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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 YISHIKANGTE**

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 27 May 2021, the Company entered into a strategic cooperation framework agreement (the “**Framework Agreement**”) with Yishikangte Health Management Co., Ltd.\* (頤詩康特健康管理有限公司), (“**Yishikangte**”, together with the Company, the “**Parties**”) in respect of the proposed establishment of an e-commerce platform (the “**Platform**”) and sale of food products and wine and liquor through the Platform (the “**Strategic Cooperation**”).

**THE STRATEGIC COOPERATION**

According to the Framework Agreement, the Parties shall utilise their respective advantages and cooperate based on the concept of industry and capital integrated development. The Parties agree to cooperate in the following area:

- jointly establish a limited liability company in Shenzhen, the People’s Republic of China (“**PRC**”) with a registered capital of RMB10 million, to act as the project entity for the Strategic Cooperation (the “**Project Company**”). The shareholding of the Company and Yishikangte in the Project Company shall be 60% and 40%, respectively;
- Yishikangte shall be responsible for the development of the Platform for the Project Company, and the organisation of online and offline sales team, with a view to achieve an annual sales amount of RMB4 billion through the Platform.

Based on the discussion of the Parties, the proposed sales executives of the Project Company in the Greater China region shall consist of the following personnel:

<b>Responsible area or region of the sales executive</b>	<b>Name of sales executive</b>
Central region (華中)	ZHANG ZHIGUANG (張志光)
North eastern region (東北)	LUI JUN (劉軍)
Northern region (華北)	BIAN ZHENYOU (邊振有)
Southwest region (西南)	YAN SHENGFANG (嚴盛方)
Eastern region (華東)	YANG XIUGUO (楊修國)
Lianyungang port (連雲港)	WANG MIN (王敏)
Xuzhou (徐州)	XU FANGXIA (許方俠)
Yancheng (鹽城)	GU XIAOLING (顧曉玲)

- the Company shall supply products such as Wuchang rice, aged and collectible liquor for sales on the Platform, and the actual products shall be agreed by the Parties separately; and

- the products to be supplied by the Company may be changed at any time based on sales and market conditions, and the products can be selected or customised through mutual negotiation between the Parties.

According to the Framework Agreement, it is intended to record the Parties' intention to implement the Strategic Cooperate and the implementation of the Strategic Cooperation between the Parties is subject to the execution of formal cooperation or sales agreement(s).

## **REASONS FOR AND BENEFITS OF THE STRATEGIC COOPERATION**

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

According to Yishikangte, it is a private limited liability company established in the PRC with a registered capital of RMB50 million and it is based in Zhengzhou, Henan Province, the PRC. It is a technology-driven enterprise engaged in integration of research and development, production and sales. It is committed to the sales of health products, tea, high-end liquor, imported cosmetics and other products.

The entering into of the Framework 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 leverage on the expertise and experience of the Parties in the area of, where applicable, technology, retail and wholesale of various food products, including wine and liquor.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, each of Yishikangte 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 "Listing Rules")).

**The Board wishes to emphasise according to the Framework Agreement, it is a strategic cooperation framework agreement, where the Parties may negotiate to enter into formal cooperation or sales agreements in respect of the Proposed Cooperation (including the establishment of the Project Company) under the Framework Agreement. As such, the Strategic Cooperation may or may not materialise or proceed as contemplated or at all. If the establishment of the Project Company under the Framework Agreement materialises, such may potentially constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Company may publish further announcement(s) according to the progress of the Project Company establishment as and when appropriate in accordance with the applicable Listing Rules. 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, 27 May 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, Mr. Yang Yunguang and Mr. Chen Zhifeng.*

\* *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.*