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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)**

**INSIDE INFORMATION**  
**UPDATE ON THE CREDITORS' SCHEME**  
**AND**  
**NOTICE OF SCHEME MEETING**

This announcement is made by China Beidahuang Industry Group Holdings Limited (the “**Company**”) pursuant to Rules 13.09 and 13.25(1)(b) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcements issued by the Company dated 10 January 2023, 27 January 2023, 15 March 2023, 23 March 2023, 30 March 2023, 2 April 2023, 4 April 2023, 19 April 2023, 23 May 2023, 7 June 2023, 16 June 2023, 21 June 2023, 25 June 2023, 5 July 2023, 21 July 2023, 31 July 2023, 18 August 2023, 13 September 2023, 18 September 2023 and 20 September 2023 in relation to, among other things, the petitions made against the Company, the Proposed Restructuring and the Creditors’ Scheme (the “**Announcements**”). Unless otherwise stated or defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

## **BACKGROUND OF THE CREDITORS' SCHEME**

As disclosed in the Announcements, a number of winding-up petitions were presented against the Company. At present, the Petition by Mr. Zhang Zhiguang and the Cayman Petition by Mr. Qiu Zhen remain outstanding.

In or around March 2023, in light of the current liquidity constraints and financial challenges of the Company, the Company has been working closely with its professional advisers and has been exploring the Proposed Restructuring, including but not limited to the restructuring of debts by way of a Creditors' Scheme.

In view of the financial difficulties and liquidity issues faced by the Company, the Board considers that it is in the best interests of the Creditors to implement the Creditors' Scheme to maximize their returns.

As disclosed in the announcement of the Company dated 18 August 2023, the hearing before the High Court to seek an order to convene the Scheme Meeting was held as scheduled on 18 August 2023. At the hearing, the High Court granted leave for the Company to convene the Scheme Meeting, with any adjournments as may be appropriate, for the purpose of considering and, if thought fit, approving (with or without modification) the Creditors' Scheme proposed to be made between the Company and the creditors of the Company pursuant to Sections 670, 671, 673 and 674 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the "**Order**"). The Sanction Hearing is scheduled to be held on 29 November 2023.

## **KEY TERMS OF THE CREDITORS' SCHEME**

### **Distribution under the Creditors' Scheme**

The key terms proposed under the Creditors' Scheme are as follows:

1. All Claims owing by the Company to the Creditors as of the Effective Date will be discharged and released in full as against the Company on the Effective Date.

2. Under and subject to the terms of the Creditors' Scheme, Creditors with Admitted Claims will be entitled to receive the Cash Dividend and, in the case of Scheme Creditors who have validly elected to receive the Scheme Shares *in lieu* of the cash proceeds from their disposal, the Scheme Shares, for full and final settlement of their respective Admitted Claims. Cash Dividend consists of: (a) up to HK\$45 million from the Initial Cash Payment as part of the Subscription Proceeds, and (subject to the payment of any Preferential Claims and the Scheme Costs) payable to Scheme Creditors on the First Distribution Date; (b) the proceeds from the disposal of the Interests in Scheme Subsidiaries; and (c) any proceeds generated from the realisation of the claims or rights to claim of the Company against Mr. Jiang Jianjun in respect of loss or damages to the assets of the Company and/or Group, which will be transferred to the Scheme Company upon the Effective Date, or such later date as the Scheme Administrators may decide in accordance with the terms of the Creditors' Scheme.
3. Save for any Preferential Claims (which will be paid by the Scheme Company in full) and the Secured Claims, the Scheme Creditors, under the terms of the Creditors' Scheme, will receive the Cash Dividend and the Scheme Shares (or cash *in lieu* of Scheme Shares), after the settlement of any Preferential Claims and the Scheme Costs and subject to any reserve which the Scheme Administrators may make for Unadmitted Claims, proportionally based on their Admitted Claims.
4. The allotment, issue and registration, as well as the listing of and permission to deal in the Scheme Shares will be subject to the Court Order, approval of the Shareholders or Independent Shareholders (as the case may be) at an EGM and approval of the Stock Exchange.
5. The Creditors' Scheme is conditional upon and shall come into effect upon the satisfaction of all the conditions to the Creditors' Scheme, being (1) the prescribed majority of the Creditors voting in favour of the Creditors' Scheme, (2) the Creditors' Scheme having been sanctioned by the Court Order, (3) the registration of an office copy of the Court Order by the Companies Registry, and (4) the Initial Cash Payment being received by the Scheme Company.

## **NOTICE OF SCHEME MEETING**

Pursuant to the Order, the High Court has granted leave to convene the Scheme Meeting for the purpose of considering and, if thought fit, approving (with or without modification or condition approved and imposed by the Court) the Creditors' Scheme proposed to be made between the Company and the Creditors pursuant to Sections 670, 671, 673 and 674 of the Companies Ordinance (Cap. 622).

