

Dated 20 November 2023

CHINA SHENGHAI GROUP LTD.
(as Company)

and

ZIJING CAPITAL LIMITED
(as Placing Agent)

PLACING AGREEMENT
relating to the placing of up to 24,000,000 new Shares
in the share capital of the Company

THIS AGREEMENT is made on **20 November 2023**

BETWEEN:-

- (1) **CHINA SHENGHAI GROUP LTD.**, a company incorporated in the Cayman Islands with limited liability and having its registered office at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong at Level 35, Infinitus Plaza, 199 Des Voeux Road, Central, Sheung Wan, Hong Kong with its Shares listed on the Main Board of the Stock Exchange (the “**Company**”); and
- (2) **ZIJING CAPITAL LIMITED**, a company incorporated in Hong Kong with limited liability, the registered office of which is at Unit 503, 5th Floor, Admiralty Centre, Tower 2, No. 18 Harcourt Road, Hong Kong and licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to perform types 1 (dealing in securities) of the regulated activities (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**Placing Agent**”).

WHEREAS:-

- (A) The Company was incorporated in the Cayman Islands with limited liability and at the date of this Agreement has an authorised share capital of HK\$100,000,000 divided into 1,000,000,000 Shares of par value HK\$0.1 each, of which 120,000,000 Shares have been issued and are fully paid or credited as fully paid and are listed on the Main Board of the Stock Exchange (Stock Code: 1676).
- (B) At the request of the Company, the Placing Agent has agreed to procure (whether by itself or through its sub-placing agents(s)), as agent of the Company, not less than six placees for the Placing Shares, on a best efforts basis, upon the terms and subject to the conditions set out in this Agreement.
- (C) The Placing Shares will be allotted and issued pursuant to the general mandate granted to the directors of the Company at the Company’s annual general meeting held on 20 July 2023.

NOW IT IS AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

- (A) In this Agreement, including the recitals, unless the context otherwise requires, the following terms have the respective meanings set opposite them:-

“Announcement”	the press announcement proposed to be issued by the Company, in substantially such form as annexed hereto marked “A”, immediately following execution of this Agreement;
“associates”	having the meaning ascribed to it in the Listing Rules;
“business day”	a day on which banks in Hong Kong are open for business, other than:- (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black

rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon on which banks generally are open for business in Hong Kong;

“CCASS”	the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited;
“Companies Ordinance”	the Companies Ordinance, Cap 622 of the Laws of Hong Kong;
“Completion”	completion of this Agreement in accordance with the provisions of Clause 4;
“Completion Date”	the date on which Completion shall take place, being not later than the 4th business day next following the Notification specified in Clause 4(E) or such other date as may be agreed by the Company and the Placing Agent in writing;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with or acting in concert with the Company, its connected persons and their respective associates (as defined in the Listing Rules);
“Law”	<ul style="list-style-type: none">(i) any law, statute or statutory provision, regulation, rule, constitutional provision, treaty or rule of common law or equity;(ii) any order, notice or decree of any governmental authority or other matter of any kind having the force of law;(iii) any order, decree, judgment or award of any court, tribunal or arbitrator of a competent jurisdiction; or(iv) any rule, regulation, direction or guideline (whether having the force of law) of, or any interpretation of any of them by, any relevant regulatory body or stock exchange, including (without limitation) the Listing Rules;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	14 December 2023 or such later date as the parties hereto may agree in writing;
“Notification”	notification in writing from the Company to the Placing Agent under Clause 4(E) of this Agreement that all conditions are satisfied and completion of this Agreement shall take place;
“Party”	either party to this Agreement;
“Placee(s)”	any independent person(s) or entity(ies) procured by the Placing Agent or its sub-placing agent(s) to subscribe for any of the Placing Shares under this Agreement;
“Placing”	the offer by way of a private placing of the Placing Shares procured by the Placing Agent to selected investors, on the terms but subject to the conditions set out in this Agreement;
“Placing Period”	the period commencing from the execution of this Agreement and ending at 5:00 p.m. on the business day preceding the Long Stop Date;
“Placing Price”	the price of not less than HK\$1.8 per Placing Share;
“Placing Shares”	up to 24,000,000 new Shares;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Shares”	ordinary shares of nominal value of HK\$0.1 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning attributable to it in the Companies Ordinance;
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong; and
“Warranties”	the representations and warranties set out in Clause 6.

