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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

BUSINESS UPDATE

This announcement is made by China Beidahuang Industry Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors (the “**Board**”) of the Company is pleased to announce that on 25 January 2017, the Company entered into a strategic co-operation agreement (the “**Strategic Co-operation Agreement**”) with 安德雲倉供應鏈管理(深圳)有限公司 (Ennde Cloud OFC Supply Chain Management (Shenzhen) Co., Ltd.*) (the “**Strategic Partner**”) in relation to the possible strategic co-operation on the following aspects leveraged on the Company’s and the Strategic Partner’s respective funds, business resources, management skills, networks and platform:

1. Joint venture arrangements:

- (a) Establishment of joint venture company in Hong Kong to own and operate the cross-border e-Commerce logistics business;

- (b) Establishment of a Chinese porcelain e-Commerce logistics joint venture company in Jingdezhen, Jiangxi Province, the People's Republic of China (the "PRC");
 - (c) Establishment of company for operating an e-Commerce sale and distribution platform; and
 - (d) Establishment of an e-Commerce logistics finance company for developing the supply chain finance business.
2. Planning, construction and operation of the green cloud warehouse park according to national standards to meet the strategic needs of both parties.
 3. Establishment of a joint venture company for operating the cloud warehouse to provide high-quality and automated warehouse services.
 4. Launching of supply chain finance to provide integrated supply chain services on product flow, capital flow, information flow, service flow in relation to inventory, accounts receivables, prepayments, loans and credit finance to suppliers and customers.
 5. Establishment of the e-Commerce logistics industry fund for both parties' investment in the construction and operation of the cloud warehouse, e-Commerce, and logistics related business.

The Strategic Partner is a professional company offering the best warehouse services and integrated supply chain solutions as well as providing overall logistics and distribution programs for e-Commerce through self-built, co-built, co-operation, transformation and other models. The Strategic Partner also possesses extensive experience in warehouse operation management, high-quality e-Commerce business platform and has close working relationship with major logistics companies and local governments in the PRC. The Strategic Partner has established 7 cloud warehouses in Beijing, Wuhan, Shenzhen, Guangzhou, Hangzhou, and has planned to build approximately 50 new cloud warehouses with total area of 800,000 sq. meters in 2017.

The Strategic Co-operative Agreement is only an agreement with the purpose of setting out the intended co-operative projects between the parties to facilitate further and more detailed negotiations. The parties shall negotiate on the terms of the investment, operation and management in respect of each co-operating project. The implementation of the co-operative projects mentioned in the Strategic Co-operative Agreement is still subject to the signing of formal and specific contracts, which may or may not materialize eventually. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 25 January 2017

As at the date of this announcement, the Executive Directors are Mr. Jiang Jianjun, Mr. Jiang Jiancheng and Mr. Ke Xionghan; the Non-executive Directors are Ms. Ho Wing Yan and Ms. Zhang Yujie; and the Independent Non-executive Directors are Dr. Loke Yu alias Loke Hoi Lam, Mr. Li Xiaofeng and Mr. Ho Man Fai.

* *for identification purpose only*