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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)

INSIDE INFORMATION UPDATE ON WINDING UP PETITION

This announcement is made by China Beidahuang Industry Group Holdings Limited (the “**Company**”) pursuant to Rules 13.09 and 13.25(1)(b) of Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 15 August 2019 regarding the winding-up petition against the Company (the “**Announcement**”). Unless the context otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

FURTHER DETAILS OF THE PETITION

The Petition was filed against the Company for being unable repay to the Petitioner a total sum of HK\$21,140,987 within six months from the date of a bond (i.e. 5 March 2019), which was issued by the Company to the Petitioner on 6 September 2018 with the principal amount of HK\$23,000,000.

POSITION OF THE COMPANY IN RELATION TO THE PETITION

The Company will oppose the Petition and will invite the Petitioner to consent to a validation order to be made by the Court under Section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

EFFECT OF THE PETITION UNDER THE APPLICABLE LAWS AND REGULATIONS

Pursuant to section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), any disposition of the property of the Company, including things in action, and any transfer of shares of the Company (“**Shares**”), or alteration in the status of the members of the Company, made after the commencement of the winding up, shall, unless the court otherwise orders, be void.

The Company wishes to remind its shareholders and the potential investors of the Company of the risk that the Shares may be restricted as the deposits of the Shares into Central Clearing and Settlement System (“**CCASS**”) may be suspended due to the Petition. Pursuant to the circular dated 28 December 2016 published by the Hong Kong Securities Clearing Company Limited (“**HKSCC**”) (ref no. CD/DNS/CCASS/332/2016): (a) the transfer of the Shares made after the Petition has been presented may be void without a validation order from the court under the laws and regulations applicable to the Company and; (b) HKSCC may at any time, and without notice, to temporarily suspend any of its services in respect of the Shares, which may include the suspension of acceptance of deposits of share certificates of the Company into the CCASS; and the share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominee Limited’s name will also be returned to participants who conduct shares transfer through HKSCC (the “**Participant(s)**”) and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant shares from its CCASS account accordingly. These measures would generally cease to apply from the date when the Petition has been struck-out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the relevant court. The Petition was filed in the High Court only as an application for the winding-up of the Company and as at the date of this announcement no winding-up order has been granted by the High Court to wind-up the Company.

ACTIONS TAKEN BY THE COMPANY

The Company has engaged legal advisers to oppose the Petition, and also to make an application to court to order the Petitioner to take all necessary steps to withdraw the Petition on the ground that the Petition is an abuse of the process of the court, or alternatively to restrain the Petitioner from advertising and/or taking any further step to prosecute the Petition on the same ground. The said application is returnable before the Companies Judge in the High Court on 19 September 2019.

Meanwhile, the Company will concurrently negotiate with the Petitioner for an amicable settlement of the matter.

Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.

By Order of the Board
China Beidahuang Industry Group Holdings Limited
Li Jiehong
Chairman

Hong Kong, 22 August 2019

As at the date of this announcement, the Executive Directors are Mr. Li Jiehong (Chairman), Mr. Ke Xionghan and Mr. Huang Wuguang; the Non-executive Director is Ms. Ho Wing Yan; and the Independent Non-executive Directors are Mr. Chong Cha Hwa, Mr. Ho Man Fai and Mr. Yang Yunguang.