
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Shenghai Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

(formerly known as
China Shenghai Food Holdings Company Limited
中國升海食品控股有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1676)

PROPOSALS FOR
(1) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL
STATEMENTS AND REPORTS OF DIRECTORS AND AUDITORS,
(2) RE-ELECTION OF RETIRING DIRECTORS,
(3) RE-APPOINTMENT OF AUDITORS,
(4) GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING

This circular, for which the directors (the “Directors”) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regards 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 circular 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 circular misleading.

A notice convening the AGM to be held at 12/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Wednesday, 20 July 2022 at 2:30 p.m. (Hong Kong time) is set out on pages 22 to 26 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.chinashenghaigroup.com>).

If you are unable to attend the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

17 June 2022

DEFINITIONS

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

“2021 Annual Report”	the annual report of the Company for the financial year ended 31 December 2021 despatched to the Shareholders together with this circular
“AGM”	an annual general meeting of the Company to be held at 12/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Wednesday, 20 July 2022 at 2:30 p.m. (Hong Kong time), to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 22 to 26 of this circular, or any adjournment thereof
“AGM Venue”	12/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong
“Articles”	the articles of association of the Company currently in force
“Associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday and Sunday) on which licensed banks are generally open for business in Hong Kong
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning as defined in the Listing Rules
“Company”	China Shenghai Group Limited (中國升海集團有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands, the issued Shares of which are listed on the Stock Exchange (stock code: 1676)
“Controlling shareholder(s)”	has the meaning as defined in the Listing Rules

DEFINITIONS

“core connected person(s)”	has the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Share Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“General Mandate”	a general unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares with the aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	13 June 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Share Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares of the aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“%”	per cent

LETTER FROM THE BOARD



中國升海集團有限公司

China Shenghai Group Limited

(formerly known as

China Shenghai Food Holdings Company Limited

中國升海食品控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1676)

Executive Directors:

Mr. Li Dongfan
Mr. Liu Rongru
Ms. Chen Xiaoling

Independent non-executive Directors:

Mr. Liu Dajin
Mr. Liu Junting
Mr. He Jian

Registered office:

Cricket Square Hutchins Drive
P.O. Box 2681 Grand Cayman,
KY1-1111 Cayman Islands

Head office in the PRC:

5th Floor, No. 5 Factory
Meixi Road, Huandong Waters
Tongan District
Huli Industrial Park Xiamen City
Fujian Province PRC

*Principal place of business
in Hong Kong:*

Level 7, Nan Fung Tower,
88 Connaught Road Central,
Central, Hong Kong

17 June 2022

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
(1) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL
STATEMENTS AND REPORTS OF DIRECTORS AND AUDITORS,
(2) RE-ELECTION OF RETIRING DIRECTORS,
(3) RE-APPOINTMENT OF AUDITORS,
(4) GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with details of the resolutions to be proposed at the AGM relating to:

- (a) the adoption of audited consolidated financial statements and the reports of the Directors and the Auditors for the year ended 31 December 2021;

LETTER FROM THE BOARD

- (b) the proposed re-election of the retiring Directors;
- (c) the proposed re-appointment of the Auditors;
- (d) the granting of the Share Repurchase Mandate to the Directors;
- (e) the granting of the General Mandate to the Directors; and
- (f) the granting of the Extension Mandate to the Directors.

RESOLUTION (1) ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND THE AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2021

The audited consolidated financial statements of the Company for the year ended 31 December 2021 together with the Reports of the Directors and the Auditors, are set out in the 2021 Annual Report which will be sent to the Shareholders on 17 June 2022. The 2021 Annual Report may then be viewed and downloaded from the Company's website (www.chinashenghaigroup.com) and the Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk). The audited consolidated financial statements have been reviewed by the Audit Committee of the Company.

RESOLUTION (2) RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of three Executive Directors, namely Mr. Li Dongfan, Mr. Liu Rongru, and Ms. Chen Xiaoling, and three Independent Non-executive Directors namely Mr. Liu Dajin, Mr. Liu Junting and Mr. He Jian.

Pursuant to Article 83(3) of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

LETTER FROM THE BOARD

Pursuant to articles 84(1) and (2) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Accordingly, Mr. Liu Dajin, Mr. Liu Junting and Mr. Liu Rongru shall retire at the AGM and being eligible, offer themselves for re-election.

The re-election of Directors has been reviewed by the Nomination Committee of the Company which recommended to the Board that the re-election be proposed for Shareholders' approval at the AGM.

