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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 AND LITIGATION

This announcement is made by China Beidahuang Industry Group Holdings Limited (the “**Company**”) pursuant to Rules 13.09 and 13.25(1)(b) of the 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 4 April 2023 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.

INFORMATION UPDATE

On 10 February 2023, the Company was served a Judgment of HCA 1867/2015 (the “**Action**”) dated 10 February 2023 (the “**Judgment**”) under which the Company was adjudged to pay the Plaintiff, Mr. Qu Shuncaï, damages assessed at HK\$4,394,000.00 as the principal with the interest calculated at prime rate plus 1% accrued from the said principal from the date of Writ till 10 February 2023, and interest at judgment rate thereafter till payment), and a costs order that the Company shall bear the costs of the Action.

On 6 March 2023, the Company filed a Notice of Appeal to the Court (under CACV 71 of 2023) to appeal against the Judgment that the quantum of damages be HK\$2,944,000.00 (“**Reduced Amount**”) only.

On 30 March 2023, the Company received a winding up petition filed by Mr. Qu Shuncaï (under HCCW 144 of 2023) for an order that the Company may be wound up by the High Court of the Hong Kong Special Administrative Region pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) for being unable to pay a debt of an amount of HK\$4,291,684.55, being the Reduced Amount together with its accrued interest of HK\$1,347,684.55 as at 7 March 2023. The Petition will be heard on 7 June 2023 at 9:30 a.m. before the Companies Court.

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, namely the date of the presentation of the Petition (i.e. 30 March 2023) (the “**Commencement Date**”), shall, unless the court otherwise orders, be void. Any disposition made on or after the Commencement Date will not be affected if the Petition is subsequently withdrawn or dismissed, or a winding-up order is permanently stayed.

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.

Investors should be aware of the aforementioned investment risks in relation to the Petition.

ACTIONS TAKEN BY THE COMPANY

Since having received the Petition, the Company has been actively consulting with its legal advisers to determine the appropriate response to the Petition, including but not limited to, requesting the Petitioner to withdraw the Petition and/or taking appropriate legal actions to stay and/or dismiss the Petition. In the meantime, based on the risk exposures as disclosed above, in order to eliminate the uncertainties arising from the Petition (as well as the previous winding-up petition presented against the Company referred to in the Company's announcement dated 27 January 2023) associated with the transfer of the Shares, the Company is also considering to consult and engage legal advisers to commence preparation for application for the relevant validation order, which will provide legal protection to the greatest extent for the investors of the Shares, and will assist them to trade their Shares continuously.

The Company will actively respond to the above matters and take all necessary actions to protect the legal rights of the Company. Further announcement(s) will be made as and when appropriate in accordance with the Listing Rules.

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
Jiang Jianjun
Chairman

Hong Kong, 19 April 2023

As at the date of this announcement, the Executive Directors are Mr. Jiang Jianjun (Chairman), Mr. Ke Xionghan and Mr. Chen Chen; the Non-executive Directors are Mr. Zhao Wanjiang (Vice-chairman), Ms. Ho Wing Yan and Mr. Li Dawei; and the Independent Non executive Directors are Mr. Chong Cha Hwa, Mr. Yang Yunguang and Mr. Chen Zhifeng.