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Gaodi Holdings Limited
高地股份有限公司

(formerly known as China Shenghai Group Limited 中國升海集團有限公司)
(incorporated in the Cayman Islands with limited liability)

(Stock code: 1676)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
ACQUISITION OF EQUIPMENT**

Reference is made to the announcement of Gaodi Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 24 May 2024 (the “**Announcement**”) on acquisition of equipment relating to establishment of a bar offering beverage and refreshment in the PRC.

The Directors would like to supplement that the consideration under each of the Shenghai Acquisition Agreements was determined after arm’s length negotiations between the purchaser and the suppliers on normal commercial terms, with reference to the market price for similar equipment obtained through written and verbal quotations provided by various suppliers.

The Directors would like to further supplement that the Company’s current business is packaging and sales of dried seafood, algae and fungi, and seafood snacks in the PRC. Since 2020, the Group has accumulated losses of more than RMB270 million, mainly on its packaging and sales of dried seafood, algae and fungi and seafood snacks business. Taking into account the uncertainty of the economic outlook in the post-COVID-19 period in the PRC and the increased competition, the Company considers that the prospects of seafood packaging and sales business remains uncertain. The scale of operation of current business of seafood packaging and sales business would be maintained without scaling down.

Hence, the Board believes that there is a need for the Group to diversify its business development strategies by venturing into new markets and expanding its businesses in order to remain competitive.

The Group has been identifying and exploring suitable projects and/or investment with good profit potential for acquisition so as to diversify the Group’s business and bring return to the shareholders of the Company.

The Group has studied the business opportunities of establishing the new food and beverage business and the Group considered that such business has the following characteristics:

1. Large market demand: With the acceleration of urbanization and the change of consumption concepts, bars have become an important place for young people and fashionable people to gather, relax and entertain. Therefore, venture capital investment in the bar industry has broad market prospects.
2. Diversified business model: The bar industry can adopt a diversified business model based on its own positioning. For example, it can combine elements such as theme culture, live music performances, and special food to create a unique consumer experience and attract more consumers.
3. Sustainable business model: The bar industry has a sustainable business model and can establish a stable customer base and achieve long-term profitability by providing high-quality services and products.
4. Enjoy life dividends: The bar industry is a typical representative of enjoying life dividends. As people's living standards improve, the demand for leisure and entertainment is also increasing. Investing in the bar industry can make full use of this trend and provide people with high-quality leisure and entertainment services.

The new food and beverage business will be led by Mr. Li Tingfeng (“**Mr. Li**”), the Chief Executive Officer of our Group. Mr. Li has years of experience in asset management, corporate operations and business management, especially in the consumer goods, catering and agricultural product supply chain industries. Before joining the Group, Mr. Li worked at Southern University of Science and Technology Asset Management Co., Ltd., where he was mainly responsible for strategic investments in consumer goods, catering, agricultural products industry chain and other sectors, and participated in the strategy formulation and operation management of several consumer goods and catering industry investment projects. Mr. Li possesses sufficient experience to lead this new business. The Company also intends to hire professional management personnel in Zhuhai, including operations, procurement, finance, etc. to assist Mr. Li in developing the new business.

Leveraging the experience and business networks of the management, the Group has concluded that it shall expand its food and beverage business in Zhuhai, a part of the Greater Bay Area.

The Directors believe that the establishment of the new food and beverage business has good growth potential and will be a value-adding complement to the Group's existing business and is beneficial to the Company and its shareholders.

For and on behalf of the Board
Gaodi Holdings Limited
Hu Hongchu
Executive Director

Xiamen, the PRC, 12 June 2024

As at the date of this announcement, the executive directors of the Company are Mr. Hu Hongchu, Mr. Li Tingfeng, Ms. Chen Chun and Mr. Huang Jingsheng, the non-executive director of the Company is Mr. Chen Futian and the independent non-executive directors of the Company are Mr. Shum Ching Hei, Mr. Yang Minda and Mr. He Jian.