The re-election of Directors has been reviewed by the Nomination Committee of the Company which recommended to the Board that the re-election be proposed for Shareholders' approval at the AGM. The nominations were made in accordance with the Nomination Policy of the Company and the objective criteria for the nominations, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, with due regard for the benefits of diversity as set out under the Board Diversity Policy of the Company.

In recommending each of Mr. Liu Dajin (“**Mr. Liu Dajin**”) and Mr. Liu Rongru (“**Mr. Liu**”) to stand for re-election as Executive Director and Mr. Liu Junting (“**Mr. Liu Junting**”) to stand for re-election as Independent Non-executive Directors, the Nomination Committee has considered the following backgrounds and attributes of the nominees concerned:

- (a) Mr. Liu Dajin has been a practising member of the Chinese Institute of Certified Public Accountants since November 1996. Mr. Liu Dajin graduated with a bachelor degree in economics (major in accounting) from the Central University of Finance and Economics (中央財經大學)(originally named Central Institute of Finance and Banking (中央財政金融學院)) in June 1989.

LETTER FROM THE BOARD

- (b) Mr. Liu is the founder of the Group and has been engaged in the trading of marine products since 1996.
- (c) Mr. Liu Junting graduated from Beijing Institute of Technology and he is currently an independent non-executive director of Moody Technology Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1400).

The Nomination Committee considered that in view of their diverse and different educational backgrounds and professional knowledge and experience in the respective fields as mentioned above and as set out in Appendix I to this circular, Mr. Liu Dajin, Mr. Liu and Mr. Liu Junting as Directors will bring valuable perspectives, knowledge, skills and experiences to the Board for its efficient and effective functioning and their appointments will contribute to the diversity of the Board appropriate to the requirements of the Company's business.

The biographical details of above mentioned Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

RESOLUTION (3) RE-APPOINTMENT OF AUDITORS

The Board (which agreed with the view of the Audit Committee of the Company) recommended that, subject to the approval of the Shareholders at the AGM, McMillan Woods (Hong Kong) CPA Limited be re-appointed as the external auditors of the Company for 2021.

RESOLUTION (4) SHARE REPURCHASE MANDATE

The Directors have been granted a general unconditional mandate to exercise the power of the Company to repurchase Shares pursuant to the written resolutions of the Shareholders passed on 31 May 2021. The share repurchase mandate would expire: (a) at the conclusion of the next annual general meeting of the Company; (b) at the expiration of the period within which the Company is required by the Articles or any other applicable laws of the Cayman Islands to hold its next annual general meeting; or (c) when revoked, varied or renewed by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

The existing share repurchase mandate will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general mandate to exercise all the powers of the Company to purchase or repurchase Shares with the aggregate nominal value not exceeding 10% of the aggregate nominal value of the issued share capital of the Company on the date of passing the relevant resolution.

LETTER FROM THE BOARD

The Company had in issue an aggregate of 120,000,000 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolutions for the approval of the General Mandate and the Share Repurchase Mandate and in accordance with the terms therein, the Company would be allowed to repurchase a maximum of 12,000,000 Shares on the basis that no further Shares will be issued or repurchased by the Company between the Latest Practicable Date to the date of the AGM.

Details of the aforesaid ordinary resolution are set out in ordinary resolution no. 4 in the notice of the AGM.

An explanatory statement giving the particulars required under Rule 10.06(2) of the Listing Rules in respect of the Share Repurchase Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution is set out Appendix II to this circular.

RESOLUTION (5) GENERAL MANDATE

The Directors have been granted a general unconditional mandate to allot, issue and deal with Shares pursuant to the written resolutions of the Shareholders passed on 31 May 2021. The general mandate would expire: (a) at the conclusion of the next annual general meeting of the Company; (b) at the expiration of the period within which the Company is required by the Articles or any other applicable laws of the Cayman Islands to hold its next annual general meeting; or (c) when revoked, varied or renewed by an ordinary resolution of Shareholders in general meeting, whichever is the earliest.

The existing general mandate will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general unconditional mandate to allot, issue and deal with new Shares with the aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of passing the relevant resolution. As at the Latest Practicable Date, a total of 120,000,000 shares were in issue. Subject to the passing of the proposed resolution granting the General Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the AGM, the Company will be allowed under the General Mandate to issue a maximum of 24,000,000 shares.

Details of the aforesaid ordinary resolution are set out in ordinary resolution no. 5 in the notice of the AGM.

