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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
STRATEGIC COOPERATION WITH YUEYANG GUANSHENG

This is a voluntary announcement made by China Beidahuang Industry Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide shareholders of the Company and potential investors on the Group’s latest business development.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, on 24 February 2021, the Company entered into a strategic cooperation agreement (the “**Cooperation Agreement**”) with Yueyang Guansheng Industry Development Co., Ltd.* (岳陽觀盛投資發展有限公司), (“**Yueyang Guansheng**”, together with the Company, the “**Parties**”) in respect of the proposed global procurement of feed ingredients (the “**Strategic Cooperation**”).

THE STRATEGIC COOPERATION

According to the Cooperation Agreement, the Parties agree to cooperate closely in respect of the global procurement of (i) non genetically modified (“**non-GM**”) soybeans and (ii) both genetically modified (“**GM**”) and non-GM yellow corn. The Parties agree to cooperate, among other things, on the following basis:

- China Beidahuang will be responsible for, among other things, the expansion of the international procurement market, and it will strive to seek for demand for processing and sales in the domestic market for Yueyang Guangshen;
- China Beidahuang will supply to Yueyang Guangshen 500,000 tons of yellow corn and 180,000 tons of soybeans per annum;
- Yueyang Guangshen will be responsible for obtaining relevant government permits required for the import of the (GM or non-GM) corn, and arranging for relevant inspection, customs declaration and clearance of the products at the ports of the PRC; and
- the supply of soybeans and corn shall be implemented in accordance with the European Union’s non-GM soybean quality standards, and the (GM or non-GM) “People’s Republic of China Corn Purchase and Storage Standards”* (中華人民共和國玉米收儲標準》).

The term of the Cooperation Agreement shall commence on 1 March 2021 and end on 31 December 2022.

According to the Cooperation Agreement, it is intended to record the Parties’ intention to cooperate in the area and it does not create any legally binding obligations on the Parties. The implementation of the Strategic Cooperation between the Parties is subject to the execution of formal sales and purchase contract(s).

REASONS FOR AND BENEFITS OF THE STRATEGIC COOPERATION

The Company is an investment holding company. The Group is principally engaged in sale of green food products; wholesaling and retailing of staple food, cooking oil, alcohol and beverage, frozen and fresh food; construction and land development; flotation selection of non-ferrous metals mines and sales of mineral products; financial leasing services and the leasing of logistic facilities in Hong Kong and office facilities in the PRC.

According to Yueyang Guangshen, it is a state-owned enterprise with a registered capital of RMB3.1 billion and it is based in Hunan Province, the PRC. It is engaged in import and export agency and trade business and it focuses on, among others, investment and trade development and supply chain management, including bulk commodity procurement and distribution.

The entering into of the Cooperation Agreement is in line with the business strategies of the Group to explore relevant industry business opportunities and the Directors believe that it will be able to leveraging on the expertise and experience of the Parties in the food product supply chain business.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, each of Yueyang Guangshen and their ultimate beneficial owner is independent of, and not connected with, the Company and any of its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

The Board wishes to emphasise that no binding agreement in relation to the Strategic Cooperation has been entered into as at the date of this announcement. As such, the Strategic Cooperation may or may not materialise or proceed as contemplated or at all. Shareholders of the Company and potential investors are advised to 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, 24 February 2021

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

* *The English transliteration of the Chinese name in this announcement, where indicated, is included for information only, and should not be regarded as the official English name of such Chinese name.*