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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Beidahuang Industry Group Holdings Limited**, you should at once pass this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSED BONUS ISSUE OF SHARES;  
CHANGE IN BOARD LOT SIZE;  
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;  
RE-ELECTION OF DIRECTOR;  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the extraordinary general meeting of China Beidahuang Industry Group Holdings Limited to be held at Unit 1001E, 10/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Tuesday, 22 December 2015 at 11:00 a.m. is set out on pages 16 to 18 of this circular. Whether or not you intend to attend the extraordinary general meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof (as the case may be) should you so wish.

4 December 2015

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Board”	the board of Directors
“Bonus Issue”	the proposed allotment and issue of Bonus Shares to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one Bonus Share for every one existing Share held
“Bonus Shares”	the new Share(s) to be allotted and issued by way of Bonus Issue by the Company as described herein
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading in the Shares on the Stock Exchange from 2,000 Shares to 8,000 Shares
“Company”	China Beidahuang Industry Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Bonus Issue and the Increase in Authorised Share Capital and held at Unit 1001E, 10/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Tuesday, 22 December 2015 at 11:00 a.m. and any adjournment thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	proposed increase in authorised share capital of the Company from HK\$400,000,000 divided into 4,000,000,000 Shares to HK\$800,000,000 divided into 8,000,000,000 Shares
“Latest Practicable Date”	2 December 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Overseas Shareholders who are excluded from the Bonus Issue and as detailed in the section headed “Overseas Shareholders” in this circular
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown in the register of members on that date is(are) outside Hong Kong
“PRC”	the People’s Republic of China, for the purposes of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Qualifying Shareholder(s)”	holder(s) of Shares, not being Non-Qualifying Shareholders, whose names are shown on the register of members of the Company on the Record Date and who will be entitled to the Bonus Issue

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## DEFINITIONS

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“Record Date”	Tuesday, 22 December 2015, being the date for ascertaining and determining the entitlement of the Shareholders to the Bonus Issue
“Share(s)”	ordinary share(s) in the issued and unissued capital of the Company, the par value of which being of HK\$0.10 each prior to the Bonus Issue
“Shareholder(s)”	holder(s) of Shares or Bonus Shares, as the case may be
“Share Options”	the share options granted and to be granted under the Share Option Scheme to subscribe for shares of the Company in accordance with the Share Option Scheme which remain unexercised before the Bonus Issue becomes effective
“Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	the non-listed warrants in the outstanding aggregate principal amount of HK\$84,000,000 issued by the Company entitling the holder(s) thereof to subscribe for up to 120,000,000 new Shares at the subscription price of HK\$0.70 per Share (subject to adjustment) before the Bonus Issue becomes effective

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## EXPECTED TIMETABLE

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The expected timetable relating to the Bonus Issue, the Change in Board Lot Size and the Increase in Authorised Share Capital is as follows:

Latest time for lodging transfer documents and relevant share certificates to be eligible to attend and vote at the EGM .....	4:30 p.m. on Friday, 18 December 2015
Latest time for lodging proxy form for the EGM (not less than 48 hours prior to time of the EGM) .....	11:00 a.m. on Sunday, 20 December 2015
Closure of register of members for attending the EGM .....	Monday, 21 December 2015 to Tuesday, 22 December 2015 (both days inclusive)
Record date for attending and voting at the EGM .....	Tuesday, 22 December 2015
Expected date and time of the EGM .....	11:00 a.m. on Tuesday, 22 December 2015
Announcement of poll results of the EGM .....	Tuesday, 22 December 2015
Last day of dealing in Shares cum-entitlements to the Bonus Issue .....	Monday, 28 December 2015
First day of dealings in Shares ex-entitlements to the Bonus Shares .....	Tuesday, 29 December 2015

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## EXPECTED TIMETABLE

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Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue . . . . .	4:30 p.m. on Wednesday, 30 December 2015
Closure of Register of Members . . . . .	Thursday, 31 December 2015 to Tuesday, 5 January 2016 (both days inclusive)
Record Date for determination of entitlement to the Bonus Issue . . . . .	Tuesday, 5 January 2016
Register of Members re-opens . . . . .	Wednesday, 6 January 2016
Certificates for the Bonus Shares expected to be despatched on or before . . . . .	Thursday, 7 January 2016
Dealings in Bonus Shares commence . . . . .	9:00 a.m. on Friday, 8 January 2016
Effective date of change of board lot size from 2,000 Shares to 8,000 Shares . . . . .	9:00 a.m. on Friday, 8 January 2016
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Shares . . . . .	9:00 a.m. on Friday, 8 January 2016
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Shares . . . . .	4:00 p.m. on Monday, 1 February 2016