- (B) In this Agreement, including the recitals, unless the context otherwise requires:-
- (i) references to “Clauses” are references to clauses of this Agreement;
 - (ii) references to this Agreement include this Agreement and all other documents executed in accordance with this Agreement and expressed to be supplemental to this Agreement;
 - (iii) headings are for convenience only and shall not limit, extend, vary or otherwise affect the construction of any provision of this Agreement;

- (iv) words and expressions importing the singular include the plural and vice versa;
- (v) words and expressions importing one gender include both genders and the neuter, and references to persons include natural persons, bodies corporate or unincorporated, sole proprietorships, partnerships, associations, enterprises, branches and all other forms of organisations and entities;
- (vi) references to a Party include its personal representatives, successors, heirs, beneficiaries, sureties and permitted assigns;
- (vii) where any word or expression is given a defined meaning, any other grammatical form of such word or expression (as the case may be) shall have a corresponding meaning;
- (viii) references to writing include any method of producing or reproducing words in a legible and non-transitory form;
- (ix) references to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted (whether before or after the date of this Agreement) from time to time and shall include any provision of which they are re-enactments (whether with or without modification) and any subordinate legislation made under such statutory provisions;
- (x) references to specific times are references to Hong Kong local times;
- (xi) references to a document being "in the agreed form" mean in the form of a document or the draft of it signed for identification on behalf of the Company and the Placing Agent with (in the case of a draft) such alterations, if any, as may be agreed by the Company and the Placing Agent; and
- (xii) references to anything which a Party is required to do or not to do shall include its acts, defaults and omissions, whether:-
 - (a) direct or indirect;
 - (b) on its own account; or
 - (c) for or through any other person,

and shall include acts, defaults and omissions which it permits or suffers to be done or not done by any other person.

2. **APPOINTMENT OF THE PLACING AGENT**

- (A) On the terms but subject to the conditions of this Agreement:-
 - (i) the Company appoints the Placing Agent as its exclusive placing agent to procure not less than six Placees for, on a best efforts basis, the Placing Shares at the Placing Price (together with such brokerage and the Stock Exchange trading fee and the SFC transaction levy and the FRC Transaction Levy as may be payable); and
 - (ii) the Placing Agent accepts such appointment.
- (B) For the avoidance of doubt, the parties hereto acknowledge that the Placing Agent is only obliged to use its best efforts to procure Placees for the Placing Shares, is not under any underwriting obligation in respect of the Placing Shares or any of them. Where the number of Placing Shares actually placed is less than 24,000,000 Placing Shares, the Placing

Agent is not obliged to acquire any or all Placing Shares for which no Placees are procured, the Company agrees that it does not have any recourse whatsoever against the Placing Agent in respect of such shortfall (if any).

- (C) The appointment under Clause 2(A) shall confer on the Placing Agent (and/or any sub-placing agents referred to in Clause 2(D)) all rights, powers, authorities and discretions on behalf of the Company which are necessary for or reasonably incidental to the Placing (including, without limitation and if necessary, completion of the relevant contract notes on behalf of the Company and the submission of such contract notes and other documents for stamping and registration), and agrees to ratify and confirm everything which the Placing Agent (or any sub-placing agents) may lawfully, reasonably and properly do in the exercise of such rights, powers, authorities and discretion in accordance with this Agreement.
- (D) The Placing Agent may in turn, at the Placing Agent's sole costs and expenses, appoint other sub-placing agents to procure Placees for the Placing Shares. The Placing Agent confirms and undertakes that it will require any sub-placing agent or other person through whom it may effect the Placing or offer any Placing Share to observe the provisions of this Agreement. Any transaction legally, properly and reasonably carried out by the Placing Agent (or any sub-placing agent) shall constitute a transaction carried out at the request of the Company and as its agent, and not in respect of the Placing Agent's own account. The Placing Agent shall not be responsible for any loss or damage (except for any loss or damage arising out of any fraud, wilful default or gross negligence on the part of the Placing Agent or any sub-placing agent or as a result of non-compliance by the Placing Agent or any sub-placing agent with their respective obligations under this Agreement) to the Company arising from any such transaction.
- (E) The Company shall procure that:-
 - (i) the Company will provide the Placing Agent, at its request, with all such information known to it, or which on reasonable enquiry ought to be known to it, and relating to the Group as may be reasonably required by the Placing Agent in connection with the Placing, for the purposes of complying with the requirements under all applicable Laws or of the Stock Exchange or the SFC; and
 - (ii) particulars of every significant new factor known to it which is, in its reasonable opinion, capable of materially affecting assessment of the Placing Shares in the context of the Placing which arises between the date of this Agreement and 12:00 noon on the Completion Date will be promptly provided to the Placing Agent, provided that all matters disclosed by the Company by way of public announcement are deemed to have been brought to the attention of the Placing Agent.

