the date not later than the fifth Business Day immediately after the fulfillment of the conditions precedent to the Subscription Agreement or such later date as to parties hereto may agree
“Director(s)”	director(s) of the Company from time to time
“Listing Committee”	The listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 1,118,800,000 new Shares, being 20% of the shares then in issue of the capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People Republic of China

“Independent Third Party(ies)”	third party(ies) independent of the Company and not a connected person (as defined in the Listing Rules) of the Company
“Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	Qingda Horizontal Holding Group Co., Limited (“ Qingda Horizontal ”), a company incorporated in the Hong Kong with limited liability. Qingda Horizontal is an investment holding company. Mr. Li Kaipeng is the sole beneficial owner and director of Qingda Horizontal
“Subscriber II”	Mr. Li Kwok Fan, a Hong Kong merchant
“Subscribers”	Subscriber I and Subscriber II
“Subscription”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreement under the General Mandate
“Subscription Agreements”	the subscription agreements dated 6 January 2025 and entered into between the Subscribers and the Company in respect of the Subscription
“Subscription Price”	the subscription price of HK\$0.012 per Subscription Share
“Subscription Shares”	670,600,000 Shares and 448,200,000 Shares to be issued by the Company to the Subscriber I and Subscriber II pursuant to the Subscription Agreements respectively
“%”	per cent.

By order of the Board
China Supply Chain Holdings Limited
Lai Aizhong
Executive Director

Hong Kong, 6 January 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lai Aizhong, Mr. Wong Ka Shing (Chief Executive Officer) and Mr. Yang Hongwei; and three independent non-executive Directors, namely Mr. Zheng Haipeng, Mr. Wang Xiaojia and Ms. Sun Qunying.