The Scheme Meeting will be held at 2 p.m. (Hong Kong time) on 20 November 2023 at 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong for the purposes of considering and if thought fit approving (with or without modification) the Creditors' Scheme.

Notice of the Scheme Meeting is set out in the Annex to this announcement.

The Scheme Document together with the Form of Proxy, a Notice of Claim for Voting Purpose and a Notice of Claim for Dividend Purpose can also be obtained free of charge by any Creditor between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays in Hong Kong) prior to the day appointed for the Scheme Meeting at Unit E, 30/F, Block B, Billion Centre, Kowloon Bay and are available for download at <http://www.irasia.com/listco/hk/chinabeidahuang>.

The Company will make further announcement(s) in respect of the Proposed Restructuring, results of the Scheme Meeting and the Sanction Hearing as and when appropriate.

## **WARNING**

**Shareholders and potential investors of the Company should be aware that the Creditors' Scheme is subject to certain conditions being fulfilled, including but not limited to the entering into of the Restructuring Agreement and the completion of the Subscription, and thus the Creditors' Scheme may or may not be implemented. Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Adjudicator”	such person with experience in the adjudication of creditors’ claims in a liquidation as the Scheme Administrators shall nominate in their absolute discretion
“Admitted Claims”	the Claims of the Scheme Creditors against the Company which have been admitted by the Scheme Administrators or the Adjudicator in accordance with the Creditors’ Scheme, the amount of which shall not include any interest accrued on the principal owed by the Company
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are open for normal banking business (other than a Saturday, a Sunday or a public holiday)
“Cash Dividend”	the amount of cash available to be paid to the Scheme Creditors as dividend after deducting any Preferential Claims and the Scheme Costs which amount shall be paid in full and final settlement of the Admitted Claims
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC

“Claim(s)”	any unsecured debt, liability or obligation of the Company as at the Effective Date, whether certain or contingent, whether present, future or prospective, whether liquidated or unliquidated, whether arising at common law, in equity or by statute, in Hong Kong, the PRC or in any other jurisdiction or in any manner whatsoever and which includes without limitation a debt or liability to pay money or money’s worth, any liability in contract or tort, any liability arising out of any legal claim, whether certain or contingent, which would be provable in a winding-up of the Company under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if an order for the winding-up of the Company were made on the Effective Date
“Company”	China Beidahuang Industry Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended from time to time
“Court Order”	the order issued by the High Court for the purpose of sanctioning the Creditors’ Scheme
“Creditors”	all persons having Claims against the Company, other than the Preferential Creditors (to the extent of their Preferential Claims) and the Secured Creditors (to the extent of their Secured Claims)

“Creditors’ Scheme”	the creditors’ scheme of arrangement the terms of which is set out in the Scheme Document, proposed by the Company to its Scheme Creditors pursuant to the Companies Ordinance with, or subject to, any modification, addition or conditions approved or imposed by the High Court
“Cut-Off Date”	the date to be determined by the Scheme Administrators which is at least 21 days after the date of the notices and advertisements referred to in Clause 4 of the Creditors’ Scheme
“Director(s)”	director(s) of the Company
“Effective Date”	the date on which the Creditors’ Scheme becomes unconditional and comes into effect, being the date on which all of the conditions set out in Clause 1.9 of the Creditors’ Scheme are satisfied
“EGM”	the extraordinary general meeting(s) of the Company to be convened for the purposes of considering, and if thought fit, approving, among other matters, the Restructuring Agreement, the Subscription, the Scheme Share Issue, the proposed disposal of the Interests in Scheme Subsidiaries to the Scheme Company for the benefit of the Scheme Creditors pursuant to the Creditors’ Scheme, and the transactions contemplated thereunder and any other matters as required by law, the Listing Rules and/or by the Stock Exchange which are necessary to give effect to the abovementioned matters
“Enlarged Issued Share Capital”	the total issued Shares after the completion of the Proposed Restructuring as enlarged by the allotment and issue of the Subscription Shares and the Scheme Shares
“First Distribution”	all or part of the Cash Dividend to be paid out by the Scheme Company from the Initial Cash Payment

“First Distribution Date”	the date fixed by the Scheme Administrators for the First Distribution to the Scheme Creditors, or if such date is not a Business Day the succeeding Business Day
“Group”	the Company and its subsidiaries
“High Court”	the High Court of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholder(s) other than those who are required to abstain under the Listing Rules from voting for any resolutions at the EGM
“Initial Cash Payment”	a cash payment of HK\$45 million, which would be derived from the Subscription Proceeds
“Interests in Scheme Subsidiaries”	shares in or the assets of the Scheme Subsidiaries
“Investor”	China Dynamic (Hong Kong) Limited 中泰(香港)有限公司, a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Jiang Jianjun”	Mr. Jiang Jianjun, a former Director who has resigned with effect from 14 June 2023
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macao Special Administrative Region and Taiwan