LETTER FROM THE BOARD

RESOLUTION (6) EXTENSION MANDATE

In addition, subject to the passing of the resolutions to grant the General Mandate and the Share Repurchase Mandate, an ordinary resolution will be proposed at the AGM to authorise the Directors to extend the General Mandate to allot and issue Shares by an amount of Shares representing the aggregate nominal value of Shares of the Company purchased or repurchased by the Company pursuant to the authority granted to the Directors under the Share Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Share Repurchase Mandate.

Details of the aforesaid ordinary resolution are set out in ordinary resolution no. 6 in the notice of the AGM.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice convening the AGM to be held at 12/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Wednesday, 20 July 2022 at 2:30 p.m. is set out on pages 22 to 26 of this circular. At the AGM, resolutions will be proposed to approve, among other matters, the granting of the General Mandate, the Share Repurchase Mandate and the Extension Mandate; the re-election of retiring Directors; the re-appointment of auditors; the Share Consolidation and Change of Company Name.

A form of proxy for use in connection with the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.chinashenghaigroup.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjourned meeting thereof) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results of the AGM will be made by the Company after the AGM, in the manner prescribed under Rule 13.39(5) of the Listing Rules.

PRECAUTIONARY MEASURES FOR THE AGM

With the outbreak and spreading of the COVID-19 pandemic, the requirements for the prevention and control of its spreading should be heightened. The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights to attend and to vote at the AGM, but is conscious of the pressing need to protect the Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of the Shareholders, the Company would like to encourage the Shareholders to exercise their rights to vote at the AGM by appointing the Chairman of the AGM as their proxy instead of attending the AGM in person. Physical attendance is not necessary for the purpose of exercising Shareholders' rights. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof should they subsequently so wish.

The deadline to submit completed proxy forms is Monday, 18 July 2022 at 2:30 p.m. Completed proxy forms must be lodged with the Company's Hong Kong branch share registrar and transfer office Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Shareholders are strongly encouraged to cast their votes by submitting a proxy form appointing the Chairman of the AGM as their proxy.

To safeguard the health and safety of Shareholders who might be attending the AGM in person, the Company will also implement the following measures at the AGM:

- (1) Compulsory temperature screening/checks will be carried out on every attendee at the main entrance of the AGM Venue. Any person with a body temperature above the reference range quoted by the Department of Health of Hong Kong from time to time, or is exhibiting flu-like symptoms may be denied entry into the AGM Venue and be requested to leave the AGM Venue.

LETTER FROM THE BOARD

- (2) Every attendee will be required to submit a completed a health declaration form prior to entering the AGM Venue.
- (3) Every attendee will be required to wear a surgical face mask throughout the AGM and sit at a distance from other attendees. Please note that no masks will be provided at the AGM Venue and attendees should wear their own masks.
- (4) No gifts, refreshments or drinks will be provided to attendees at the AGM.

Attendees are in addition requested to observe and practise good personal hygiene at all times. To the extent permitted by law, the Company reserves the right to deny entry into the AGM Venue or require any person to leave the AGM Venue so as to ensure the health and safety of the attendees at the AGM.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the Company's website at www.chinashenghaigroup.com for future announcements and updates on the AGM arrangements.

RECOMMENDATION

At the AGM, resolutions will be proposed to approve, among other matters, the granting of the General Mandate, the Share Repurchase Mandate and the Extension Mandate; the re-election of retiring Directors and the re-appointment of auditors.

The Directors believe that the proposed grant of the General Mandate, the Share Repurchase Mandate and the Extension Mandate, the re-election of Directors and the re-appointment of the auditors are in the best interests of the Company and the Shareholders. The Directors believe that an exercise of the General Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company. The Share Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that such repurchase of Shares will benefit the Company and the Shareholders. An exercise of the Share Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital requirements or the gearing levels of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions to be proposed at the AGM to approve the proposed grant of the General Mandate, the Share Repurchase Mandate and the Extension Mandate, the re-election of Directors and the reappointment of the auditors.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company for the AGM will be closed from Thursday, 14 July 2022 to Wednesday, 20 July 2022, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 13 July 2022.

RESPONSIBILITY OF DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

LANGUAGE

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of the Board
Liu Rongru
Executive Director

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the AGM, are provided below.