3. **PLACING AGENT'S UNDERTAKINGS**

- (A) The Placing Agent undertakes that during the Placing Period, it will procure, on a best efforts basis, Placees for all of the Placing Shares at the Placing Price (together with such Hong Kong stamp duty and the Stock Exchange trading fee and the SFC transaction levy and the FRC Transaction Levy as may be payable by Placees).
- (B) The Placing Shares shall be offered by the Placing Agent to not less than six Placees in integral multiples of whole board lots. The manner in which the Placing is conducted and the choice of Placees for the Placing Shares shall be determined solely by the Placing Agent, subject to the requirements of the Listing Rules (in particular, the Placing Agent shall use all reasonable endeavours to ensure that the Placees shall be third parties independent of and not connected with the Company and its connected persons, shall not become a substantial shareholder of the Company upon Completion and none of the Placees to be procured by the Placing Agent falls or will, upon Completion, fall under the category of a "US person" under the United States Securities Act of 1933;).

- (C) By no later than 2:00 p.m. on the sixth business day preceding the Long Stop Date, the Placing Agent shall deliver to the Company a schedule showing details of the Placees, including their names in English and Chinese, (for corporations) countries of incorporation, addresses (or, for corporations, registered addresses), telephone numbers, personal identification numbers, employer's identities, the number of Placing Shares purchased by each placee, and details of the CCASS stock accounts to which such Placing Shares are to be credited.

As soon as practicable and in any event no later than the day which is the sixth Business Day before the Completion Date, the Placing Agent shall deliver to the Stock Exchange (and/or the SFC, if requested) details of the Placee(s) procured to subscribe for the Placing Shares including, inter alia, their names and addresses and the number of Placing Shares which they have respectively agreed to subscribe, and (if requested by the Stock Exchange and/or the SFC) together with acknowledgment confirming, inter alia, that such Placees (and any of their beneficial owners) are Independent Third Parties.

- (D) Without limitation to Clause 3(E), the Placing Agent undertakes to effect the Placing by telephone conversations or demand forms leading to concluded contracts, which shall then be confirmed by letter(s) of confirmation.

- (E) The Placing Agent confirms and undertakes to the Company that it:-

- (i) will not, directly or indirectly engage in any price stabilisation in relation to the Placing;
- (ii) will not, directly or indirectly offer, sell or deliver any Placing Share to the public, including but not limited to offer to the public within the meaning of the Companies Ordinance or Companies (Winding Up and Miscellaneous Provisions) Ordinance or in any other place in any manner in which the securities laws or regulations of any place may be infringed and all offers and sales of Placing Shares will be made on such terms;
- (iii) will not, directly or indirectly distribute or publish any document (including, without limitation, any prospectus, form of application, offering circular, advertisement or other offering material or any report or other document calculated to invite or lead to offers or agreements being made to purchase Placing Shares);
- (iv) will not, directly or indirectly make any representation or statement in relation to the Placing in any country or jurisdiction, except where such offer, sale or delivery is made under circumstances that shall not result in or constitute a breach of any applicable Law in Hong Kong or give rise to a requirement for any prospectus to be published or filed or any registration or qualification to be made or obtained (other than such as are made or obtained by the Placing Agent) in any such country or jurisdiction and all offers, sales and deliveries of Placing Shares shall be made on such terms;
- (v) will use its best endeavours to ensure that it receives a written confirmation from each Placee that it and its ultimate beneficial owner(s) (if applicable) is/are (i) independent of the Company and its associates; (ii) independent of and not connected with any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; and (iii) that it and its ultimate beneficial owner(s) (if applicable) is/are not acting in concert with (within the meaning of the Takeovers Code) with any of the persons referred to in (i) and (ii) of this Clause 3.E(v) and other co-Placees. In the same confirmation, the Placing Agent will ask the placee to disclose any of its prior holding/dealing in Shares and pass the information to the Company to enable it to finalise the content of the placing completion announcement. For the avoidance of doubt, each of the Placing Agent, any sub-placing agent(s) and/or placee(s)

should itself be responsible for complying its own disclosure of interest filing obligations;