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

*The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English version shall prevail.*

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Jiang Jianjun (*Chairman*)  
Mr. Li Jianqing (*Chief Executive Officer*)  
Mr. Jiang Jiancheng

*Non-executive Directors:*

Ms. Ho Wing Yan  
Ms. Zhang Yujie

*Independent Non-executive Directors:*

Dr. Loke Yu  
Mr. Li Xiaofeng  
Mr. Ho Man Fai

*Registered Office:*

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Head Office and Principal Place  
of Business in Hong Kong:*

Unit 1001E, 10/F  
East Ocean Centre  
98 Granville Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

4 December 2015

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED BONUS ISSUE OF SHARES;  
CHANGE IN BOARD LOT SIZE;  
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;  
RE-ELECTION OF DIRECTOR;  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference are made to the announcements of the Company dated 7 September 2015 and 2 December 2015 in relation to, among other things, the Bonus Issue, the Change in Board Lot Size and the Increase in Authorised Share Capital.



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with information in relation to, among other things, details of the Bonus Issue, the Change in Board Lot Size, the Increase in Authorised Share Capital and re-election of Director, and the notice of the EGM at which ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the Bonus Issue, the Increase in Authorised Share Capital and re-election of Director.

### **PROPOSED BONUS ISSUE OF SHARES**

The Board proposes a Bonus Issue of new Shares on the basis of one Bonus Share for every one existing Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an appropriate amount out of the Company's share premium account. The terms of the Bonus Issue are set out below.

#### **Basis of the Bonus Issue**

Subject to the conditions set out under the heading "Conditions of the Bonus Issue" below, the Bonus Shares will be issued and credited as fully paid at par on the basis of one Bonus Share for every one existing Share held on the Record Date by the Qualifying Shareholders.

On the basis of 2,201,394,876 existing Shares in issue as at the date of Latest Practicable Date, and assuming (i) no further Shares will be issued or repurchased, (ii) no Warrants will be subscribed prior to the Record Date, and (iii) no Share Options will be exercised prior to the Record Date, it is anticipated that 2,201,394,876 Bonus Shares will be issued under the Bonus Issue. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an amount of up to HK\$220,139,487.60 standing to the credit of the share premium account of the Company pursuant to the Bonus Issue. After the completion of the Bonus Issue, there will be a total of 4,402,789,752 Shares in issue as enlarged by the Bonus Issue.

#### **Conditions of the Bonus Issue**

Completion of the Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Cayman Islands and the articles of association of the Company to effect the Bonus Issue.

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## LETTER FROM THE BOARD

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### **Application for listing of Bonus Shares**

Application will be made to the Listing Committee of the Stock Exchange for the listings of, and permission to deal in, the Bonus Shares. Apart from making listing application to the Listing Committee of the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares. No new class of securities is to be listed pursuant to the Bonus Issue and that all necessary arrangements will be made to enable the Bonus Shares to be admitted into CCASS established and operated by HKSCC.

Subject to the grant of listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Bonus Shares or such other date as may be determined by HKSCC. Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operation procedures in effect from time to time.

### **Status of Bonus Shares**

The Bonus Shares, upon issue, will rank pari passu in all respects with the Shares then in issue, including the entitlement to receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares.

### **Record Date and closure of register of members**

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Non-Qualifying Shareholders are further elaborated below under the heading “Overseas Shareholders”.

The register of members of the Company will be closed from 31 December 2015 to 5 January 2016 (both days inclusive), during which no transfer of the Shares will be effected, in order to ascertain and determine the entitlement of the Shareholders under the Bonus Issue. In order to qualify for the Bonus Issue, holders of the Warrants must lodge the subscription form of the Warrants together with the remittance in cash for the amount of the subscription price for the respective Shares and holders of the Share Options must lodge the exercise notice of the Share Options together with the remittance in cash for the amount of the exercise price for the respective Shares no later than 4:30 p.m. on 30 December 2015.

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## LETTER FROM THE BOARD

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Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 30 December 2015.

The exact total number of Bonus Shares to be issued under the Bonus Issue will not be capable of determination until after the Record Date.

### **Overseas Shareholders**

Based on the register of members of the Company, as at the Latest Practicable Date, the Company has 43 Overseas Shareholders whose registered addresses are located in British Virgin Islands and the PRC respectively. The Company has made preliminary enquiries with the respective legal advisers as to the laws of British Virgin Islands and the PRC regarding the feasibility of extending the Bonus Issue to such Overseas Shareholders, and was advised that it would be lawful for the Company to extend the Bonus Issue to them.