(1) Mr. Liu Dajin (“Mr. Liu Dajin”)

Position, experience and relationship

Mr. Liu Dajin (劉大進), aged 56, was appointed as an Independent Non-executive Director on 22 June 2017. Mr. Liu Dajin is also a member of our Audit Committee, our Remuneration Committee and our Nomination Committee. Mr. Liu Dajin has been a practising member of the Chinese Institute of Certified Public Accountants since November 1996. Mr. Liu Dajin graduated with a bachelor degree in economics (major in accounting) from the Central University of Finance and Economics (中央財經大學) (originally named Central Institute of Finance and Banking (中央財政金融學院)) in June 1989. He then obtained a postgraduate qualification from the Xiamen University Postgraduate School in September 1992. Mr. Liu Dajin worked as a teaching assistant at the Jimei Finance and Economics School (集美財經學校 (currently known as: Finance & Economics Institute, Jimei University 集美大學財經學院)) from August 1984 to August 1987. Mr. Liu Dajin then served as the deputy director and an instructor at the Financial Management Teaching and Research Centre (財務管理教研室) at the Jimei College of Finance (集美財政專科學校 (currently known as: Finance & Economics Institute, Jimei University 集美大學財經學院)) from July 1989 to August 1995. Mr. Liu Dajin worked in various faculties of the Jimei University (集美大學) since September 1995 and is currently the director of the Faculty of Management of the Chengyi University College, Jimei University (集美大學誠毅學院). Mr. Liu Dajin has been an independent non-executive Director of Mobile Internet (China) Holdings Limited (formerly known as China Packaging Holdings Development Limited), which is listed on the Stock Exchange (stock code: 1439), Xiamen Xinda Ltd., a company listed on Shenzhen Stock Exchange (stock code: 000701.SZ) and Xiamen Zongheng Group Co., Ltd.

As far as the Directors are aware, Mr. Liu Dajin does not have any relationship with other Directors, senior management, substantial Shareholders or Controlling shareholders.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Liu Dajin was not interested or deemed to be interested in the Shares or the associated corporations of the Company pursuant to Part XV of the SFO.

Length of service and Director's emoluments

Mr. Liu Dajin has entered into a service contract with the Company for a term of three years commencing from 22 June 2020, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Pursuant to the service contract, Mr. Liu Dajin is entitled to a monthly salary of HK\$8,333.

For the year ended 31 December 2021, the total emoluments paid to Mr. Liu Dajin is approximately HK\$100,000 (including Director's fees, salaries, allowances, benefits in kind and retirement scheme contributions). The remuneration of Mr. Liu Dajin was determined with reference to the prevailing market conditions, Mr. Liu Dajin's expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company's Remuneration Committee from time to time.

(2) Mr. Liu Rongru ("Mr. Liu")***Position, experience and relationship***

Mr. Liu Rongru (劉榮如), aged 54, is our Chief Executive Officer, Executive Director and the Joint-chairman of our Board and is primarily responsible for development, positioning and strategy planning of our Group. Mr. Liu is the founder and Controlling shareholder of our Group. He was appointed as a Director and Chief Executive Officer on 8 January 2016 and 6 August 2019 respectively, and redesignated as an Executive Director and Joint-chairman on 11 April 2016 and 14 January 2020 respectively. In the earlier period of his career, Mr. Liu worked at Xiamen Shipping Trading Limited (廈門經貿船務有限公司) in China from August 1990 to August 1996, a company principally engaged in shipping and trading, where he was primarily responsible for ship steering and piloting. In October 1996, Mr. Liu started his own business in trading marine product where he was primarily in charge of the general operation of the business which allowed him to input his trading experience into Xiamen Wofan upon its establishment in July 2005.

Mr. Liu attended a course entitled “Contemporary CEOs’ Advance Course (現代企業總裁高級研修班)” from October 2010 to October 2011 at the School of Continuing Education, Tsinghua University (清華大學繼續教育學院). Mr. Liu has been appointed a member of the 7th Chinese People’s Political Consultative Conference at Xiamen Huli district (廈門市湖裡區第七屆政協委員) since November 2011 and a member of the China Democratic National Construction Association (中國民主建國會會員) since November 2010. Mr. Liu had also been appointed the first vice president of the Association for New Social Stratum of Xiamen Huli district (廈門湖裡區首屆新的社會階層人士聯誼會副會長) in December 2009, the executive committee of the 12th Xiamen Federation of Commerce of Chamber (廈門市工商聯(總商會)第十二屆執委會執委) in December 2011, the standing committee member of the 5th Xiamen Huli district Federation of Commerce of Chamber (廈門市湖裡區工商聯(商會)第五屆理事會常務理事) in April 2012 and the supervisor of the third division of the Xiamen Municipal Bureau of Quality and Technical Supervision (廈門市質量技術監督局第三分局行風監督員) in April 2015.

