中國白銀集團
CHINA SILVER GROUP

CHINA SILVER GROUP LIMITED
中國白銀集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 815)

SUPPLEMENTAL ANNOUNCEMENT ON SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of China Silver Group Limited (the "**Company**") dated 14 July 2025 in relation to the subscription of new shares of the Company ("**Shares**") under a general mandate (the "**Announcement**"). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Company intends to allocate (i) approximately 60% of net proceeds (which amounts to approximately HK$123,900,000) on the purchase of inventory materials for the Manufacturing Segment, (ii) approximately 20% of net proceeds (which amounts to approximately HK$41,300,000) on the capital expenditure expected to be incurred from conducting general exploration and other exploration works on the Shigatse Mine and other potential mining opportunities nearby, and (iii) approximately 20% of the net proceeds (which amounts to approximately HK$41,300,000) to the general working capital of the Group. The Company wishes to provide the shareholders and potential investors of the Company with additional information below on the reasons and benefits of the Subscription and the use of proceeds from the Subscription.

REASONS AND BENEFITS OF THE SUBSCRIPTION

The Directors wish to clarify that, although the Company had a cash and bank balance amounting to approximately RMB526.3 million as set out in the 2024 annual report of the Company (the "**2024 Annual Report**"), approximately RMB429.3 million of such cash and bank balance is currently held at the subsidiary level within Mount Everest Gold. Furthermore, the Company has ongoing obligations to repay bank borrowings and other borrowings, which are due within one year (subject to further renewal or extension) and of approximately RMB221 million (based on the figure set out in the 2024 Annual Report, and excluding (i) the borrowings at the Mount Everest Gold level and (ii) the amount of loan capitalization of the Company as disclosed in the Company's announcement dated 20 January 2025 in relation to loan capitalization involving issue of new shares under a general mandate).

In light of (i) the substantial capital requirements inherent in the nature of the Company's businesses, including its new business initiative of conducting general exploration activities in the Shigatse Mine and the high costs of procuring inventory materials for its Manufacturing Segment, as disclosed in the Announcement, and (ii) the actual cash and financial resources that are available to the Company, the Directors believe the Subscription is essential and beneficial to support the continued growth and development of the Group and equip the Group with enhanced financial flexibility to seize future business expansion opportunities as they arise.

FURTHER INFORMATION ON THE USE OF PROCEEDS FOR GENERAL WORKING CAPITAL

Amongst the 20% of the net proceeds from the Subscription (approximately HK$41,300,000) to be allocated to the Group's general working capital, the Group intends to use such proceeds for the purposes of, including but not limited to, staff expenses, directors' remuneration, legal and professional fees, payment of interest expenses and other general management and administrative expenses incurred in the course of daily operations. The Group will also retain flexibility in deploying a portion of these proceeds to meet any future capital requirements that may arise in connection with the Company's capital-intensive business initiatives as outlined above, with the expectation that the allocated proceeds will be fully utilized by the end of the second quarter of 2026.

Save for the above, the contents of the Announcement remain unchanged.

By order of the Board
China Silver Group Limited
Chen Wantian
Chairman

Hong Kong, 18 July 2025

As at the date of this announcement, the executive directors of the Company are Mr. Chen Wantian and Mr. Song Guosheng; and the independent non-executive directors of the Company are Mr. Song Hongbing, Dr. Zeng Yilong and Ms. Song Fangxiu.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.