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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**

*(formerly known as Sino Distillery Group Limited 中國釀酒集團有限公司)*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00039)**

### **DISCLOSEABLE TRANSACTION RELATING TO SHAREHOLDERS' AGREEMENT**

On 13 May 2015, China Silver Group Holdings Limited (a wholly-owned subsidiary of the Group) entered into the Shareholders' Agreement with other independent third parties. Pursuant to the Shareholders' Agreement, the Joint Venture Company will be incorporated in Hong Kong to engage in leasing of logistics warehousing facilities in Hong Kong. The Group's initial shareholding in the Joint Venture Company will be 40%.

#### **THE SHAREHOLDERS' AGREEMENT**

The JV Parties have entered into the Shareholders' Agreement on 13 May 2015 relating to incorporation of the Joint Venture Company in Hong Kong. The principal terms of the Shareholders' Agreement are as follows:–

##### **Date**

13 May 2015

**Parties:**

- (i) China Silver Group Holdings Limited (“China Silver”) (a wholly owned subsidiary of the Company), which is principally engaged in investment holdings;
- (ii) Bright Day Development Limited (“Bright Day”), which is principally engaged in property development and logistic business; and
- (iii) Teng Hong Investments Limited (“Teng Hong”), which is principally engaged in investment holdings.

To the best of the Directors’ knowledge, information and belief and after making all reasonable enquiries, Bright Day and Teng Hong and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

**Principal terms*****Purpose of the Joint Venture Company***

The parties have agreed to set up the Joint Venture Company in Hong Kong with principal activities of leasing of logistics warehousing facilities and related businesses in Hong Kong.

***Total issued share capital***

The initial issued share capital of the Joint Venture Company will be HK\$10,000, which will be owned as to 40% by China Silver, as to 40% by Bright Day, and as to 20% by Teng Hong upon incorporation of the Joint Venture Company within one month after the date of the Shareholders’ Agreement (or any other period as agreed by the JV Parties).

***Composition of Board***

The board of directors of the Joint Venture Company will comprise 3 directors, 2 and 1 of whom will be appointed by China Silver and Bright Day respectively. The chairman of the board of directors will be one of the directors appointed by China Silver.

### ***Arrangement of loan***

China Silver will lend a Loan of amount up to HK\$70,000,000 to the Joint Venture Company for the payment of costs of establishment of logistics warehousing facilities.

### ***Utilisation of Funds***

The Joint Venture Company will follow the following guideline in utilising the available funds earned from daily operations of the Joint Venture Company after deduction of daily expenses:

1. Before full repayment of the Loan
  - 90% of available funds for the repayment of the Loan.
  - 10% of available funds as reserve for working capital.

2. After full repayment of the Loan

More than 70% of the distributable profit will be distributed to the shareholders of the Joint Venture Company for every financial year.

### ***Transfer of shareholdings in Joint Venture Company***

When any shareholder of the Joint Venture Company (the “Offeror”) intends to dispose of its shareholding in the Joint Venture Company, it has to give written offer to the other shareholders. The other shareholders has pre-emptive right to purchase the shareholding offered to be disposed of from the Offeror on the same proposed terms.

## **REASONS FOR AND BENEFITS DERIVED FROM THE FORMATION OF THE JOINT VENTURE COMPANY**

The Group is principally engaged in distribution, retail of wine, liquor and green food products. By entering into the Shareholders’ Agreement, the Company is able to diversify its existing business into the business of leasing of logistics facilities and the related businesses. The Directors expect that the diversification can bring along new revenue to the Group.

The terms of the Shareholders' Agreement were negotiated between the parties at arm's length. The Directors believe that the terms of the Shareholders' Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As certain applicable percentage ratios for the Shareholders' Agreement exceed 5% but all are less than 25%, the formation of Joint Venture Company under the Shareholders' Agreement constitutes a discloseable transaction for the Company and is subject to the disclosure and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Board”	the board of Directors of the Company
“Bright Day”	Bright Day Development Limited, a company incorporated in Hong Kong
“China Silver”	China Silver Group Holdings Limited, a company incorporated in Hong Kong
“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 Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company (including independent non-executive director(s))
“Joint Venture Company”	the company to be incorporated in Hong Kong by the JV Parties pursuant to the Shareholders' Agreement

“JV Parties”	China Silver, Bright Day and Teng Hong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan to be lent by China Silver to the Joint Venture Company with amount up to HK\$70,000,000
“Shareholder(s)”	holder(s) of the shares of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 13 May 2015 entered into among the JV Parties for the incorporation of the Joint Venture Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Teng Hong”	Teng Hong Investments Limited, a company incorporated in Samoa
“%”	per cent

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

Hong Kong, 13 May 2015

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