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China Beidahuang Industry Group Holdings Limited

中國北大荒產業集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00039)

STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT AND RESUMPTION OF TRADING

THE STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT

The Board is pleased to announce that on 30 December 2015 (after trading hours), the Company and Zhongfa Junrong entered into the Strategic Co-operation Framework Agreement, pursuant to which the parties shall co-operate and explore the possibility of developing certain production industrial parks and logistic industrial parks in the PRC by way of joint venture arrangements.

The Board wishes to emphasis that the parties have not yet commenced the formal negotiation about the terms of the above joint venture arrangements. Subject to negotiation, the joint venture arrangements may or may not be materialized and then reduced into formal agreement(s) and entered into by the parties eventually. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 31 December 2015 pending the release of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 January 2016.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INTRODUCTION

The Board is pleased to announce that on 30 December 2015 (after trading hours), the Company and Zhongfa Junrong entered into the strategic co-operation framework agreement (“**Strategic Co-operation Framework Agreement**”), pursuant to which the parties shall co-operate and explore the possibility of developing production industrial parks and logistic industrial parks in the PRC by way of joint venture arrangements.

THE STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT

Date

30 December 2015

The Parties

- (1) The Company; and
- (2) Zhongfa Junrong

Zhongfa Junrong is a limited company incorporated in the PRC. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, Zhongfa Junrong and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Subject Matter

Pursuant to the Strategic Co-operation Framework Agreement, the parties agreed to establish long term co-operating partner relationship with each other to venture into new business developments and opportunities using their respective resources, business strengths, networks and platforms. Through the Strategic Co-operation Framework Agreement, the parties shall negotiate the terms of joint venture arrangements to develop certain production industrial parks and logistic industrial parks in the PRC.

Information of the Group and Zhongfa Junrong

The Group is principally engaged in sale and distribution of wine, liquor and green food products and wholesaling and retailing of staple food, cooking oil, alcohol and beverage, frozen and fresh food, and the leasing of logistic facilities in Hong Kong.

Zhongfa Junrong is principally engaged in project investments, consultation, and research and development in the PRC.

REASONS FOR AND BENEFITS OF THE STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT

In order to enhance the performance of the Group for maximizing returns to the Shareholders, the Group has been actively seeking various investment opportunities. By developing and investing in the above production industrial parks and logistics industrial parks, it is expected that the Group can derive steady revenue stream from these projects. It is a pre-requisite for the Company to enter into the Strategic Co-operation Framework Agreement in order to secure Zhongfa Junrong's confidence in the Company's earnest for a long term co-operating partner relationship with Zhongfa Junrong for business ventures of mutual benefits. Through the Strategic Co-operation Framework Agreement, Zhongfa Junrong has expressed its willingness to prioritize the Company for the development of the aforesaid production industrial parks and logistic industrial parks and other future business projects which Zhongfa Junrong takes the lead.

The Directors are of the view that the Group and Zhongfa Junrong respectively possess adequate experience and networks in the development and operation of production industrial parks and logistics industrial parks in the PRC and the Company and Shareholders can benefit from the return of these possible projects initiated by the Strategic Co-operation Framework Agreement.

GENERAL

The Board wishes to emphasis that the parties have not yet commenced the formal negotiation about the terms of the above joint venture arrangements. Subject to negotiation, the joint venture arrangements may or may not be materialized and then reduced into formal agreement(s) and entered into by the parties eventually. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Further announcement in respect of the above possible joint venture arrangements will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

RESUMPTION OF TRADING

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DEFINITION

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

“Board”	the board of Directors
“Company”	China Beidahuang Industry Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Zhongfa Junrong”

Zhongfa Junrong Technology Joint Stock Company* (中發軍融科技股份公司), a company established in the PRC with limited liability

By Order of the Board

China Beidahuang Industry Group Holdings Limited

Jiang Jianjun

Chairman

Hong Kong, 3 January 2016

As at the date of this announcement, the Executive Directors are Mr. Jiang Jianjun, Mr. Li Jianqing and Mr. Jiang Jiancheng; the Non-executive Directors are Ms. Ho Wing Yan and Ms. Zhang Yujie; and the Independent Non-executive Directors are Dr. Loke Yu alias Loke Hoi Lam, Mr. Li Xiaofeng and Mr. Ho Man Fai.

* *For identification purpose only*