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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)**

**COMPLETION OF PLACING OF NEW SHARES UNDER  
GENERAL MANDATE**

**Placing Agent to the Company**



Reference is made to the announcements of China Shenghai Group Limited (the “**Company**”) on 20 November 2023, on 23 November 2023 and 8 December 2023 (the “**Announcements**”) 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.

**COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and completion of the Placing (“**Completion**”) took place on 8 December 2023. An aggregate of 24,000,000 Placing Shares, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately upon the Completion, have been successfully placed to not less than six Placees, at the Placing Price of HK\$1.80 per Placing Share pursuant to the terms of the Placing Agreement.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners (where applicable) are Independent Third Parties, and none of the Placees has become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing. The gross proceeds from the Placing are approximately HK\$43.2 million.

The net proceeds from the Placing, after deducting the placing commission and other related expenses incurred in relation to the Placing, amount to approximately HK\$42.3 million, which 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.

## EFFECTS ON THE SHAREHOLDING STRUCTURE

Name of shareholder	Immediately before Completion		Immediately after Completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Precisely Unique Limited ( <i>Note</i> )	52,500,000	43.75%	52,500,000	36.46%
Lau Shek Yau John	4,000,000	3.33%	4,000,000	2.78%
Yang Liqiong	6,320,000	5.27%	7,140,000	4.96%
Placees	–	–	24,000,000	16.67%
Other public shareholders	57,180,000	47.65%	56,360,000	39.14%
Total	<u>120,000,000</u>	<u>100%</u>	<u>144,000,000</u>	<u>100%</u>

*Note:* As at the date of this announcement Precisely Unique Limited is wholly owned by Mr. Liu Rongru, under the SFO, Mr. Liu Rongru is deemed to be interested in all the Shares held by Precisely Unique Limited. Ms. Lin Yueying is the spouse of Mr. Liu Rongru and is deemed or taken to be interested in all the Shares in which Mr. Liu Rongru is interested under the SFO. On 15 September 2022, Messrs Osman Mohammed Arab and Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited were appointed as joint and several receivers in respect of the entire issued share capital of Precisely Unique Limited pursuant to the relevant share charge granted by Mr. Liu Rongru to Ultima Prime Investment Limited.

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

Xiamen, the PRC, 8 December 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.*