The Company will continue to ascertain whether there are any other Overseas Shareholders on the Record Date. Enquiry will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Non-Qualifying Shareholders. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

### **Reasons for the proposed Bonus Issue**

Over the past few years, the Group has been loss-making. Therefore, the Company has not distributed any cash dividend given that the Company has to maintain sufficient funding for possible acquisitions and investment opportunities for its business development. Moreover, the Company had not proposed any bonus issue since listing on 16 January 2001.

In recognition of the continuing support from the Shareholders and to encourage the Shareholders to continue to support the Company's future development, the Board decided to propose the Bonus Issue.

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## LETTER FROM THE BOARD

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The Directors are of the view that the Bonus Issue will allow the Shareholders to participate in the business growth of the Company by way of capitalisation of a portion of the share premium account of the Company and the capitalized amount thereof be a return to the long-term support of the Shareholders. Moreover, the Bonus Issue, which is alike a declaration of dividend in the form of shares instead of cash, allows the Company to reserve cash for the business growth of the Group, which may help enhance the value of the Shares in future. Shareholders are allowed to participate in such growth by holding the Shares (and the Bonus Shares) and enjoy the benefit thereof, and at the same time the Company can satisfy the desire of the Shareholders to receive a dividend from the Company as a reward for their long-term support.

Despite the share price per Share on an ex-entitlement basis should be reduced by the same proportion and the Bonus Issue is not expected to increase their proportionate interests in the Company, the Bonus Issue will increase the number of Shares to be held by the Shareholders which will enable them to enjoy more flexibility in managing their own investment portfolios such as giving them an opportunity to dispose of part of their Shares and realize a cash return or continue to hold the Shares (and the Bonus Shares) to enjoy the growth of the Group as abovementioned.

Based on the above, the Directors, while noting that the Shareholders' proportionate interests in the Company will not be increased by the Bonus Issue, are of the view that the Bonus Issue will allow the Shareholders to participate in the business growth of the Company and be a return to the long-term support of the Shareholders.

Although Bonus Issue will reduce the theoretical ex-entitlement price of the Shares, price movement of the Shares is uncertain in the future. Trading prices of the Shares will be subject to, among other things, the global and local economic conditions and market sentiment which are beyond control of the Group.

Shareholders are advised to consult their professional advisers if they are in doubt of any information about the Bonus Issue in their assessment of the corresponding merits and demerits of the Bonus Issue.

### **Adjustment to the subscription price and number of Shares falling to be issued upon subscription of the Warrants**

As at the Latest Practicable Date, there are 120,000,000 Warrants issued. Under the relevant terms and conditions of instrument creating the Warrants, the Bonus Issue may lead to adjustments to the subscription price and/or the number of shares of the Company falling to be issued upon exercise of the Warrants. The Company will arrange its auditors or an independent financial adviser to certify such adjustments pursuant to the respective terms thereof. The Company will inform each

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## LETTER FROM THE BOARD

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of the holder(s) of the Warrants regarding the adjustments to be made pursuant to the respective terms and conditions thereof. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

### **Adjustment to exercise price and number of Shares falling to be issued upon exercise of the Share Options**

As at the Latest Practicable Date, there are total 232,980,000 outstanding Share Options granted under the Share Option Scheme. Under the relevant terms and conditions of the Share Option Scheme, the Bonus Issue may lead to adjustments to the exercise price and/or the number of shares of the Company falling to be issued upon exercise of the Share Options. The Company will arrange its auditors or an independent financial adviser to certify such adjustments pursuant to the respective terms thereof. The Company will inform each of the grantees of the Share Options regarding the adjustments to be made pursuant to the respective terms and conditions thereof. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

Save for the aforesaid Warrants and Share Options, the Company has no outstanding share options, warrants and similar rights to subscribe or purchase the equity securities of the Company as at the Latest Practicable Date.

### **Certificates for the Bonus Shares**

It is expected that certificates for the Bonus Shares will be posted on 7 January 2016 after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence on 8 January 2016.

### **CHANGE IN BOARD LOT SIZE**

In order to increase the value of each board lot of the Shares after the Bonus Issue, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the board lot size for trading in the Shares will be changed from 2,000 Shares to 8,000 Shares with effect from 9:00 a.m. on Friday, 8 January 2016, subject to the fulfillment of the conditions of the Bonus Issue as set out in the section headed “Conditions of the Bonus Issue” above.