Save as disclosed above, as far as the Directors are aware, Mr. Liu does not have any relationship with other Directors, senior management, substantial Shareholders or Controlling shareholders.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Liu was deemed to be interested in 52,500,000 Shares, representing 43.75% of the issued share capital of the Company, all of which were held by Precisely Unique Limited, a company wholly-owned by Mr. Liu.

Save as disclosed above and as far as the Directors are aware, as at the Latest Practicable Date, Mr. Liu was not interested or deemed to be interested in the Shares or the associated corporations of the Company pursuant to Part XV of the SFO.

Length of service and Director’s emoluments

Mr. Liu has entered into a service contract with the Company for a term of three years commencing from 22 June 2020, which may be terminated by not less than three months’ notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Pursuant to the service contract, Mr. Liu is entitled to a monthly salary of HK\$80,000.

For the year ended 31 December 2021, the total emoluments paid to Mr. Liu is approximately RMB1,757,000 (including Director’s fees, salaries, allowances, benefits in kind and retirement scheme contributions). The remuneration of Mr. Liu was determined with reference to the prevailing market conditions, Mr. Liu’s expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company’s Remuneration Committee from time to time.

(3) Mr. Liu Junting (“Mr. Liu Junting”)***Position, experience and relationship***

Mr. Liu Junting (劉俊廷), aged 32, was appointed as an Independent Non-executive Director on 14 January 2020. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Liu Junting graduated from Beijing Institute of Technology in July 2013. Mr. Liu Junting is currently the assistant manager of Zhuhai Lvzhou Industrial Limited. Since October 2019, Mr. Liu Junting was appointed as an independent non-executive director of Moody Technology Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1400).

As far as the Directors are aware, Mr. Liu Junting does not have any relationship with other Directors, senior management, substantial Shareholders or Controlling shareholders.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Liu Junting was not interested or deemed to be interested in the Shares or the associated corporations of the Company pursuant to Part XV of the SFO.

Length of service and Director’s emoluments

Mr. Liu Junting has entered into a service contract with the Company for a term of three years commencing from 14 January 2020, which may be terminated by not less than three months’ notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Pursuant to the service contract, Mr. Liu Junting is entitled to a monthly salary of HK\$4,166.

For the year ended 31 December 2021, the total emoluments paid to Mr. Liu Junting is approximately HK\$50,000 (including Director’s fees, salaries, allowances, benefits in kind and retirement scheme contributions). The remuneration of Mr. Liu Junting was determined with reference to the prevailing market conditions, Mr. Liu Junting’s expertise, duties and responsibilities with the Company and the remuneration policy of the Group and is subject to review by the Company’s Remuneration Committee from time to time.

(4) General

Save as disclosed above, there are no other matters relating to the re-election of the retiring Directors that are required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and no other matters need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 120,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the AGM in respect of the granting of the Share Repurchase Mandate and on the basis that the number of issued Shares of the Company remains unchanged between the Latest Practicable Date and the date of the AGM i.e. being 120,000,000 Shares, the Directors would be authorised under the Share Repurchase Mandate to repurchase (during the period in which the Share Repurchase Mandate remains in force) a maximum of 12,000,000 Shares), representing 10% of the number of issued Shares as at the date of the AGM.

3. REASONS FOR REPURCHASE OF SHARES

The Directors have no present intention to repurchase any Shares but consider that the Share Repurchase Mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or the earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The number of Shares to be repurchased on any occasion and the price and other terms on which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

4. FUNDING OF REPURCHASE

The Company is empowered by the Articles to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Cayman Companies Law, the Listing Rules and/or other applicable laws, rules and regulations, as the case may be.

Any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or, if authorized by the Articles and subject to the Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The premium, if any, payable on repurchase must be provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are repurchased or, if authorized by the Articles and subject to Cayman Companies Law and/or other applicable laws, rules and regulations, out of capital. The Shares so repurchased will be treated as cancelled but the aggregate amount of authorized share capital will not be reduced.

The Company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or settlement otherwise than in accordance with the trading rules of the Stock Exchange.

