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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)

UPDATE ANNOUNCEMENT
RELATING TO THE PROPOSED RESTRUCTURING
INVOLVING THE CREDITORS' SCHEME

References are made to the announcements of the Company dated 23 March 2023, 2 April 2023, 23 May 2023, 31 July 2023, 18 August 2023, 27 October 2023, 20 November 2023 and 29 November 2023 in relation to the Proposed Restructuring and the Creditors' Scheme (the "Announcements"). Unless otherwise stated or defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

INFORMATION ON THE SCHEME SUBSIDIARIES

As disclosed in the Company's Announcement dated 29 November 2023, the Scheme Subsidiaries include a group of direct and indirect wholly-owned subsidiaries of the Company in the PRC, being (1) 深圳市前海大荒緣融資租賃有限公司 (Shenzhen Qianhai Dahuangyuan Financing Lease Co., Ltd.*), (2) 臨湘市強盛礦業有限責任公司 (Linxiang Qiangsheng Mining Industry Company Limited*), (3) 連雲港華金華鴻實業有限公司 (Lianyungang Huajin Huahong Industrial Co., Ltd*), and (4) 深圳市美名問世商貿有限公司 (Shenzhen Meiming Wenshi Trading Limited*).

Further to the Announcement, the Board would like to provide further information on the Scheme Subsidiaries that are subject to the Disposal pursuant to the Proposed Restructuring as set out below.

(a) Shenzhen Qianhai Dahuangyuan Financing Lease Co., Ltd. (“Shenzhen Qianhai Dahuangyuan”)

Shenzhen Qianhai Dahuangyuan is a company established in the PRC with limited liability and an indirect subsidiary of the Company. It is primarily engaged in financial leasing as of the date of this announcement.

(b) Linxiang Qiangsheng Mining Industry Company Limited (“Linxiang Qiangsheng”)

Linxiang Qiangsheng is a company established in the PRC with limited liability and an indirect subsidiary of the Company. As of the date of this announcement, Linxiang Qiangsheng directly owns 51% interest in a non-wholly owned subsidiary.

As of the date of this announcement, Linxiang Qiangsheng and its non-wholly owned subsidiary are primarily engaged in the trading of mineral products, including the flotation selection of non-ferrous metals mines and sales of mineral products.

(c) Lianyungang Huajin Huahong Industrial Co., Ltd (“Lianyungang Huajin Huahong”)

Lianyungang Huajin Huahong is a company established in the PRC with limited liability and a direct subsidiary of the Company. Lianyungang Huajin Huahong directly or indirectly owns interests in three subsidiaries.

As of the date of this announcement, Lianyungang Huajin Huahong and its subsidiaries are primarily engaged in the business of property construction and development. The properties currently developed by them are located in Lianyungang, Jiangsu, the PRC.

(d) Shenzhen Meiming Wenshi Trading Limited (“Shenzhen Meiming Wenshi”)

Shenzhen Meiming Wenshi is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Shenzhen Meiming Wenshi directly or indirectly owns interests in 24 subsidiaries, two associated companies and other financial assets.

As of the date of this announcement, Shenzhen Meiming Wenshi and its subsidiaries are primarily engaged in the sale and distribution of wine and liquor and food trading in the PRC.

Around the time of entering into of the Term Sheet in March 2023, the Company expected to transfer Shenzhen Qianhai Dahuangyuan and Lianyungang Huajin Huahong to the Scheme Company for the Creditors’ Scheme. During the course of preparation of the Scheme Document, the Company considered that it would attract more support from the Creditors to vote for the Creditors’ Scheme if more assets could be transferred to the Scheme Company for settlement of the Claims, and adjusted the Scheme Assets to include four Scheme Subsidiaries. The total book value of the net assets of the Scheme Subsidiaries was approximately HK\$984 million as at 30 June 2023.

Given the businesses carried out by the Scheme Subsidiaries as disclosed above, the Disposal pursuant to the Proposed Restructuring is expected to include core and non-core businesses of the Group, namely: (i) financial leasing, (ii) trading of mineral products, (iii) property construction and development, and (iv) distribution of wine and liquor and food trading. However, the Disposal is not expected to involve the entirety of the Group’s core business.

The Company will make further announcement(s) in respect of the Proposed Restructuring and the Creditors’ Scheme in accordance with the Listing Rules as and when appropriate.

WARNING

Shareholders and potential investors of the Company should be aware that the Creditors' Scheme is subject to certain conditions being fulfilled, including but not limited to the entering into of the Restructuring Agreement and the completion of the transactions thereunder, and thus the Creditors' Scheme may or may not be implemented. Shareholders and potential investors of the Company should accordingly exercise caution when dealing in the securities of the Company.

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

Hong Kong, 1 December 2023

As at the date of this announcement, the Executive Directors are Mr. Jiang Jiancheng (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.

** for identification purposes only*