“Preferential Claim(s)”	any Claim(s) against the Company which would, if the Company were wound up on the Effective Date pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be payable out of the assets of the Company pursuant to section 265 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in priority to the general unsecured debts of the Company
“Preferential Creditor(s)”	creditors to the extent to which they have Preferential Claims against the Company
“Proposed Restructuring”	the proposed restructuring of the indebtedness and liabilities of the Company involving (i) the Subscription and (ii) the Creditors’ Scheme between the Company and the Scheme Creditors (including the Scheme Share Issue)
“Restructuring Agreement”	the agreement to be entered into between the Company and the Investor in relation to the Proposed Restructuring
“Restructuring Costs”	the professional fees incurred or to be incurred by the Company in connection with the Proposed Restructuring
“Sanction Hearing”	the hearing at which the High Court will consider sanctioning the Creditors’ Scheme
“Scheme Administrators”	the persons to be elected and appointed as the administrators of the Creditors’ Scheme in accordance with the terms of the Creditors’ Scheme
“Scheme Company”	a company to be incorporated in Hong Kong with limited liability, being a special purpose vehicle to be held and controlled by the Scheme Administrators
“Scheme Costs”	costs, charges, expenses and disbursements properly incurred in connection with the administration and implementation of the Creditors’ Scheme including the fees and remuneration of the Scheme Administrators and the Adjudicator

“Scheme Creditors”	all Creditors with Admitted Claims
“Scheme Creditors’ Committee”	a committee of the Scheme Creditors to be formed pursuant to the Creditors’ Scheme
“Scheme Document”	the documentation dated 27 October 2023 to be filed at the High Court relating to the Creditors’ Scheme and all other documents necessary to implement the Creditors’ Scheme
“Scheme Meeting(s)”	the meeting(s) of the Creditors to be convened and held at the directions of the High Court for the purpose of considering and, if thought fit, approving the Creditors’ Scheme
“Scheme Share Issue”	the proposed issue of Scheme Shares at an issue price of HK\$0.10 per Scheme Share as settlement of debt owed by the Company to the Scheme Creditors in the aggregate amount of HK\$37,787,979.30
“Scheme Share(s)”	377,879,793 Shares to be issued under the Scheme Share Issue, which shall rank pari passu in all respects with the then existing Shares in issue on the date of allotment and issue of the Scheme Shares
“Scheme Subsidiaries”	a group of wholly-owned subsidiaries of the Company in the PRC, being (1) 深圳市前海大荒緣融資租賃有限公司 (Shenzhen Qianhai Dahuangyuan Financing Lease Co., Ltd.), (2) 臨湘市強盛礦業有限責任公司 (Linxiang Qiangsheng Mining Industry Company Limited), (3) 連雲港華金華鴻實業有限公司 (Lianyungang Huajin Huahong Industrial Co., Ltd), and (4) 深圳市美名問世商貿有限公司 (Shenzhen Meiming Wenshi Trading Limited)
“Secured Claim(s)”	Creditors’ claim(s) that is/are secured by Security Interests

“Secured Creditor(s)”	Creditors whose debts are secured upon any property or assets of the Company (whether or not such debts are also secured on any property or assets of any other person)
“Security Interest(s)”	any mortgage, charge, assignment, hire-purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement, pledge, lien, hypothecation, encumbrance or security interest of whatsoever kind or any other agreement having the effect of conferring security provided by the Company
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the proposed subscription of the Subscription Shares by the Investor pursuant to and in accordance with the terms and conditions of the Term Sheet or the Restructuring Agreement (as the case may be)
“Subscription Share(s)”	850,000,000 Shares to be allotted and issued by the Company to the Investor, representing approximately 11.243% of the Enlarged Issued Share Capital
“Subscription Proceeds”	HK\$85 million being the cash proceeds from the issue of the Subscription Shares
“Term Sheet”	the legally binding term sheet regarding Proposed Restructuring of the Group dated 29 March 2023 entered into between the Company and the Investor with respect to the allotment and issue of the Subscription Shares by the Company to the Investor, which is intended to be superseded by the Restructuring Agreement to be agreed between the Company and the Investor

“Unadmitted Claims” any Claim which is not an Admitted Claim

“%” per cent.

