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 FRAMEWORK AGREEMENT IN RESPECT OF INTENDION TO FULLY ACQUIRE BOT CONCESSION PROJECT

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 (the "**Shareholders**") and potential investors of the latest development in the Group's business.

FRAMEWORK AGREEMENT

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce that on 13 January 2025 (after trading hours), the Company entered into a framework agreement (the "**Agreement**") with Mr. Liu Qinghe (the "**Potential Vendor**"). Pursuant to the Agreement, the Company or one of its subsidiaries nominated as the potential purchaser (the "**Potential Purchaser**") intends to acquire, and the Potential Vendor intends to dispose of, the entire issued shares (the "**Sale Shares**") of Huapan and Hao Resources Co., Ltd* (the "**Target Company**") (the "**Proposed Acquisition**"). To the best knowledge of the Directors after making all reasonable enquiries, the Target Company and the Potential Vendor are third parties independent of and not connected with the Company and its connected persons.

TARGET COMPANY

As at the date of the Agreement, the Potential Vendor holds the entire issued share capital of the Target Company. The Target Company is a company incorporated in Laos and is principally engaged in investment and development, it acquired the BOT concession of the "Laos Boten International Port Health and Animal and Plant Inspection and Quarantine Center" by way of tender (the "**BOT Project**") in 2016. The scope of cooperation authorised by the BOT Project covers all the administrative responsibilities of international health, animal and plant inspection and quarantine (including existing highway ports, and the entry and exit ports set up for the roads, highways and railways to be built in the future), as well as the corresponding right for the toll, related real estate investment and income in Boten area, Louang Namtha Province, Laos. According to the BOT investment cooperation agreement signed with the Louang Namtha Province Government of Laos, the Target Company will jointly establish a project operation company with the Louang Namtha Province Government of Laos for an operation period of 90 years, during which the Target Company can share 90% of the profits of the project operating company and the Louang Namtha Province Government of Laos can share 10% of the profits of the project operating company every year after the completion of the construction of the BOT Project. After the expiration of the operation period, the BOT Project will be transferred to the Louang Namtha Province Government of Laos for free. Furthermore, according to the BOT investment cooperation agreement, the investment and income of other real estate such as commercial building, warehousing, logistics, and supporting hotels derived from the BOT Project belongs to the Target Company, and the Target Company can sell and realize the real estate (including shops, residences, warehouses, hotels, logistics real estate and other properties) developed by the BOT Project or hold them for leasing and investment purposes.

INFORMATION ON THE AGREEMENT

Date

13 January 2025 (after trading hours)

Parties

(i) the Company or the Potential Purchaser; and

(ii) Mr. Liu Qinghe, as the Potential Vendor.

Consideration

The consideration for the Proposed Acquisition (the "**Consideration**") can be paid by cash, shares of the Company, convertible bonds of the Company or other financing methods. The Consideration and the payment terms of the Consideration shall be further negotiated between the Company or the Potential Purchaser and the Potential Vendor and be determined in the Formal Agreement (as defined below).

Formal Agreement

Each of the parties to the Agreement agrees to use all reasonable endeavours to negotiate the terms and conditions of a sale and purchase agreement (the "**Formal Agreement**") between the relevant parties in relation to the Proposed Acquisition, and the Company shall nominate the Potential Purchaser to enter into the Formal Agreement with the Potential Vendor as soon as possible within the Exclusivity Period.

Due Diligence Review

The Potential Vendor agrees to and shall procure the relevant parties to, after the signing of the Agreement, give the Company or the Potential Purchaser and their adviser(s) access to all necessary information, documents, records and materials as the Company, the Potential Purchaser and their adviser(s) may reasonably require to conduct a business, financial and legal due diligence exercise on the Target Company and its BOT concession, the properties and construction in progress (the "**Properties**") with a view to acquiring the Sale Shares. The Company and the Potential Vendor agree that the due diligence period will be until 28 February 2025 (or such later date as may be agreed in writing by the parties to the Agreement). If the Company is not satisfied with the results of the due diligence review, it shall notify the Potential Vendor in writing before the expiration of the due diligence period, and this Agreement shall be automatically lapsed.

Conditions Precedent

(i) The results of the due diligence review are satisfactory to the Company and the Potential Purchaser;

(ii) The Potential Vendor obtains all necessary consents and approvals related to the disposal of the Sale Shares;

(iii) The Louang Namtha Province Government of Laos approves that the BOT concession of the "Laos Boten International Port Health, Animal and Plant Inspection and Quarantine Center" is still legal and valid;

(iv) the Company and the Potential Purchaser obtain all necessary consents and approvals related to the acquisition of the Sale Shares (including but not limited to the consents and approvals from The Stock Exchange of Hong Kong Limited and the Shareholders); and

(v) Other conditions precedent agreed between the Potential Purchaser and the Potential Vendor.

Exclusivity

During the period of 60 days from the date of Agreement (or such later date(s) as the parties to the Agreement may agree in writing) (the "**Exclusivity Period**"), the Potential Vendor agrees not to enter into negotiations, whether formal or informal, with any party other than the Company or the Potential Purchaser concerning the disposal of the Sale Shares or the sale or transfer of the Properties, and the Potential Vendor shall promptly notify the Company and the Potential Purchaser of any inquiries by any third parties regarding the foregoing.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group is principally engaged in (i) sale of green food products; (ii) wholesaling and retailing of grains, cooking oil, alcohol and beverage, fruits, frozen foods and fresh meat; (iii) the whole industry chain of konjac products; and (iv) the rental of logistic warehouse in Hong Kong and office facilities in the Mainland China. Other than focusing on its existing businesses, the Group has been exploring viable investment opportunities from time to time to broaden its source of revenue to ensure sustainable growth. The Directors consider that it is in the interests of the Company and the Shareholders as a whole to enter into the Agreement to explore the business of the Group.

GENERAL

As at the date of this announcement, the terms and conditions of the Proposed Acquisition are still being negotiated and no Formal Agreement has been entered into. The Proposed Acquisition, if materialized, will constitute a major transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and is subject to the reporting, announcement, circular and shareholders' approval requirements.

Should the Company enter into the Formal Agreement or if there are any material developments with respect to the Possible Acquisition, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

The Intention to fully acquire is subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are yet to be agreed. Shareholders and potential investors of the Company should note that the intention to fully acquire may or may not materialise. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

* *For identification purpose only*

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

Hong Kong, 13 January 2025

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.