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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)

SUPPLEMENTAL AGREEMENT IN RESPECT OF SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE AND RESUMPTION OF TRADING

THE SUPPLEMENTAL AGREEMENT

On 18 May 2015, the Company entered into the Supplemental Agreement with the Subscriber to supplement and amend the terms of the Subscription Agreement.

THE SPECIFIC MANDATE

The Subscription Shares will not be allotted and issued pursuant to the General Mandate. The Company will seek the grant of a specific mandate from the Shareholders to allot and issue the Subscription Shares.

IMPLICATION UNDER THE LISTING RULES

Beidahuang Marketing Co. (a subsidiary of Beidahuang Business Group) is a substantial shareholder of Shenzhen Beidahuang (a non-wholly owned subsidiary of the Company). The Subscriber is an associate of a connected person of the Company at the subsidiary level. Therefore, the transaction contemplated under the Subscription Agreement constitutes a connected transaction for the Company.

The Subscription is subject to the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules. The Subscriber and its associates shall abstain from voting at the extraordinary general meeting to be held for approving the Subscription. As at the date of this announcement, the Subscriber and its associates do not hold any Shares. An independent board committee comprising all of its independent non-executive Directors will be established by the Company to give recommendations to the independent Shareholders on the terms and conditions of the Subscription Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated therein. An independent financial advisor will be appointed by the Company to advise the independent board committee and the independent Shareholders in relation thereto.

A circular containing, amongst others, (a) further details of the Subscription; (b) the recommendation of the independent board committee to the independent Shareholders in relation to the Subscription; (c) a letter of advice of the independent financial advisor to the independent board committee and the independent Shareholders in relation to the Subscription; (d) a notice convening the extraordinary general meeting of the Company; and (e) other information as required by the Listing Rules, will be despatched to the Shareholders. The circular is expected to be despatched to the Shareholders on or before 30 June 2015 as additional time is required to finalize the information to be included in the circular.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 14 May 2015 pending the release of the Announcement and this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 19 May 2015.

Shareholders and potential investors who wish to deal in the securities of the Company should note that the Subscription may or may not proceed and therefore are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of China Beidahuang Industry Group Holdings Limited (the “**Company**”) dated 17 May 2015 (the “**Announcement**”) in relation to the Subscription. Unless otherwise defined in the announcement, the capitalized terms shall have the same meanings as those stipulated in the Announcement.

THE SUPPLEMENTAL AGREEMENT

On 18 May 2015, the Company entered into a supplemental agreement to the Subscription Agreement (the “**Supplemental Agreement**”) with the Subscriber to supplement and amend the terms of the Subscription Agreement as follows:

- (1) The completion of the Subscription is conditional upon the following conditions being fulfilled on or before the Long Stop Date:
 - (a) the passing by the independent Shareholders at the extraordinary general meeting of an ordinary resolution to approve the Subscription Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder; and
 - (b) the Listing Committee of the Stock Exchange agreeing to grant a listing of, and permission to deal, in the Subscription Shares and such permission not subsequently being revoked.
- (2) the Long Stop Date (i.e. 30 June 2015 or such later date as the Company and the Subscriber may agree) shall be revised to 15 July 2015 or such later date as the Company and the Subscriber may agree.

Save as disclosed above, there is no other change to the terms of the Subscription Agreement and all terms and conditions of the Subscription Agreement remain unchanged and in full force and effect. The terms of the Supplemental Agreement were arrived at after arm’s length negotiations between the Company and the Subscriber, and the Directors believe that the terms of the Supplemental Agreement are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

Specific Mandate

The Subscription Shares will not be allotted and issued pursuant to the General Mandate. The Company will seek the grant of a specific mandate from the Shareholders to allot and issue the Subscription Shares (the “**Specific Mandate**”).

Shareholders and potential investors who wish to deal in the securities of the Company should note that the Subscription may or may not proceed and therefore are advised to exercise caution when dealing in the securities of the Company.

Implication under the Listing Rules

Beidahuang Marketing Co. (a subsidiary of Beidahuang Business Group) is a substantial shareholder of Shenzhen Beidahuang (a non-wholly owned subsidiary of the Company). The Subscriber is an associate of a connected person of the Company at the subsidiary level. Therefore, the transaction contemplated under the Subscription Agreement constitutes a connected transaction for the Company.

The Subscription is subject to the reporting, announcement, circular and independent shareholders’ approval requirements under the Listing Rules. The Subscriber and its associates shall abstain from voting at the extraordinary general meeting to be held for approving the Subscription. As at the date of this announcement, the Subscriber and its associates do not hold any Shares. An independent board committee comprising all of its independent non-executive Directors will be established by the Company to give recommendations to the independent Shareholders on the terms and conditions of the Subscription Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated therein. An independent financial advisor will be appointed by the Company to advise the independent board committee and the independent Shareholders in relation thereto.

A circular containing, amongst others, (a) further details of the Subscription; (b) the recommendation of the independent board committee to the independent Shareholders in relation to the Subscription; (c) a letter of advice of the independent financial advisor to the independent board committee and the independent Shareholders in relation to the Subscription; (d) a notice convening the extraordinary general meeting of the Company; and (e) other information as required by the Listing Rules, will be despatched to the Shareholders. The circular is expected to be despatched to the Shareholders on or before 30 June 2015 as additional time is required to finalize the information to be included in the circular.

Reasons for entering into the Supplemental Agreement

It was disclosed in the Announcement that pursuant to Rule 14A.101 of the Listing Rules, the Subscription would only be subject to the reporting and announcement requirements, and be exempt from the circular, independent financial advice and independent shareholders' approval requirements. However, the Subscription is not a type of transaction which could be exempt from such requirements pursuant to Rule 14A.101 of the Listing Rules and shall be subject to reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules. Therefore, the Subscriber and the Company amended the terms of the Subscription Agreement by entering into the Supplemental Agreement in order to comply with the requirements under the Listing Rules.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 14 May 2015 pending the release of the Announcement and this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 19 May 2015.

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

Hong Kong, 18 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.