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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
COOPERATION FRAMEWORK AGREEMENT

This announcement is made by China Beidahuang Industry Group Holdings Limited (the “**Company**”), together with its subsidiaries, collectively referred to as (the “**Group**”) voluntarily to inform the shareholders of the Company and potential investors of the latest development in the Group’s business.

INTRODUCTION

Reference is made to the announcement of the Company dated 10 December 2024, the board (the “**Board**”) of directors (the “**Directors**”) of the Company believes that the konjac foods market has good development prospects and the manufacturing and sales of konjac powder, konjac semi-finished products and konjac foods might develop a continuing source of profit for the Company. As the consumers pay more and more attention to healthy foods, the konjac products are popular because of low calorie and high fiber and the market demand is increasing.

The Board is pleased to announce that the Company has recently entered into a cooperation framework agreement (the “**Agreement**”) with Jiangcheng Hani and Yi Autonomous County People’s Government (the “**Jiangcheng County Government**”), in relation to the intensive processing project for imported konjac based on equality, win-win cooperation, honesty and trustworthiness. A subsidiary of the Group, Hunan Magic Foods Technology Company Limited* (湖南魔法食品科技有限公司) (“**Magic Foods**”), currently it is principally engaged in the manufacturing of konjac semi-finished products and konjac foods. The upstream is the processing industry of agricultural and sideline products, and the downstream is food manufacturers, brand operators and direct consumers. Magic Foods purchases konjac powder for intensive processing and manufactures konjac semi-finished products and konjac foods, and making profits by selling products. The Company signed the Agreement is to reduce cost and achieve the whole industrial chain of konjac, including planting, initial processing, intensive processing and sales. The construction of the new processing plant is mainly to process konjac into konjac powder, and it will also indirectly expand the output of other konjac related products.

INFORMATION ON THE AGREEMENT

(1) CONTENT OF THE COOPERATION

Jiangcheng Hani and Yi Autonomous County (the “**Jiangcheng County**”) is located in the southern part of Yunnan Province, bordering on Vietnam and Laos. It has one national port, China-Laos Mengkang Port (the “**Mengkang Port**”), and three border crossings. The Jiangcheng County Government sincerely welcomes the Company to invest in Jiangcheng County through building a processing plant and carrying out intensive processing for imported konjac from Mengkang Port.

(2) RIGHTS AND OBLIGATIONS

The Jiangcheng County Government agreed to (i) coordinate the leasing of factory buildings in Mengkang Port according to the needs of the Company; (ii) actively assist the Company to strive for complying with national industrial policies and industrial development support policies at the provincial, municipal and county levels, to get support from project government grants in accordance with regulations; (iii) coordinate relations among all parties and assist the Company in handling relevant procedures for project approval in a timely manner; and (iv) provide the Company with high-quality and efficient services and a good development environment to maintain the production and operation in good order.

The Company committed to (i) complete the construction design within two months after signed the Agreement and push ahead with the infrastructure construction in first phase of the processing plant; (ii) put into production and operation within six months after signed the Agreement; (iii) complete the construction of the processing plant in three phases and building a whole konjac industry chain including import, planting, processing, logistics, sales and e-commerce within three years after signed the Agreement; and (iv) achieve the annual value of production of approximately RMB300 million in a full capacity, and active recruitment will be given to the local workers.

(3) CLAUSE OF EXIT

The specific mode, rights and obligations and other relevant details involved in the cooperation project between the Jiangcheng County Government and the Company (the “**Parties**”) shall be clarified and detailed based on the Agreement, and the specific cooperation agreement or contract and its annexes (the “**Specific Agreement**”) shall be clarified and detailed by the Parties or the qualified entities designated by the Parties within six months from the date of signing the Agreement. The Specific Agreement shall have the same legal effect as the Agreement. If no Specific Agreement is signed between the Parties or the qualified entities designated by the Parties within six months from the date of signing the Agreement, the Agreement shall be automatically terminated.

(4) QUALIFIED ENTITY OF THE COMPANY

Magic Foods was designated by the Company to sign the Specific Agreement with the Jiangcheng County Government or the qualified government department designated by the Jiangcheng County Government. Magic Foods is principally engaged in the intensive processing for konjac, the research and development and manufacturing and sales of konjac related products, including konjac powder, konjac semi-finished products, konjac foods, konjac beauty products, and etc. As of the date of this announcement, the Parties or the qualified entities designated by the Parties did not sign any Specific Agreement.

As the Specific Agreement may or may not be signed, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

** For identification purpose only*

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

Hong Kong, 17 December 2024

As at the date of this announcement, the Executive Directors are Mr. Jiang Jiancheng (Chairman), Mr. Liu Xiaopeng (Vice-chairman), Mr. Ke Xionghan and Mr. Chen Chen, the Non-executive Directors are Mr. Li Jin (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.