Based on the closing price of HK\$1.81 per Share as quoted on the Stock Exchange as at the Latest Practicable Date (equivalent to a theoretical ex-entitlement price of approximately HK\$0.905 per Share upon the allotment of the Bonus Shares), the market value of each board lot of 2,000 Shares is estimated to be approximately HK\$1,810 upon the allotment of the Bonus Shares. With

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## LETTER FROM THE BOARD

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the change in board lot size to be implemented, the market value of each board lot of 8,000 Shares (instead of 2,000 Shares) is estimated to be approximately HK\$7,240 based on the theoretical ex-entitlement price of approximately HK\$0.905 per Share. The change in board lot size is not expected to result in any odd lots other than those that already exist as one (1) existing board lot of 2,000 existing Shares will become one (1) new board lot of 8,000 Shares after the allotment and issue of the Bonus Shares.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. The Directors consider such change in board lot size is in the interests of the Company and the Shareholders as a whole.

### **Arrangement on odd lot trading**

In order to alleviate the difficulties arising from the existence of odd lots of Shares due to the Change in Board Lot Size, the Company has appointed Shenwan Hongyuan Securities (HK) Limited as the designated broker to stand in the market to provide matching services for the odd lots of the Shares on a best effort basis during the period from 9:00 a.m. on Friday, 8 January 2016 to 4:00 p.m. on Monday, 1 February 2016 (both days inclusive). Holders of odd lots of the Shares who wish to take advantage of these services either to dispose of their odd lots of the Shares or to top up to a board lot of 8,000 Shares may contact Miss Cherrie Mak of Shenwan Hongyuan Securities (HK) Limited at telephone number (852) 2509 8472 during the aforesaid period.

Shareholders should note that the above matching services are on a best effort basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed. Shareholders who are in doubt about such matching service are recommended to consult their own professional advisers.

### **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 Shares, of which 2,201,394,876 Shares are in issue and fully paid. Under the Bonus Issue, the Company will issue 2,201,394,876 Bonus Shares on the assumption that no further Shares will be issued or repurchased on or before the Record Date. Immediately upon completion of the Bonus Issue, there will be a total of 4,402,789,752 Shares in issue as enlarged by the Bonus Issue. The Board also proposes to, immediately upon the Bonus Issue becoming effective, increase the authorised share capital of the Company from HK\$400,000,000 divided into 4,000,000,000 Shares to HK\$800,000,000 divided into 8,000,000,000 Shares by the creation of an additional 4,000,000,000 unissued Shares, which shall rank *pari passu* with the existing Shares.

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## LETTER FROM THE BOARD

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The proposed Increase in Authorised Share Capital, if approved, will provide the Company with greater flexibility to accommodate future expansion and growth of the Group. Save for the Bonus Issue, the Directors do not have any present intention of issuing any part of the proposed Increase in Authorised Share Capital.

The Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

### RE-ELECTION OF DIRECTOR

In accordance with Article 99 of the Articles of Association of the Company, Ms. Zhang Yujie will retire and, being eligible, will offer herself for re-election as a non-executive Director at the EGM.

Requisite details of Ms. Zhang Yujie are set out as follows:

**Ms. Zhang Yujie**, aged 52, was appointed as a non-executive Director in September 2015. Ms. Zhang holds a Bachelor Degree in Accounting from Heilongjiang Commercial College\* (黑龍江商學院), she is a senior accountant. Ms. Zhang has extensive experience in corporate management and rich expertise in financial management. She was the accountant of a subsidiary of Jiansanjiang Materials Department\* (建三江物資處), general manager of Jiansanjiang Materials Department Fuels Company\* (建三江物資處燃料公司) and Jiansanjiang Crude Oil & Fuels Company\* (建三江石油燃料公司) respectively, head of finance department of Heilongjiang Nongken Beidahuang Business Trade Liability Group Co., Ltd.\* (黑龍江農墾北大荒商貿集團有限責任公司) (“Heilongjiang Nongken Beidahuang”), and deputy chief financial officer of PetroChina & NK Fuels Co., Ltd.\* (中油黑龍江農墾石油有限公司). Ms. Zhang is currently the deputy general manager of Heilongjiang Nongken Beidahuang. As at the Latest Practicable Date, Beidahuang (HK) International Trade Co., Limited, a wholly owned subsidiary of Heilongjiang Nongken Beidahuang, holds 210,000,000 Shares and 120,000,000 Warrants entitling the holder of the Warrants to subscribe for up to 120,000,000 Shares.

Save as disclosed above, Ms. Zhang did not hold any directorship in any listed public companies in the last three years. She does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Ms. Zhang does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

\* For identification purposes only.