- (vi) has power under its constitutional documents to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes valid, legally binding and enforceable obligations of the Placing Agent;
 - (vii) will use all reasonable endeavours to ensure that none of the Placees and their respective associates (as defined in the Listing Rules) will, immediately upon Completion, become a substantial shareholder (as defined in the Listing Rules) as a result of the Placing;
 - (viii) and its ultimate beneficial owners are third parties independent of the Company and its connected persons; and
 - (ix) will procure that its sub-placing agents (if any) will observe, agree to and comply with, and will be bound by, the provisions of this Clause 3 as if such sub-placing agents were parties hereto for the purpose of this Clause 3.
- (F) The Placing Agent confirms and undertakes to the Company to supply promptly (and to procure its sub-placing agents (if any) to provide) and in any event within a reasonable time prior to the expiry of any applicable time limits imposed by the Company:
- (i) such information to enable the Company to publish any announcement required under the Listing Rules, including the details required thereunder, and other applicable provisions of the Listing Rules as are or should be within the knowledge of the Placing Agent, and
 - (ii) such information relating to the Placing and other transactions contemplated under this Agreement as are or should be within the knowledge of the Placing Agent to enable the Company to comply with its obligations under all applicable laws, rules and regulations and to provide all such information as may be required by the Stock Exchange and the SFC and any other relevant regulatory authority to ensure the fulfilment and compliance of all applicable rules and regulations of the Stock Exchange in relation to its role as placing agent for the Placing, and, if required, will issue appropriate written confirmation of such fulfilment and compliance,

and to obtain all necessary consents and approvals as may be required under the Personal Data (Privacy) Ordinance in connection with the obtaining and supply of such information to the Company.

- (G) The Placing Agent confirms and undertakes that it has not made and shall not make to any person to whom the Placing Shares may be offered any representation or statement regarding the Company, the Group or the financial or business position or prospects of the Company or the Group which was not or is not, at the time of making the same, general public knowledge in the marketplace.

4. COMPLETION

- (A) Completion shall take place not later than 4:00 pm on the Completion Date at the principal place of business in Hong Kong of the Company (or such other venue as the Company and the Placing Agent may agree in advance) when all of the following business under Clause 4 shall be transacted.
- (B) The Placing Agent shall:-
- (i) by no later than 2:00 p.m. on the second business day preceding Completion Date, deliver to the Company (or Tricor Investor Services Limited, the Company's

branch share registrar and transfer office in Hong Kong) application for all the Placing Shares taken up by the Placees as named in the Schedule which was already provided by the Placing Agent to the Company and the Stock Exchange when applying for the listing approval of the Placing Shares;

- (ii) by no later than 12:00 noon on the business day preceding the Completion Date, effect payment to the Company (and the Company should have received in full of such payment) by either the delivery of one or more cashier's orders(s) issued by a licensed bank in Hong Kong or payment of an amount in immediately available funds in such manner as shall be found by the Company in its reasonable opinion to be acceptable equal to the aggregate Placing Amount payable for the aggregate number of Placing Shares so subscribed (after deduction of the commissions and expenses referred under Clause 5).
- (C) Against compliance by the Placing Agent with its obligations under Clause 4(B), the Company shall:-
- (i) by no later than 4:00 pm on the business day preceding the Completion Date give written instruction to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited (the "**Registrar**") to allot and issue, credited as fully paid, to the Placees (and/or their respective nominees) (if any) as instructed by the Placing Agent) the Placing Shares and shall procure that the Placees and/or such nominees are registered on the branch register of members of the Company in Hong Kong in respect thereof; and
 - (ii) by no later than 4:00 pm on the Completion Date procure delivery to the Placing Agent definitive share certificates for the Placing Shares in board lots or an integral multiple thereof in such denomination as the respective Placees may request issued in the names of the respective Placees (or their respective nominees) and in accordance with instructions given in the application to be delivered as referred to above.
- (D) Completion is conditional upon:
- (i) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent);
 - (ii) no representation, warranty or undertaking under this Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect.
- (E) On the day on which the condition(s) set out in Clause 4(D) above is fulfilled, the Company shall so notify the Placing Agent by way of Notification and the Placing Agent shall make all requisite arrangements with the Placees for delivery of relevant documents as required under Clause 4(B)(i) and effect payments under Clause 4(B)(ii) .
- (F) In the event of the conditions referred to in Clause 4(D) above not having been fulfilled by the Long Stop Date, all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing, save for any antecedent breaches of this Agreement.

