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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)

VOLUNTARY ANNOUNCEMENT POSSIBLE FORMATION OF JOINT VENTURE WITH ZHONGSHAN YUNCHUANG

This is a voluntary announcement made by China Beidahuang Industry Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide shareholders of the Company and potential investors on the Group’s latest business development.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, on 16 August 2019, the Company entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with 中山市雲創農業科技有限公司 (Zhongshan Yunchuang Agricultural Technology Co., Ltd.*) (“**Zhongshan Yunchuang**”, together with the Company, the “**Parties**”) in respect of, among other things, a possible formation of a joint venture enterprise (the “**JV Company**”) with the proposed name of 深圳市菜藍子菜娘子配送有限公司 (Shenzhen City Cailanzi Cainiangzi Distribution Co., Ltd.*), subject to the approval of the company name by the relevant government department.

POSSIBLE FORMATION OF THE JV COMPANY

After the formation of the JV Company, it is expected that the JV Company will engage in, among other things, the development of an online and offline fresh groceries distribution and delivery system in the community.

The JV Company may take advantage of the adaptiveness of the model of 菜娘子 (Cainiangzi*)(“**Cainiangzi**”), a fresh grocery distribution and delivery system, and it may utilise the Company’s resources in supply chain and industry reputation with a view to incubate business opportunities within the community with development focus in the Greater Bay Area, the People’s Republic of China (“**PRC**”).

According to the Strategic Cooperation Agreement, it is planned that the JV Company will develop and expand its business to cover 50 major cities in the PRC over the next three years. According to the Strategic Cooperation Agreement, details of the cooperation between the Parties will be subject to a definitive agreement to be entered into between the Parties after the establishment of the JV Company.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquires, Zhongshan Yunchuang and its ultimate beneficial owners are independent of, and not connected with, the Company and any of its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (the “**Listing Rules**”).

REASONS AND BENEFITS OF THE POSSIBLE FORMATION OF THE JV COMPANY

The Company is an investment holding company. The Group is principally engaged in sale of green food products; wholesaling and retailing of staple food, cooking oil, alcohol and beverage, frozen and fresh food, commodity hog; construction and development; flotation selection of non-ferrous metals mines and sales of mineral products; money lending and the rental of logistic warehouse in Hong Kong and office facilities in the PRC.

The possible formation of the JV Company highlights the Group’s efforts in business development and symbolises the Group’s intention to extend its business and geographical reach through cooperation with different corporations in the PRC and means of technology, in particular, e-Commerce platform.

The Group plans to cooperate with Zhongshan Yunchuang with a view to create a new stream of revenue for the Group through the possible business cooperation. The Company entered into the Strategic Cooperation Agreement with the intention of leveraging on the Parties’ respective strength, resources and expertise, which in turn could enhance the Group’s competitiveness.

GENERAL

According to Zhongshan Yunchuang, it is a company established in the PRC with limited liability. Zhongshan Yunchuang developed Cainiangzi as a fresh grocery distribution and delivery system. Cainiangzi adopts a fresh groceries sales agency model with an automated supply chain management system to provide fresh groceries ordering, cleaning, packing, distribution and delivery services to the community. Cainiangzi serves in numerous cities in the PRC including Zhongshan, Foshan and Huizhou.

Pursuant to the Listing Rules, the formation of the JV Company contemplated under the Strategic Cooperation Agreement is exempt from the requirements of Chapter 14 of the Listing Rules as all applicable percentage ratios (as defined under the Listing Rules) under Rule 14.07 of the Listing Rules are below 5%.

The Board wishes to emphasise that the implementation of the transaction contemplated under the Strategic Cooperation Agreement (if any) are subject to the definitive agreement(s) to be entered into between the Parties. The possible formation of the JV Company may not necessarily materialise or be implemented as contemplated under the Strategic Cooperation Agreement or at all. Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board

China Beidahuang Industry Group Holdings Limited

Li Jiehong

Chairman

Hong Kong, 16 August 2019

As at the date of this announcement, the executive Directors are Mr. Li Jiehong (Chairman), Mr. Jiang Jianjun, Mr. Ke Xionghan and Mr. Huang Wuguang; the non-executive Director is Ms. Ho Wing Yan; and the independent non-executive Directors are Mr. Chong Cha Hwa, Mr. Ho Man Fai and Mr. Yang Yunguang.

* *The English transliteration of the Chinese name in this announcement, where indicated, is included for information only, and should not be regarded as the official English name of such Chinese name.*