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## LETTER FROM THE BOARD

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Ms. Zhang entered into a letter of appointment with the Company for a term of 3 years commencing from 7 September 2015 and is subject to retirement by rotation and re-election pursuant to the articles of association of the Company. She is entitled to an annual emolument of HK\$100,000 as a non-executive Director which is determined by the Board by reference to her duties and responsibilities with the Company, the Company's remuneration policy and the remuneration committee's recommendation.

There is no information required to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of Ms. Zhang's re-election.

### **EGM**

A notice convening the extraordinary general meeting of China Beidahuang Industry Group Holdings Limited to be held at Unit 1001E, 10/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Tuesday, 22 December 2015 at 11:00 a.m. is set out on pages 16 to 18 of this circular. Whether or not you intend to attend the extraordinary general meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof (as the case may be) should you so wish.

To the best of the Directors' knowledge, information and belief, no Shareholder is required under the Listing Rules to abstain from voting on the resolutions to be proposed at the EGM.

### **VOTING BY POLL**

Article 80 of the Articles of Association of the Company provides that at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded. However, under Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the Directors intend that the Chairman of the EGM shall demand voting of the resolutions put forward at the EGM by way of poll.



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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors are of the opinion that the Bonus Issue, the Increase in the Authorised Share Capital and re-election of Director are in the best interests of the Company and the Shareholders as a whole, and accordingly the Board recommends you to vote in favour of the relevant ordinary resolutions to be proposed at the EGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

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## NOTICE OF EGM

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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)**

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of China Beidahuang Industry Group Holdings Limited (the “**Company**”) will be held at Unit 1001E, 10/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong on Tuesday, 22 December 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolutions:

### ORDINARY RESOLUTIONS

1. “**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Bonus Shares (as defined below) to be issued pursuant to this resolution:
  - (a) upon the recommendation of the board of directors of the Company (the “**Directors**”), an amount standing to the credit of the share premium account of the Company be capitalised and the Directors be and are hereby authorised and directed to apply such amount in paying up in full at par new ordinary shares of HK\$0.10 each in the capital of the Company (“**Bonus Share(s)**”), and that such Bonus Shares shall be allotted and distributed, credited as fully paid at par, to and among the shareholders of the Company whose names appear on the register of members of the Company (the “**Register of Members**”) at the close of business on Tuesday, 5 January 2016 (the “**Record Date**”), other than those members (the “**Non-qualifying Shareholders**”) whose addresses as shown on the Register of Members at the close of business on the Record Date are in jurisdiction outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Issue (as defined below) to be necessary or expedient in accordance with the Rules Governing the Listing of Securities of the Stock Exchange, on the basis of one (1) Bonus Shares for every one (1) existing share of HK\$0.10 each in the capital of the Company then held on the Record Date (the “**Bonus Issue**”);

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- (b) the Bonus Shares shall, subject to the applicable laws of Cayman Islands and the articles of association of the Company, rank pari passu in all respects with the shares of HK\$0.10 each in the capital of the Company in issue on the day on which the Bonus Shares are allotted and issued, except that they will not be eligible for the Bonus Issue;
- (c) the Directors be and are hereby authorised to arrange for the Bonus Shares which would otherwise have been issued to the Non-qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Non-qualifying Shareholders, if any, pro rata to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount to be distributed to any such persons is less than HK\$100.00, in which case the Directors be and are hereby authorised to retain such amount for the benefit of the Company; and
- (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

2. **“THAT:**

- (a) the authorised share capital of the Company be increased from HK\$400,000,000 divided into 4,000,000,000 shares of HK\$0.10 each to HK\$800,000,000 divided into 8,000,000,000 shares of HK\$0.10 each (the **“Increase in Authorised Share Capital”**) by the creation of an additional 4,000,000,000 shares of the Company and such shares shall rank pari passu with all existing shares of the Company; and

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- (b) the Directors be and are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company as they may consider necessary or expedient to give effect to or in connection with the Increase in Authorised Share Capital.”
3. “**THAT** Ms. Zhang Yujie be and is hereby re-elected as a non-executive director of the Company and the board of directors of the Company be authorised to fix her remuneration.”

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

Hong Kong, 4 December 2015

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such person may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto. However, if more than one of such joint holders by present at the meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding. For this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
3. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be delivered at the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong no less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. The Register of Members of the Company will be closed from Monday, 21 December 2015 to Tuesday, 22 December 2015 (both days inclusive) during which period no transfer of shares of the Company will be registered and effected. In order to qualify for attending and voting at this meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 18 December 2015.