5. **FEES, COMMISSIONS AND EXPENSES**

- (A) In consideration of the services of the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent:-

- (i) provided that completion of the Placing occurs in accordance with Clause 4, commission will be 2 per cent. of the amount equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent ("Placing Amount"), which the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 4 (B) (ii); and
- (ii) all out-of-pocket expenses (including but not limited to fees charged by the Hong Kong Securities Clearing Company Limited in respect of CCASS transaction (if any) reasonably and properly incurred by the Placing Agent in connection with the Placing, which, if ascertained at Completion, the Placing Agent is hereby authorised to deduct from the payment to be made to the Company pursuant to Clause 4(B)(ii), provided that any out-of-pocket expense item over the amount of HK\$5,000 shall be subject to written consent of the Company prior to incurring;

In addition to the fees referred above but subject to other provisions to the contrary, the Company shall pay the Stock Exchange listing fee and trading fee (if any), the SFC transaction levy (if any), the FRC Transaction Levy (if any), and the costs of publishing the Announcement, and all charges, fees and expenses of the Company's share registrar including (without limitation) their fees and expenses in effecting the issue of the Placing Shares, and the issue of certificates thereof in board lots, to the Placees or, where applicable, the Placing Agent or its nominees, (subject to the prior agreement by the parties hereto) all of which amounts the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company pursuant to Clause 4(B)(ii).

- (B) If for any reason (other than any breach by the Placing Agent of any of its obligations under this Agreement) this Agreement is terminated or the Placing is not completed, the Company shall remain liable for the payment of all reasonable costs and expenses referred to in Clauses 5(A) (but not the commission referred to in Clause 5(A)(i)) only to the extent already incurred.
- (C) All payments to be made by the Company pursuant to this Clause 5 shall be made in full without any set-off, deduction or withholding whatsoever. Either party hereto shall be respectively liable for its own legal and other professional advisers fee incurred in connection with the Placing and associated transactions.

6. **WARRANTIES**

- (A) In consideration of the Placing Agent entering into this Agreement and agreeing to perform its obligations under this Agreement, the Company represents and warrants that:-
 - (i) the Placing Shares will be allotted and issued under the general mandate as mentioned in Recital (C) and subject to the conditions set out in Clause 4(D) being satisfied, the Company has the necessary power and authority, and has obtained all necessary consents, to enable it to allot and issue the Placing Shares under this Agreement;
 - (ii) this Agreement constitutes valid and legally binding and enforceable obligations of the Company;
 - (iii) the Placing Shares will on allotment and issue be free from all liens, charges, encumbrances, equity and third party rights of whatsoever nature and together with all rights attaching thereto as at the date of such allotment, including the rights to receive all dividends and other distributions which may be declared, made or paid after the Completion Date;
 - (iv) all statements of fact contained in the Announcement are true and accurate in all respects and not misleading in the context of the Placing, all statements of opinion, intention or expectation of the directors of the Company in relation to the Company

or any of its subsidiaries contained in the Announcement are truly and honestly held and have been made after due and careful consideration, and there is no other fact or matter the omission of which would make any statement in the Announcement misleading or which is otherwise material in the context of the Placing.