By Order of the Board  
**China Beidahuang Industry Group Holdings Limited**  
**Jiang Jiancheng**  
*Chairman*

Hong Kong, 27 October 2023

*As at the date of this announcement, the Executive Directors are Mr. Jiang Jiancheng (Chairman), Mr. Ke Xionghan and Mr. Chen Chen, the Non-executive Directors are Mr. Zhao Wanjiang (Vice-chairman), Ms. Ho Wing Yan and Mr. Li Dawei, and the Independent Non-executive Directors are Mr. Chong Cha Hwa, Mr. Yang Yunguang and Mr. Chen Zhifeng.*

IN THE HIGH COURT OF THE  
HONG KONG SPECIAL ADMINISTRATIVE REGION  
COURT OF FIRST INSTANCE  
MISCELLANEOUS PROCEEDINGS NO. 397 OF 2023

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IN THE MATTER OF  
CHINA BEIDAHUANG INDUSTRY GROUP HOLDINGS LIMITED  
(中國北大荒產業集團控股有限公司)  
and  
IN THE MATTER OF  
SECTIONS 670, 671, 673 AND 674 OF THE COMPANIES ORDINANCE  
(CAP. 622 OF THE LAWS OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION)

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NOTICE OF SCHEME MEETING

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Unless otherwise specified, terms used in this Notice have the same meanings as in the Explanatory Statement and the Scheme relating to the proposed scheme of arrangement between China Beidahuang Industry Group Holdings Limited (the “**Company**”) and the Creditors under Section 670 of the Companies Ordinance (Cap. 622).

NOTICE IS HEREBY GIVEN that, by an Order dated 18 August 2023 (the “**Court Order**”) made by the High Court of the Hong Kong Special Administrative Region (“**Court**”) in the above matter, the Court has granted leave to convene a Scheme Meeting (the “**Scheme Meeting**”) of the Creditors of the Company for the purpose of considering and, if thought fit, approving (with or without modification or condition approved and imposed by the Court) the Scheme proposed to be made between the Company and the Creditors pursuant to Sections 670, 671, 673 and 674 of the Companies Ordinance (Cap. 622).

The Scheme Meeting will be held at 2:00 p.m. (Hong Kong time) on 20 November 2023 at 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong, with any adjournment as may be appropriate. All Creditors are entitled (but not obligated) to attend the Scheme Meeting at such place and time either in person (or, if a corporation, by a duly authorised representative) or by proxy.

By the Court Order, the Court has appointed Mr. Jiang Jiancheng, or failing him, one of the directors of the Company, to act as chairman of the Scheme Meeting and to report the result thereof to the Court. As Mr. Jiang Jiancheng is unavailable, another director will take his place and Mr. Yang Yunguang, an independent non-executive director of the Company, shall act as chairman of the Scheme Meeting and report the result thereof to the Court.

A copy of the Scheme and a copy of the Explanatory Statement required to be furnished pursuant to Section 671 of the Companies Ordinance (Cap. 622) are incorporated in the Scheme Document of which this Notice forms part. The Scheme Document together with the Form of Proxy, a Notice of Claim for Voting Purpose and a Notice of Claim for Dividend Purpose have been posted to the registered or last known addresses of the Creditors in the books and records of the Company.

The Scheme Document together with the Form of Proxy, a Notice of Claim for Voting Purpose and a Notice of Claim for Dividend Purpose can also be obtained free of charge by any Creditor between the hours of 10:00 a.m. and 4:00 p.m. on weekdays (excluding public holidays in Hong Kong) prior to the day appointed for the Scheme Meeting at Unit E, 30/F, Block B, Billion Centre, Kowloon Bay and are available for download at <http://www.irasia.com/listco/hk/chinabeidahuang>.

Creditors who intend to attend and vote at the Scheme Meeting must sign and return the Notice of Claim for Voting Purpose to Unit E, 30/F, Block B, Billion Centre, Kowloon Bay (attention: Mr. Benny Lai Yubin), no later than 2:00 p.m. (Hong Kong time) on 10 November 2023 (i.e. ten (10) days before the date of the Scheme Meeting).

The Creditors may vote in person at the Scheme Meeting or they may appoint another person, whether a Creditor or not, as their proxy to attend and vote in their stead. A corporate Creditor may also appoint a representative to attend and vote at the Scheme Meeting. A Form of Proxy is included in Appendix 4 of the Scheme Document and can be obtained at Unit E, 30/F, Block B, Billion Centre, Kowloon Bay during usual business hours as stated above. The Form of Proxy must be delivered to Unit E, 30/F, Block B, Billion Centre, Kowloon Bay (attention: Mr. Benny Lai Yubin), no later than 2:00 p.m. (Hong Kong time) on 16 November 2023 (i.e. two (2) business days before the date of the Scheme Meeting).

Completion and return of the Form of Proxy by a Creditor will not preclude the Creditor from attending and voting in person at the Scheme Meeting, but in such event the Form of Proxy will be deemed to have been revoked.

The Scheme will be subject to subsequent approval and sanction of the Court and to the fulfilment of the conditions set out in Section 3 of the Explanatory Statement.

Dated 27 October 2023

Yang Yunguang  
Chairman of the Scheme Meeting