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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)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that the condition precedent to the Subscription Agreements has been fulfilled and completion of the Subscription took place on 3 August 2017. An aggregate of 308,662,450 Subscription Shares have been allotted and issued to the Subscribers at the Subscription Price of HK\$0.42 per Subscription Share.

Reference is made to the announcements of China Beidahuang Industry Group Holdings Limited (the “**Company**”) dated 17 July 2017 (the “**Announcement**”) and 21 July 2017 in relation to the Subscription. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that the condition precedent to the Subscription Agreements has been fulfilled and completion of the Subscription took place on 3 August 2017. An aggregate of 308,662,450 Subscription Shares have been allotted and issued to the Subscribers at the Subscription Price of HK\$0.42 per Subscription Share.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscribers is an Independent Third Party. None of the Subscribers has become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after completion of the Subscription.

The net proceeds from the Subscription, after deducting the expenses payable by the Company, is approximately HK\$129.50 million, of which (i) approximately HK\$100.00 million is intended to be used for the business development relating to building of warehouse facilities in the PRC; and (ii) approximately HK\$29.50 million is intended to be used for the Group's general working capital and payment of bond interest.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The 308,662,450 Subscription Shares represent (i) approximately 6.01% of the existing issued share capital of the Company immediately before completion of the Subscription; and (ii) approximately 5.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Set out below is the table of the shareholding structure in the Company immediately before and after completion of the Subscription:

Shareholders	Immediately before completion of the Subscription		Immediately after completion of the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Directors:				
Mr. Jiang Jianjun (<i>Note a</i>)	614,779,044	11.97	614,779,044	11.29
Mr. Ho Man Fai	2,000,000	0.04	2,000,000	0.04
Mr. Ke Xionghan	1,000,000	0.02	1,000,000	0.02
Mr. Jiang Jiancheng	1,000,000	0.02	1,000,000	0.02
Mr. Li Xiaofeng	1,000,000	0.02	1,000,000	0.02
	<u>619,779,044</u>	<u>12.07</u>	<u>619,779,044</u>	<u>11.39</u>
Substantial Shareholders:				
Beidahuang (HK) International Trade Co., Limited (<i>Note b</i>)	660,000,000	12.86	660,000,000	12.13
Able Turbo Enterprises Limited (<i>Note c</i>)	409,500,000	7.98	409,500,000	7.52
Public Shareholders:				
Subscribers				
– Li Zhixiong	–	–	65,844,921	1.21
– Li Xuehui	–	–	154,666,983	2.84
– Li Ziren	43,879,693	0.85	110,433,106	2.03
– Li Liyong	–	–	8,428,150	0.15
– Luo Honghui	–	–	13,168,983	0.24
Other public shareholders	<u>3,400,996,897</u>	<u>66.24</u>	<u>3,400,996,897</u>	<u>62.49</u>
	<u><u>5,134,155,634</u></u>	<u><u>100.00</u></u>	<u><u>5,442,818,084</u></u>	<u><u>100.00</u></u>

Notes:

- a. These 614,779,044 Shares are held by Mr. Jiang Jianjun (“**Mr. Jiang**”) as to 262,480,000 Shares, Ms. Li Zhuoxun, the spouse of Mr. Jiang, as to 5,840,000 Shares, King Wei Group (China) Investment Development Limited (“**King Wei**”) as to 253,259,044 Shares and China Silver Investments Development Limited (“**China Silver**”) as to 93,200,000 Shares. As King Wei and China Silver are wholly-owned by Mr. Jiang, Mr. Jiang is deemed to be interested in the 253,259,044 Shares held by King Wei and the 93,200,000 Shares held by China Silver respectively by virtue of the SFO.

- b. These 660,000,000 Shares are held by Beidahuang (HK) International Trade Co., Limited, which is wholly-owned by 黑龍江農墾北大荒商貿集團有限責任公司 which in turn is wholly-owned by 黑龍江北大荒農墾集團總公司. Accordingly, each of 黑龍江農墾北大荒商貿集團有限責任公司 and 黑龍江北大荒農墾集團總公司 is deemed to be interested in the 660,000,000 Shares held by Beidahuang (HK) International Trade Co., Limited by virtue of the SFO.
- c. These 409,500,000 Shares are held by Able Turbo Enterprises Limited (“**Able Turbo**”) as to 255,103,474 Shares and China Food and Beverage Group Limited (“**China Food**”) as to 154,396,526 Shares. As China Food is wholly-owned by Able Turbo, Able Turbo is deemed to be interested in the 154,396,526 Shares held by China Food by virtue of the SFO. As Able Turbo is 60.31% owned by Mr. Chen Hua and 39.69% owned by Mr. Li Xianggen, each of Mr. Chen Hua and Mr. Li Xianggen is deemed to be interested in the Shares held by Able Turbo and China Food by virtue of the SFO.

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

Hong Kong, 3 August 2017

As at the date of this announcement, the Executive Directors are Mr. Jiang Jianjun, Mr. Jiang Jiancheng, Mr. Ke Xionghan and Mr. Huangfu Mingsheng; 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.