- (B) The Company represents and warrants that each of the Warranties is true and accurate and not misleading in any material respect as given as of the date of this Agreement and as of the Completion Date and as if given at all times between the date of this Agreement and the Completion Date.
- (C) The Company shall forthwith notify the Placing Agent of any event or series of events, matter or circumstance which may arise or become known to the Company between the date of this Agreement and the Completion Date, which:-
 - (i) has rendered, renders or is likely to render any of the Warranties untrue, misleading or inaccurate; or
 - (ii) has caused, causes or is likely to cause any material adverse effect on:-
 - (a) the business, operations, properties, assets, liabilities, earnings, financial position or prospects of any member of the Group; or
 - (b) the ability of the Company to perform or observe its obligations or undertakings under this Agreement.
- (D) The Company shall use its best endeavours to procure that no member of the Group will do or omit to do anything which would or could render any of the Warranties to be untrue or incomplete, if repeated at any time before the Completion Date, with reference to the facts and circumstances then prevailing.

7. TERMINATION

- (A) Notwithstanding anything contained in this Agreement, if at any time on or prior to 12:00 noon on the Completion Date:
 - (i) there shall have been, since the date of this Agreement, such a change in national or national financial, political or economic conditions or taxation or exchange controls as would, in the reasonable opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or
 - (ii) any material breach of any of the representations and warranties set out in this Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of this Agreement; or
 - (iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate this Agreement without liability to the Company (subject to Clause 7(B)) by giving notice in writing to the Company, provided that such notice is received prior to 12:00 noon on the Completion Date.

- (B) In the event the Placing Agent terminates this Agreement pursuant to Clause 7(A) above, all obligations of each of the parties under this Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with this Agreement except for any antecedent breach of any obligation under this Agreement and liabilities under Clause 5(B).

8. **ANNOUNCEMENTS**

- (A) The Company shall use its best endeavours to procure that, from the date of this Agreement up to and including the Completion Date, all announcement, circular, prospectus or report (including, without limitation, all interim or annual reports and accounts) will not be issued, published, circulated, despatched, distributed or otherwise made available by or on behalf of the Company, without the prior consultation with the Placing Agent if at all practicable.
- (B) Where prior consultation is practicable, the Company shall use its best endeavours to take into account any comments made by the Placing Agent in any such announcement, circular, prospectus or report referred to in Clause 8(A).

9. **FURTHER ASSURANCES**

The Company undertakes to execute all such documents and do all such acts and things as the Placing Agent may at any time and from time to time reasonably request and as may be lawful and within their power to do to carry into effect or to give legal effect to the provisions in this Agreement and the transactions contemplated in this Agreement.

10. **ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement and understanding between the Parties in relation to the transactions contemplated by this Agreement, and supersedes and cancels in all respects all previous letters of intent, correspondence, understandings, agreements and undertakings (if any) between the Parties with respect to the subject matter of this Agreement, whether such be written or oral.

11. **SEVERABILITY**

If at any time one or more of the provisions of this Agreement is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions of this Agreement shall not thereby in any way be affected or impaired.

12. **WAIVER AND OTHER RIGHTS**

- (A) No single or partial exercise of, or failure or omission to exercise or delay in exercising any right, power, claim or remedy vested in a Party under or pursuant to this Agreement or otherwise shall affect, prejudice or constitute a waiver by such Party of such or any other right, power, claim or remedy.
- (B) Any right, power, claim or remedy expressly conferred upon a Party under this Agreement shall be in addition to and without prejudice to all other rights, powers, claims and remedies which would otherwise be available to such Party under this Agreement or at law.

13. **NOTICES**

- (A) Any notice, demand or other communication to be given by a Party to the other Party under or in connection with this Agreement shall be in writing, and shall be deemed duly served if:-
- (i) delivered personally;

- (ii) sent by prepaid registered post; or
- (iii) sent by email,

to the address or email address (as the case may be) of such other Party previously in writing notified to the Party serving the same. In the case of any subsequent change of the address or email address, such notification shall be given in accordance with the provisions of this Agreement and shall state in clear terms the intention to change the address or email address, as the case may be.