5. IMPACT OF REPURCHASE

There might be an impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2021) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during the 12 months proceeding the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
April	2.380	1.240
May	2.290	1.680
June	1.890	1.450
July	2.130	1.330
August	2.000	1.310
September	1.800	1.200
October	1.700	1.190
November	1.700	1.300
December	1.420	1.150
2022		
January	1.230	0.660
February	1.030	0.750
March	1.600	0.650
April	2.200	1.090
May	1.840	0.495
June (up to the Latest Practicable Date)	0.520	0.450

7. DISCLOSURE OF INTEREST

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders. The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

8. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the issued share capital of the Company. Their respective interest as at the Latest Practicable Date is shown under the column "Approximate % of the issued share capital before a possible exercise of the Repurchase Mandate" while the respective interest in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolutions in relation to the Repurchase Mandate to be proposed at the AGM (and assuming that the issued share capital remains unchanged up to the date of the AGM) is shown under the column "Approximate % of the issued share capital should the Repurchase Mandate be exercised in full":

Name of Shareholder	Nature of Interest	Number of Shares held	Approximate % of the issued share capital before a possible exercise of the Repurchase Mandate	Approximate % of the issued share capital should the Repurchase Mandate be issued in full
Precisely Unique Limited ("Precisely Unique") (Note 2)	Beneficial Owner	52,500,000 ordinary Shares (L)	43.75%	48.61%
Mr. Liu Rongru ("Mr. Liu") (Note 2)	Interest in controlled corporation	52,500,000 ordinary Shares (L)	43.75%	48.61%
Ms. Lin Yueying ("Ms. Lin") (Note 3)	Interest of spouse	52,500,000 ordinary Shares (L)	43.75%	48.61%
Mr. Lau Shek Yau	Beneficial Owner	8,000,000 ordinary Shares (L)	6.67%	7.41%

The above are calculated based on 120,000,000 Shares in issue as at the Latest Practicable Date.

Notes:

- (1) The letter (L) denotes the person's long interest in the Company's Shares.
- (2) Precisely Unique is a company incorporated in the BVI and is wholly-owned by Mr. Liu. Mr. Liu is deemed to be interested in all the Shares held by Precisely Unique for the purpose of the SFO.
- (3) Ms. Lin is the spouse of Mr. Liu and is deemed, or taken to be interested in all Shares in which Mr. Liu has interest under the SFO.

In the event that the Directors exercise the Repurchase Mandate in full, the interest of the abovenamed persons would be increased as shown in the table above.

On the basis of the shareholding named above, an exercise of the Repurchase Mandate in full will not result in any of them becoming obliged to make a mandatory offer under Rules 26 and 32 of the Takeover Code.

9. REPURCHASE OF SHARES MADE BY THE COMPANY

The Company has not bought back any Shares whether on the Stock Exchange or otherwise in the six months preceding the Latest Practicable Date.

10. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, the Articles and all applicable laws of the Cayman Islands.

NOTICE OF ANNUAL GENERAL MEETING



中國升海集團有限公司

China Shenghai Group Limited

(formerly known as

China Shenghai Food Holdings Company Limited

中國升海食品控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1676)

Notice is hereby given that an AGM of China Shenghai Group Limited (the “**Company**”) will be held at 12/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Wednesday, 20 July 2022 at 2:30 p.m. (Hong Kong time) for the following purposes:

ORDINARY BUSINESS

1. To receive the audited consolidated financial statements of the Company and the reports of the Directors and auditors for the year ended 31 December 2021.
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr. Liu Dajin as Independent Non-executive Director;
 - (b) to re-elect Mr. Liu Rongru as Executive Director;
 - (c) to re-elect Mr. Liu Junting as Independent Non-executive Director; and
 - (d) to authorise the Board of Directors to fix the directors’ remuneration.
3. To re-appoint McMillan Woods (Hong Kong) CPA Limited as auditors and to authorise the Board of Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

4. **“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. **“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the mandate in paragraph (a) above shall authorise the Directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company;
 - (iii) the exercise of rights of subscription or conversion under the terms of any securities issued by the Company which are convertible or exercisable into shares of the Company; or
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the number of the issued shares of the Company on the date of the passing of this resolution and the said mandate shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlement or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

6. “**THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate number of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10% of the aggregate number of shares of the Company in issue on the date of the passing of this resolution.”

By Order of the Board
China Shenghai Group Limited
Liu Rongru
Executive Director

Hong Kong, 17 June 2022

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy (or more than one proxy if he is the holder of two or more shares) to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 14 July 2022 to Wednesday, 20 July 2022 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration by not later than 4:30 p.m. (Hong Kong time) on Wednesday, 13 July 2022.
5. As at the date of this notice, the Executive Directors of the Company are Mr. Li Dongfan, Mr. Liu Rongru and Ms. Chen Xiaoling and the Independent Non-executive Directors of the Company are Mr. Liu Dajin, Mr. Liu Junting and Mr. He Jian.