(B) A notice, demand or other communication shall be deemed served:-

- (i) if delivered personally, at the time of delivery;
- (ii) if sent by post, at the expiration of two business days (for local addresses in Hong Kong) or five business days (for any other overseas address) after the envelope containing the same has been delivered into the custody of the postal authorities; and
- (iii) if sent by email, twelve hours after despatch

(C) In proving the service of any notice, demand or other communication, it shall be sufficient to prove that:-

- (i) in the case of personal delivery, the same has been delivered or left at the address, or the postal box of such address, of the Party to be served on;
- (ii) in the case of a mail, the envelope containing the same has been properly addressed, delivered into the custody of the postal authorities and duly stamped; and
- (iii) in the case of an email, the same has been duly transmitted to the email address of the Party to be served on.

(D) For the purposes of this Clause 13, the initial address and facsimile number of each Party are:-

CHINA SHENGHAI GROUP LIMITED

Address: Level 35, Infinitus Plaza, 199 Des Voeux Road, Central, Sheung Wan, Hong Kong

Email Address: cosec@chinashenghaigroup.com

For the attention of Mr. Hu Hongchu

ZIJING CAPITAL LIMITED

Address: Unit 503, 5/F., Admiralty Centre, Tower 2, No. 18 Harcourt Road, Hong Kong

Email Address: Laurent.leung@zijingfin.com

For the attention of Dr. Laurent Leung

14. **TIME**

Time shall be of the essence of this Agreement, both as regards the dates and periods specifically mentioned in this Agreement and as to any date and period which may by written agreement between or on behalf of the Parties be substituted for them.

15. **ASSIGNMENT**

This Agreement shall be binding on and shall ensure for the benefit of the successors and assignees of the Parties. No Party may assign any of its rights or obligations under this Agreement without the prior consent of the other Party in writing.

16. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by either Party on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument.

17. **GOVERNING LAW AND JURISDICTION**

- (A) This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong.
- (B) The Parties submit to the non-exclusive jurisdiction of the courts of Hong Kong.

IN WITNESS whereof the Parties have executed this Agreement the day and year first above written.

[the remainder of this page left blank intentionally]

SIGNED by

CHINA SHENGHAI GROUP LIMITED

in the presence of:-

For and on behalf of
CHINA SHENGHAI GROUP LIMITED
中國升海集團有限公司

胡志強

.....
Authorized Signature(s)

THE PLACING AGENT

SIGNED by _____

for and on behalf of **Zijing Capital Limited**

in the presence of:-



) Leung Kin Cheong Laurent
)
)
)
)

Johnny Ly

SCHEDULE

To: *

Date:

Dear Sirs,

Subscription of Shares

I/We refer to the placing agreement dated * 2023 (the “**Agreement**”) and entered into between (i) Zijing Capital Limited (“**Placing Agent**”) as placing agent; and (ii) China Shenghai Group Limited (the “**Company**”) as the issuer. Expressions defined in the Agreement shall have the same meanings where used herein.

Pursuant to the provisions of the Agreement, I/We, being a placee who entered into an agreement with Placing Agent to which I / we have agreed to subscribe, and hereby apply for the following shares (“**Shares**”) of HK\$* each in the capital of the Company at the Placing Price of HK\$* per Share, for an aggregate amount of HK\$* (the “Total Placing Price”).

Pursuant to Clauses 3(C) and 4 of the Agreement, I /We (through *) hereby enclose a remittance for the Shares subscribed hereunder in the sum of HK\$* (being the aggregate of the Total Placing Price, the brokerage at *% thereon and (where required) the Stock Exchange trading fee and the SFC transaction levy and FRC Transaction Levy payable by me/us to the Company in full satisfaction of, amongst others, the Total Placing Price and request the Company to register my/our name on the branch register of members of the Company in Hong Kong.

Registered shareholder and address

No of Shares

*

*

You are authorised and requested to allot and issue the Shares to me/us and deliver the share certificate representing the Shares to me/us at *, * Hong Kong (marked for the attention of Mr *) whose receipt shall be a sufficient discharge of your obligations for the delivery to me/us of such certificate.

In consideration of your allotment and issue of Shares to me/us, I/we confirm that I/we am/ are independent third party who is/are not connected person of the Company and is/are independent of and not connected with the connected persons of the Company, and is/are not connected with, or party acting in concert with, any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined under the Listing Rules), subscribing the Share as principal on behalf of myself/ourselves and not as nominee or agent and that it is intended that such Shares be subscribed for the purpose of investment only.

Yours faithfully,

name of investor

Name: