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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

(formerly known as Sino Distillery Group Limited 中國釀酒集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00039)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2015

The board of directors (the "**Board**") of China Beidahuang Industry Group Holdings Limited (the "**Company**") announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2015 (the "**Period**") together with comparative figures. The results for the Period are unaudited, but have been reviewed by the audit committee of the Company.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Continuing operations			
REVENUE	*4*	**207,049**	39,013
Cost of sales		**(202,748)**	(33,204)
Gross profit		**4,301**	5,809
Other income	*4*	**5,595**	921
Selling and distribution expenses		**(7,977)**	(9,219)
Administrative expenses		**(12,674)**	(12,808)
Finance costs	*5*	**(6,258)**	(2,945)
Share of loss of associates		**(295)**	(89)
Gain on disposal of subsidiaries		**624**	–

	Notes	Six months ended 30 June **2015** **(Unaudited)** ***HK$'000***	2014 (Unaudited) *HK$'000*
LOSS BEFORE TAX	*6*	**(16,684)**	(18,331)
Income tax credit	*7*	**8**	8
Loss from continuing operations		**(16,676)**	(18,323)
Discontinued operations			
Profit from discontinued operations, net of tax	*12*	**56,751**	143,493
PROFIT FOR THE PERIOD		**40,075**	125,170
Attributable to:			
Owners of the parent		**42,002**	141,873
Non-controlling interests		**(1,927)**	(16,703)
		40,075	125,170
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted			
From continuing and discontinued operations		**HK2.47 cents**	HK9.96 cents
From continuing operations		**HK(0.87) cents**	HK(1.18) cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**40,075**	125,170
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Release of exchange difference upon the disposal of subsidiaries	**(5,380)**	4,603
Exchange differences arising on translation of foreign operations	**149**	1,200
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(5,231)**	5,803
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**34,844**	130,973
Attributable to:		
Owners of the parent	**36,759**	105,188
Non-controlling interests	**(1,915)**	25,785
	34,844	130,973

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2015 (Unaudited)** ***HK$'000***	31 December 2014 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**37,439**	15,715
Construction in progress		**9,365**	–
Goodwill		**3,322**	–
Other intangible assets		**2,451**	2,522
Investment in associates	*10*	**133,068**	84,577
Total non-current assets		**185,645**	102,814
CURRENT ASSETS			
Inventories		**38,363**	35,389
Trade and bills receivables	*11*	**10,028**	8,925
Prepayments, deposits and other receivables		**184,408**	238,994
Due from related parties		**15,047**	15,271
Derivative financial instruments		**–**	7,745
Cash and cash equivalents		**282,089**	79,150
		529,935	385,474
Assets of disposal groups classified as held for sale	*12*	**–**	17,191
Total current assets		**529,935**	402,665
CURRENT LIABILITIES			
Trade payables	*13*	**18,633**	9,211
Other payables and accruals		**12,493**	9,248
Interest-bearing bank and other borrowings		**75,036**	61,216
Due to a non-controlling shareholder of a subsidiary		**42,773**	–
Due to related parties		**9,720**	11,136
Tax payable		**307**	5,371
		158,962	96,182
Liabilities directly associated with the assets classified as held for sale	*12*	**–**	18,899
Total current liabilities		**158,962**	115,081

	30 June 2015 (Unaudited) HK$'000	31 December 2014 (Audited) HK$'000
NET CURRENT ASSETS	**370,973**	287,584
TOTAL ASSETS LESS CURRENT LIABILITIES	**556,618**	390,398
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**81**	89
Convertible bonds	**–**	92,406
Total non-current liabilities	**81**	92,495
Net assets	**556,537**	297,903
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**193,559**	162,669
Reserves	**355,027**	131,119
	548,586	293,788
Non-controlling interests	**7,951**	4,115
Total equity	**556,537**	297,903

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014.

The financial information has been prepared under the historical cost convention. The Financial Information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

2. IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied a number of new and revised HKFRSs issued by the HKICPA that are mandatorily effective for an accounting period that begins on or after 1 January 2015:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of these new and revised HKFRSs and new interpretation of HK (IFRIC) has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early adopted the following new and revised HKFRSs that have been issued but not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exemption[1]
Amendments HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]

[1] *Effective for annual periods beginning on or after 1 January 2016*

[2] *Effective for annual periods beginning on or after 1 January 2017*

[3] *Effective for annual periods beginning on or after 1 January 2018*

Management is in the process of making an assessment of the impact of these new standards and amendments to standards and is not yet in a position to state whether they will have a significant impact on the Group's results of operations and financial position.

The adoption of these new and revised standards has had no significant financial effect on the interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in the interim condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) the ethanol segment, which was regarded as discontinued operations, is engaged in the production and sale of ethanol products and ethanol by-products;

(b) the wine and liquor segment is engaged in the sale and distribution of wine and liquor;

(c) the sales of green food products segment is engaged in wholesaling and retailing of staple food, cooking oil, alcohol and beverage, frozen and fresh food manufactured by Heilongjiang Beidahuang Agribusiness Group Corporation;

(d) the animal feed segment is engaged in the production and sale of forages; and

(e) the logistic warehouse segment is engaged in the leasing of logistic facilities in Hong Kong.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results. Segment results are measured consistently with the Group's loss before tax except that interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

No intersegment sale and transfer was transacted for the six months ended 30 June 2015 and 2014.

	Wine and liquor (Unaudited) *HK$'000*	Sales of green food products (Unaudited) *HK$'000*	Animal feed (Unaudited) *HK$'000*	Logistic warehouse (Unaudited) *HK$'000*	Continuing operations (Unaudited) *HK$'000*	Discontinued operations (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Six months ended 30 June 2015							
Segment revenue:							
Sales to external customers	26,125	178,543	–	2,381	207,049	–	207,049
Other revenue	5,552	–	–	–	5,552	256	5,808
	31,677	178,543	–	2,381	212,601	256	212,857
Segment results	(2,351)	52	–	(1,759)	(4,058)	(105)	(4,163)
Reconciliation:							
Interest income					43	–	43
Finance costs					(6,258)	–	(6,258)
Corporate and other unallocated expenses					(7,035)	–	(7,035)
Gain on disposal of subsidiaries					624	56,856	57,480
(Loss)/profit before tax					(16,684)	56,751	40,067

	Wine and liquor (Unaudited) *HK$'000*	Sales of green food products (Unaudited) *HK$'000*	Animal feed (Unaudited) *HK$'000*	Logistic warehouse (Unaudited) *HK$'000*	Continuing operations (Unaudited) *HK$'000*	Discontinued operations (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Six months ended 30 June 2014							
Segment revenue:							
Sales to external customers	39,013	–	–	–	39,013	115,256	154,269
Other revenue	888	–	–	–	888	12,270	13,158
	39,901	–	–	–	39,901	127,526	167,427
Segment results	(9,812)	–	(187)	–	(9,999)	(47,244)	(57,243)
Reconciliation:							
Interest income					33	3	36
Finance costs					(2,945)	(13,816)	(16,761)
Corporate and other unallocated expenses					(5,420)	–	(5,420)
Gain on disposal of a subsidiary					–	204,550	204,550
(Loss)/profit before tax					(18,331)	143,493	125,162

4. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and services rendered, after allowances for returns and trade discounts.

An analysis of revenue and other income is as follows:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Continuing operations		
Revenue		
Sale of goods	**204,668**	39,013
Rental income	**2,381**	–
	207,049	39,013
Other income		
Interest income	**43**	33
Others	**5,552**	888
	5,595	921
Discontinued operations		
Revenue		
Sale of goods	**–**	115,256
Other income		
Amortisation of deferred income	**256**	256
Government grants	**–**	11,230
Interest income	**–**	3
Others	**–**	784
	256	12,273

5. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank loans and other loans wholly repayable within five years	**3,234**	2,945
Imputed financial cost on convertible bonds	**3,024**	–
	6,258	2,945
Discontinued operations		
Interest on bank loans and other loans wholly repayable within five years	**–**	3,429
Interest on trade payables	**–**	10,387
	–	13,816

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Continuing operations		
Cost of inventories sold	**199,753**	33,204
Depreciation	**1,285**	779
Amortisation of other intangible assets	**75**	74
Discontinued operations		
Cost of inventories sold	**–**	147,850
Depreciation	**–**	15,856
Amortisation of prepaid land lease payments	**195**	378
Amortisation of other intangible assets	**–**	194

7. INCOME TAX

During the period, no Hong Kong profits tax has been provided as there was no assessable profit arising from Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the People's Republic of China ("**PRC**") in which the Group operates.

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Deferred	**8**	8
Total tax credit for the period	**8**	8

8. DIVIDENDS

The directors do not recommend the payment of any dividend for the six months ended 30 June 2015 (2014: Nil).

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic

For continuing and discontinued operations

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
Profit attributable to the equity holders of the Company *(HK$'000)*	**42,002**	141,873
Weighted average number of ordinary shares in issue *('000)*	**1,701,924**	1,424,454
Basic earnings per share *(HK cents)*	**2.47**	9.96

For continuing operations

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
Profit attributable to the equity holders of the Company *(HK$'000)*	**42,002**	141,873
Less: Profit attributable to the equity holders of the Company from discontinued operations *(HK$'000)*	**56,751**	158,672
Loss attributable to the equity holders of the Company from continued operations *(HK$'000)*	**(14,749)**	(16,799)
Weighted average number of ordinary shares in issue *('000)*	**1,701,924**	1,424,454
Basic loss per share *(HK cents)*	**(0.87)**	(1.18)

For discontinued operations

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
Profit attributable to the equity holders of the Company from discontinued operations *(HK$'000)*	**56,751**	158,672
Weighted average number of ordinary shares in issue *('000)*	**1,701,924**	1,424,454
Basic earnings per share *(HK cents)*	**3.33**	11.14

(b) Diluted

The diluted earnings/loss per share was the same as the basic earnings/loss per share for the periods ended 30 June 2015 and 30 June 2014, as the share options and warrants had an anti-dilutive effect on the earnings/loss per share. The computation of diluted earnings/loss per share for the periods did not assume the exercise of share options and warrants as their assumed exercise would decrease the loss per share in the periods.

10. INTERESTS IN ASSOCIATES

	2015	2014
	HK$'000	*HK$'000*
Share of net assets	**83,266**	8,513
Amounts due from associates	**49,802**	76,064
	133,068	84,577

On 22 January 2015, a wholly-owned subsidiary of the Company entered into the JV Agreement with a limited company incorporated in the PRC to form a new company, Shenzhen Dahuangyuan E-Commerce Company Limited ("**Shenzhen Dahuangyuan**"), to be principally engaged in E-commerce business in Qianhai area in the PRC, which principally include food trading and electrical and mechanical equipment business. The wholly-owned subsidiary contributed RMB60,000,000, which representing 30% of the total registered capital of Shenzhen Dahuangyuan, and Shenzhen Dahuangyuan becomes an associate of the Group.

During the year ended 2014, two new associates Hunan Dianzang Jiuguijiu Liquor Co., Ltd. ("**Hunan Dianzang**") and Shenzhen Huayin Jinshajiang Investment Development Co., Ltd. ("**Huayin Jinshajiang**") are added to the Group. Hunan Laohangzun Liquor Sales Co., Ltd. ("**Hunan Laohangzun**") has acquired the interest of Hunan Dianzang and Huayin Jianshajiang was newly set up and invested by Hunan Laohangzun. Both the new associates are wholly-owned by Hunan Laohangzun as at 31 December 2014.

11. TRADE AND BILLS RECEIVABLES

Other than the cash and credit card sales, the Group allows a credit period which is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit.

None of the trade and bills receivables is impaired. An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2015 (Unaudited) *HK$'000*	31 December 2014 (Audited) *HK$'000*
Within 1 month	**4,817**	8,087
1 to 3 months	**156**	676
Over 3 months	**5,055**	162
	10,028	8,925

12. DISCONTINUED OPERATIONS

(i) On 24 February 2014, a wholly-owned subsidiary of the Company (the "**Vendor**"), entered into the Agreement with the Zhaodong Beidahuang Biotechnology Limited and Linxiang Huayin Changjiang Small and Medium Enterprises Guarantee Limited (the "**Purchasers**"), whereby the Purchasers have conditionally agreed to purchase and the Vendor has conditionally agreed to sell the 75% equity interest in Harbin China Distillery Limited held by the subsidiary at the consideration of RMB40 million. The ordinary resolution to approve the disposal of Harbin China Distillery Company Limited was duly passed by the shareholders by way of poll at the adjourned EGM held on 6 June 2014 and after that date, Harbin China Distillery Company Limited ceased to be the subsidiary of the Group. All the conditions precedent to completion have been satisfied and completion took place on 18 June 2014. Details of the completion of the disposal could be referred to the announcement published on the same date.

(ii) On 26 March 2014, BAPP Ethanol Holdings Limited (the "**BAPP**"), a wholly-owned subsidiary of the Group, entered into the Agreement with an independent third party (the "**Purchaser**"), the BAPP has conditionally agreed to sell all 100% equity interest in the BAPP (Northwest) Limited held by the BAPP, which hold 100% equity interest of Ningxia West Bright New Resource Technology Company Limited at the consideration of RMB40 million (the "**Disposal of BAPP**"). All the conditions precedent to completion have been satisfied and completion took place on 15 June 2015. Details of the completion of the disposal could be referred to the announcement published on the same date.

The results of the discontinued operations for the period are presented below:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue	**256**	127,529
Expenses	**(361)**	(174,770)
Finance costs	**–**	(13,816)
Loss before tax from the discontinued operations	**(105)**	(61,057)
Income tax	**–**	–
	(105)	(61,057)
Gain on disposal of discontinued operations	**56,856**	204,550
Profit for the period from the discontinued operations	**56,751**	143,493

The major classes of assets and liabilities of the discontinued operations classified as held for sale are as follows:

	30 June	31 December
	2015	2014
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Assets		
Property, plant and equipment	**–**	615
Prepaid land lease payments	**–**	15,831
Inventories	**–**	38
Prepayments, deposits and other receivables	**–**	615
Due from related parties	**–**	75
Cash and cash equivalents	**–**	17
Assets of disposal groups classified as held for sale	**–**	17,191

	30 June 2015 (Unaudited) *HK$'000*	31 December 2014 (Audited) *HK$'000*
Liabilities		
Other payables and accruals	**–**	7,762
Non-current liabilities		
Deferred income	**–**	11,137
Liabilities directly associated with the assets classified as held for sale	**–**	18,899
Net liabilities directly associated with the disposal groups	**–**	1,708

At 30 June 2015, the Group does not have any discontinued operations.

13. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2015 (Unaudited) *HK$'000*	31 December 2014 (Audited) *HK$'000*
Within 1 month	**14,433**	8,469
1 to 3 months	**1,821**	–
Over 3 months	**2,379**	742
	18,633	9,211

The trade payables are non-interest-bearing and are normally settled on 30-day terms and 180-day terms.

All the trade payable are denominated in Renminbi.

14. ACQUISITION OF A SUBSIDIARY

On 25 August 2014, Shenzhen Meiming Wenshi Trading Limited ("**SZMM**"), a wholly-owned subsidiary of the Company, entered into a share transfer agreement with independent third parties whereby the Company has agreed to acquire 50% equity interest in Shenzhen Beidahuang Green Food Distribution Limited ("**SZBDH**") from the vendors at an aggregate consideration of RMB2.5 million. The transaction has completed on 4 March 2015 and after that day, the SZBDH becomes a subsidiary of the Group.

It is principally engaged in the wholesaling and retailing of staple food, cooking oil, alcohol and beverage, frozen and fresh food manufactured by Heilongjiang Beidahuang Agribusiness Group Corporation.

The fair value of the identifiable assets and liabilities of SZBDH as at date of acquisition were as follows:

	2015 ***HK$'000*** **(Unaudited)**
Property, plant and equipment	**38**
Inventories	**937**
Trade and bills receivable	**275**
Prepayment, deposits and other receivables	**10,955**
Cash and cash equivalents	**688**
Trade and bills payable	**(38)**
Other payables and accruals	**(13,244)**
Total identifiable net liabilities	**(389)**
Add: Non-controlling interest upon acquisition	**194**
Total identifiable net liabilities subject to acquisition	**(195)**
Goodwill on acquisition	**3,322**
Satisfied by cash consideration	**3,127**

An analysis of the cash flows in respect of the acquisitions of SZBDH is as follows:

	2015
	HK$'000
	(Unaudited)
Cash consideration	**3,127**
Cash and bank balances acquired	**(688)**
Net outflow of cash and cash equivalents included in cash flows used in investing activities	**2,439**

Impact of acquisition on the results of the Group

SZBDH contributed turnover of approximately HK$178,543,000 and net loss of approximately of HK$358,000 respectively to the Group for the period from the acquisition date to 30 June 2015.

If the acquisition had been completed on 1 January 2015, SZBDH would have contributed turnover of approximately HK$272,235,000 and net loss of approximately HK$91,000 respectively to the Group for the period ended 30 June 2015.

The unaudited pro-forma financial information set out above is for illustrative purpose only on the effect of the acquisition of SZBDH having been completed at the beginning of the period ended 30 June 2015. The unaudited pro-forma financial information set out above is not necessarily an indication of turnover and results of the continuing operations of the Group nor is it intended to be a projection of future results.

15. DISPOSAL OF SUBSIDIARIES

(i) The Group disposed the entire issued capital held of BAPP (Northwest) Limited ("**BAPP Northwest**") to an independent third party for a cash consideration of RMB40,000,000. On 15 June 2015, BAPP completed the disposal of BAPP Northwest and the Group lost the control of BAPP Northwest and its wholly owned subsidiary Ningxia West Bright New Resource Technology Company Limited. The two disposed companies were the discontinued operations of the Group *(Note 12).*

	2015
	HK$'000
	(Unaudited)
Total consideration	**49,659**
Less: Net liabilities including in assets of disposed groups of:	
Property, plant and equipment	**613**
Prepaid land lease payments	**15,655**
Inventories	**38**
Prepayments, deposits and other receivables	**615**
Due from related parties	**75**
Cash and cash equivalents	**13**
Other payables and accruals	**(7,931)**
Deferred income	**(10,895)**
	(1,817)
Add: Release of exchange difference upon disposal	**5,380**
Gain on disposal of subsidiaries	**56,856**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal is as follows:

	2015
	HK$'000
	(Unaudited)
Cash consideration	**49,659**
Cash and cash equivalents disposed of	**(13)**
Net inflow of cash and cash equivalents in respect of the disposal	**49,646**

(ii) On 12 June 2015, the Company entered into an agreement with an independent third party, pursuant to which the Company agreed to sell all its 100% equity interest in Bio-Dynamic China Limited for a cash consideration of HK$1,000,000. Upon the completion of the disposal, the Group lost the control of Bio-Dynamic China Limited and its wholly owned subsidiary Harbin Niu Wang Muye Management Company Limited.

	2015
	HK$'000
	(Unaudited)
Total consideration	**1,000**
Less: Net liabilities including in assets of disposed groups of:	
Property, plant and equipment	**293**
Prepayments, deposits and other receivables	**92**
Cash and cash equivalents	**6**
Other payables and accruals	**(56)**
	335
Add: Release of exchange difference upon disposal	**(41)**
Gain on disposal of a subsidiary	**624**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal is as follows:

	2015
	HK$'000
	(Unaudited)
Cash consideration	**1,000**
Cash and cash equivalents disposed of	**(6)**
Net inflow of cash and cash equivalents in respect of the disposal	**994**

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the Period, the continuing operations of the Group achieved a revenue of approximately HK$207.0 million (2014: HK$39.0 million), representing an increase of 430.8% when compared with the corresponding period last year. Gross profit for the continuing operations of the Group was approximately HK$4.3 million (2014: HK$5.8 million). The loss (net of taxation) from continuing operations was HK$16.7 million and the gain from discontinued operations (net of tax) was HK$56.8 million.

Profit attributable to owners of the parent was approximately HK$42.0 million (30 June 2014: HK$141.9 million). The profit was mainly due to the disposal gain arosed from the BAPP Disposal (details are set out in the paragraph headed "Ethanol and Animal Feed Business" below). Earnings per share from continuing operations and discontinued operations for the Period was HK2.47 cents (30 June 2014: HK9.96 cents).

The Group will continue to control the costs and focus on existing resources to further strengthen and grow the Group's businesses, both organically and through acquisitions when appropriate opportunities arise. The Group also plans to diversify the business mix and will seek for any good investment opportunity with major focus in the People's Republic of China (the "**PRC**") and Hong Kong. Diversifications would be carefully selected among all the choices we explored and would be operated with experienced business partners.

Segmental Information

Wine and Liquor Business

The Group's wine and liquor business is principally engaged in the sale and distribution of wine and liquor in the PRC. Currently, the Group operates a retail and distribution network for selling wine and liquor in Guangzhou, Harbin and Hunan Province of the PRC. The Group had 16 wine and liquor specialty stores and 19 franchise stores in Guangzhou.

The Group is the exclusive distributor of Diancang Jiugui and Meiming Wenshi in the PRC until May 2020.

Since 2012, the revenue of this business has been hit by the PRC government's calls for cracking down on extravagance in government departments and state-owned institutions and enterprises and the plasticiser contamination scandal. The operating environment of the liquor industry in the PRC remained difficult during the Period. The Group will closely monitor the market situations and trends and adopt corresponding measures of risk management to alleviate the negative impacts. Meanwhile, the Group will continue to improve the product mix and focus on higher margin products to grow its business. Apart from strengthening the established markets, the Group will strive to expand its retail and distribution network to other parts of the PRC.

Due to the government policy, during the Period, the wine and liquor business recorded a revenue of approximately HK$26.1 million (2014: HK$39.0 million), down 33.1% when compared with the corresponding period last year and accounted for 12.6% (2014: 25.3%) of the total revenue. Gross profit for the Period was approximately HK$4.1 million (2014: HK$5.8 million), representing a decrease of 29.3% from the corresponding period last year.

Sales of Green Food Products Business

On 25 August 2014, 深圳市美名問世商貿有限公司 (Shenzhen Meiming Wenshi Trading Limited*, "**SZMM**"), a wholly-owned subsidiary of the Company, entered into a share transfer agreement with 北大荒營銷股份有限公司 (Beidahuang Marketing Co. Ltd.*, "**Beidahuang Marketing Co.**") and Mr. Hu Guang Sheng (as vendors) whereby (i) the Company conditionally agreed to acquire 10% equity interest in 深圳北大荒綠色食品配送有限公司 (Shenzhen Beidahuang Green Food Distribution Limited*, "**SZBDH**") from Beidahuang Marketing Co. and (ii) the Company conditionally agreed to acquire 40% equity interest in SZBDH from Mr. Hu Guang Sheng at an aggregate consideration of RMB2.5 million. The transaction was completed on 4 March 2015 and accordingly, SZBDH has become a subsidiary of the Group.

The sales of green food products business recorded a revenue of approximately HK$178.5 million and accounted for 86.2% of the total revenue. Gross profit for the Period was approximately HK$0.9 million.

Logistic Warehouse Business

On 13 May 2015, China Silver Group Holdings Limited (a wholly-owned subsidiary of the Group) entered into the shareholders' agreement with other independent third parties to form a joint venture company, which was already incorporated in Hong Kong to engage in leasing of logistics warehousing facilities in Hong Kong.

The logistic warehouse business recorded a revenue of approximately HK$2.4 million and accounted for 1.2% of the total revenue. Gross loss for the Period was approximately HK$0.7 million since some of the facilities are still under construction.

Ethanol and Animal Feed Business

On 26 March 2014, BAPP Ethanol Holdings Limited ("**BAPP**"), a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party, pursuant to which BAPP conditionally agreed to sell all its 100% equity interest in BAPP (Northwest) Limited ("**BAPP Northwest**"), which held 100% equity interest of 寧夏西部光彩新能源高新技術有限公司 (Ningxia West Bright New Resource Technology Co., Ltd.*) at the consideration of RMB40 million ("**BAPP Disposal**"). As BAPP Northwest represented the entire ethanol business segment of the Group, the Group reclassified the whole ethanol business segment as assets held for sale as at 31 December 2014. The revenue, cost of sales and various expenses related to the whole ethanol business segment for the year ended 31 December 2014 (the "**Year**") was included in the profit/(loss) from discontinued operations (net of tax) in the consolidated statement of profit or loss and other comprehensive income for the Year. The BAPP Disposal was completed on 15 June 2015.

On 12 June 2015, the Company entered into an agreement with an independent third party, pursuant to which the Company agreed to sell all its 100% equity interest in Bio-Dynamic China Limited, which held 100% equity interest of 哈爾濱牛旺牧業管理有限公司 (Harbin Niu Wang Muye Management Company Limited*) at the consideration of HK$1 million ("**Bio-Dynamic Disposal**"). The Bio-Dynamic Disposal was completed on 12 June 2015.

Following the BAPP Disposal and the Bio-Dynamic Disposal, the ethanol and animal feed segment were officially terminated during the Period.

Financial Review

For the Period, the continuing operations of the Group achieved a revenue of approximately HK$207.0 million (2014: HK$39.0 million), representing an increase of 430.8% when compared with the corresponding period last year.

Gross profit for the continuing operations of the Group was approximately HK$4.3 million (2014: HK$5.8 million). The loss (net of taxation) from continuing operations was HK$16.7 million and the gain from discontinued operations (net of tax) was HK$56.8 million. Profit attributable to owners of the parent was approximately HK$42.0 million (30 June 2014: HK$141.9 million). Earnings per share from continuing operations and discontinued operations for the Period was HK2.47 cents (30 June 2014: HK9.96 cents).

Selling and distribution expenses were approximately HK$8.0 million (2014: HK$9.2 million), representing a decrease of 13.0% when compared with the corresponding period last year and 3.9% (2014: 23.6%) of the Group's revenue.

Administrative expenses were approximately HK$12.7 million (2014: HK$12.8 million), representing a decrease of 0.8% when compared with the corresponding period last year.

Finance cost was approximately HK$6.3 million (2014: HK$2.9 million), representing an increase of 117.2% when compared with the corresponding period last year. The increase was due to the interest on the convertible bonds.

Acquisition and Disposal of Subsidiaries

Acquisition

On 25 August 2014, SZMM entered into a share transfer agreement with Beidahuang Marketing Co. and Mr. Hu Guang Sheng (as vendors) whereby (i) the Company conditionally agreed to acquire 10% equity interest in SZBDH from Beidahuang Marketing Co. and (ii) the Company conditionally agreed to acquire 40% equity interest in SZBDH from Mr. Hu Guang Sheng at an aggregate consideration of RMB2.5 million. The transaction was completed on 4 March 2015 and accordingly, SZBDH has become a subsidiary of the Group. Following the completion, the registered capital of SZBDH was increased from RMB0.5 million to RMB10 million.

Disposal

(i) On 26 March 2014, BAPP entered into an agreement with an independent third party, pursuant to which BAPP conditionally agreed to sell all its 100% equity interest in BAPP Northwest, which held 100% equity interest of 寧夏西部光彩新能源高新技術有限公司 (Ningxia West Bright New Resource Technology Co., Ltd.*) at the consideration of RMB40 million. The BAPP Disposal was completed on 15 June 2015. After that day, BAPP Northwest ceased to be a subsidiary of the Company.

(ii) On 12 June 2015, the Company entered into an agreement with an independent third party, pursuant to which the Company agreed to sell all its 100% equity interest in Bio-Dynamic China Limited, which held 100% equity interest of 哈爾濱牛旺牧業管理有限公司 (Harbin Niu Wang Muye Management Company Limited*) at the consideration of HK$1 million. The Bio-Dynamic Disposal was completed on 12 June 2015.

Business Prospects

The Group will continue to explore the new markets and increase the promotion and marketing activities to expand the existing business. The Group would also look for other business and related profitable business for acquisition purpose.

Memorandum of Understanding

On 12 August 2013, the Company entered into a non-legally binding memorandum of understanding ("**MOU**") with an independent third party ("**Vendor**") pursuant to which the Company intended to acquire and the Vendor intended to sell 100% of the issued share capital of a company (the "**Target**") ("**Possible Acquisition**"). The Target and its subsidiary ("**Target Group**") are in the process of acquiring a company incorporated in the PRC which is holding a piece of multipurposed agricultural land (the "**Land**") in the Yinchuan City of Ningxia Province, the PRC. The Company intended to acquire the Land for the development of an eco-pasture base.

Pursuant to the MOU (as extended by three extension agreements dated 24 February 2014, 22 August 2014 and 23 February 2015), the Vendor and the Company would negotiate in good faith the terms of a formal agreement for the Possible Acquisition on or before 22 August 2015 (the "**Relevant Period**"). The MOU would terminate upon expiry of the Relevant Period or the execution of the formal agreement. As announced on 21 August 2015, the parties intended not to enter into the formal agreement on or before 22 August 2015 and would not further extend the MOU. The MOU lapsed on 23 August 2015.

Business Cooperation

As announced on 28 January 2014, the Group has started to explore co-operation opportunity with 中電華通通信有限公司 (CECT-Chinacomm Communications Co., Limited*, "**CECT-Chinacomm**"), a company incorporated in the PRC with limited liability. CECT-Chinacomm and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons. CECT-Chinacomm has the development right in respect of a parcel of land in the Beijing Economic and Technological Development Area and will construct a project known as Beijing Wireless Broadband Industrial Park (the "**Project**") on the parcel of land. An indirect subsidiary of CECT-Chinacomm is appointed as the operating company of the Project, and has legally obtained the Land Use Right Certificate, the Planning Permit and the Construction Land Use Permit.

The co-operation is still in the discussion stage and no formal agreement has been entered into by the parties at the date of this announcement. The Board expects that the Company will be able to join CECT-Chinacomm and its subsidiary to develop the Project for commercial benefits.

Formation of Joint Venture Company

(i) On 22 January 2015, SZMM entered into a joint venture agreement (the "**JV Agreement 1**") with 深圳市深達恒業貿易有限公司 (Shenzhen Shenda Hengye Trading Company Limited*, "**Hengye**"), pursuant to which SZMM and Hengye agreed to form a joint venture company, namely 深圳市大荒緣電子商務有限公司 (Shenzhen Dahuangyuan E-Commerce Company Limited*, "**Shenzhen Dahuangyuan**"). Shenzhen Dahuangyuan to be principally engaged in the E-commerce business in Qianhai area in the PRC, which principally include food trading and electrical and mechanical equipment business. Pursuant to the JV Agreement 1, the total registered capital of Shenzhen Dahuangyuan will be RMB200 million and SZMM has already contributed RMB60 million, representing 30% of total registered capital of Shenzhen Dahuangyuan.

    The PRC policy became favourable to E-commerce business, together with the various favourable policy in the Qianhai area, the formation of Shenzhen Dahuangyuan can push forward the Company to diversify its existing business into the business of E-commerce.

(ii) On 13 May 2015, China Silver Group Holdings Limited (a wholly-owned subsidiary of the Group) entered into the shareholders' agreement ("**JV Agreement 2**") with other independent third parties to form a joint venture company, which was already incorporated in Hong Kong to engage in leasing of logistics warehousing facilities in Hong Kong. By entering into the JV Agreement 2, the Company is able to diversify its existing business into the business of leasing of logistics facilities and the related businesses.

(iii) On 18 August 2015, a joint venture company namely 寧夏大荒園新能源農業科技發展有限公司 (Ningxia Dahuangyuan New Energy Agricultural Science and Technology Development Co., Ltd.*, "**Ningxia Dahuangyuan**") was established by SZMM, 寧夏聖地商貿有限公司 (Ningxia Shengdi Trading Co., Ltd.*, "**Ningxia Shengdi**") and 寧夏西部光彩新能源高新技術有限公司 (Ningxia West Bright New Resource Technology Company Limited*, "**Ningxia West**"). Ningxia Dahuangyuan will be principally engaged in agricultural cultivation, and processing, development and sales of agricultural products. Each of the joint venture parties will utilize its own resources and professional skills in the operation and management of Ningxia Dahuangyuan. Ningxia Shengdi has a multi-purposed agriculture land and substantial experience in operating farm and agricultural cultivation, Ningxia West has its own processing factory and the Group has fund and distribution and sales channels. The establishment of Ningxia Dahuangyuan represents a significant step to extend the Group's business into the agricultural cultivation. It is expected that the formation of Ningxia Dahuangyuan will complement and create synergy with the Group's existing business. The directors of the Company believe that the formation of strategic alliance by establishing Ningxia Dahuangyuan with Ningxia Shengdi and Ningxia West will effectively improve the Group's business model and further enhance its competitiveness in the food industry.

Based on the capital contribution by each of the joint venture parties, SZMM, Ningxia West and Ningxia Shengdi hold approximately 97.82%, 1.09% and 1.09% of the equity interest of Ningxia Dahuangyuan respectively. Accordingly, Ningxia Dahuangyuan is a non-wholly owned subsidiary of the Company.

Liquidity, Financial Resources and Capital Structure

During the Period, the Company increased its issued share capital to 1,935,594,876 shares by issuing 308,900,000 new shares through allotment and issue of subscription shares, conversion of the convertible bonds and exercise of share options by directors, employees and consultants of the Group. As at 30 June 2015, the Group had net asset to owners of the parent of approximately HK$548.6 million (31 December 2014: HK$293.8 million). Net current assets of the Group as at 30 June 2015 amounted to approximately HK$371.0 million (31 December 2014: HK$287.6 million).

The Group's unpledged cash and cash equivalents as at 30 June 2015 amounted to approximately HK$282.1 million (2014: HK$79.2 million), which were denominated in both Hong Kong dollars and Renminbi.

As at 30 June 2015, the Group had current assets of approximately HK$529.9 million (31 December 2014: approximately HK$402.7 million) and current liabilities of approximately HK$159.0 million (31 December 2014: approximately HK$115.1 million). The current ratio (calculated as current assets to current liabilities) decreased from 3.5 as at 31 December 2014 to 3.3 as at 30 June 2015.

As at 30 June 2015, the Group's total borrowings amounted to approximately HK$127.5 million (2014: HK$72.4 million). The Group's borrowings included bank loans of approximately HK$75.0 million (2014: HK$61.2 million). The other borrowings or amounts due to related parties of approximately HK$52.5 million (2014: HK$11.1 million) charged at fixed interest rates. The gearing ratio of the Group as at 30 June 2015, calculated as net debt divided by equity attributable to owners of the parent plus net debt, was 0% (2014: 26.2%).

These ratios were at reasonably adequate levels as at 30 June 2015. Having considered the Group's current unpledged cash and cash equivalents, bank and other borrowings, banking facilities, the management believes that the Group's financial resources are sufficient for its day-to-day operations. The Group did not use financial instruments for financial hedging purposes during the Period. The Group's business transactions, assets and liabilities are principally denominated in Renminbi and Hong Kong dollars. Fluctuations in Renminbi may impact the Group's results and net asset value as the Group's consolidated financial statements are presented in Hong Kong dollars. The Group's treasury policy is to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilize hedging tools, if available, to manage its foreign currency exposure.

Subscription of New Shares under General Mandate

(i) On 10 April 2015, the Company entered into the subscription agreements with 14 independent subscribers for the subscription of an aggregate 150,000,000 new shares in the Company at the subscription price of HK$0.73 per share ("**April Subscription**").

The April Subscription was completed on 30 April 2015 and the Company issued 150,000,000 shares to 14 independent subscribers. The net proceeds from the April Subscription were approximately HK$109.45 million. As at the date of this announcement, approximately HK$30 million was applied to the logistics business and the balance were held as bank deposits and will be used by the Company for the Group's business development, investments and general working capital purposes.

(ii) On 17 June 2015, the Company entered into the subscription agreements separately with each of the 13 independent subscribers for the subscription of an aggregate 39,800,000 new shares in the Company at the subscription price of HK$2.43 per share ("**June Subscription**").

The June Subscription was completed on 30 July 2015 and the Company issued 39,800,000 shares to 13 independent subscribers. The net proceeds from the June Subscription were approximately HK$96.6 million. As at the date of this announcement, the proceeds were held as bank deposits and will be used by the Company for the Group's business development, investments, acquisition, repayment of loans and general working capital purposes.

Conversion of Convertible Bonds

On 24 June 2014, the Company announced that it entered into the subscription agreement (as supplemented by the supplemental subscription agreement dated 31 July 2014) with an independent subscriber for the subscription of the convertible bonds in an aggregate principal amount of HK$89.6 million in cash (“**CB Subscription**”). The CB Subscription was completed on 7 August 2014 and the Company issued the convertible bonds in the aggregate principal amount of HK$89.6 million to the subscriber. As at the date of this announcement, approximately RMB15 million was applied to settle bank loan and approximately RMB20 million was applied as working capital of the Shenzhen Dahuangyuan and the remaining was applied as working capital of the Group.

On 4 June 2015, the holders of the convertible bonds fully converted the aggregate principal amount of HK$89.6 million and the Company issued 128,000,000 new shares to the holders of the convertible bonds accordingly.

Subscription of Unlisted Warrants under Specific Mandate

On 7 July 2014, the Company entered into a subscription agreement with Beidahuang (HK) International Trade Co., Limited (“**HK Beidahuang**”) for the subscription of an aggregate of 180,000,000 non-listed warrants at an issue price of HK$0.01 per warrant (“**Warrants Subscription**”).

All conditions of the subscription agreement have been fulfilled and completion of the Warrants Subscription took place on 31 March 2015. 180,000,000 warrants have been issued by the Company to HK Beidahuang at the issue price of HK$0.01 per warrant. The net proceeds from the issue of the warrants of approximately HK$1.5 million has been deposited into and remains in bank account.

The warrants will entitle the holder to subscribe in cash up to an aggregate amount of HK$126 million for the subscription shares at an initial subscription price of HK$0.70 per share in the Company, for a period of 2 years commencing from the date of issue of the warrants. Upon exercise in full of the subscription rights of the warrants, the Company intends to use the net proceeds of HK$126 million for the Group’s settlement of loans, business development, investments and general working capital purposes.

Subscription of Shares under Specific Mandate

On 14 May 2015, the Company entered into the subscription agreement (as supplemented and amended by three supplemental agreements dated 18 May 2015, 16 July 2015 and 17 August 2015) with HK Beidahuang, pursuant to which HK Beidahuang agreed to conditionally subscribe for a total of 150,000,000 new shares at the subscription price of HK$1.3365 per share in the Company ("**Beidahuang Subscription**") with a lock-up period of 18 months from the date of completion of the Beidahuang Subscription.

The Beidahuang Subscription has not yet completed as at the date of this announcement and is subject to the fulfillment of conditions precedent on or before 15 September 2015 as the long stop date. The aggregate gross proceeds from the Beidahuang Subscription will be HK$200.475 million and the net proceeds will be approximately HK$200.30 million, after deducting all the professional fees incurred in the Beidahuang Subscription. The Company intends to use the net proceeds for the Group's business development, investments and general working capital purposes. Details of the Beidahuang Subscription are set out in the announcements dated 17 May 2015, 18 May 2015, 16 July 2015 and 17 August 2015 and the circular of the Company dated 19 August 2015.

Grant of Share Options

On 24 July 2015, the Company granted share options (the "**Options**") to certain eligible persons (including Directors, employees and consultants of the Group) to subscribe at the exercise price of HK$2.06 per share for a total of 192,930,000 shares in the Company pursuant to the share option scheme adopted by the Company on 23 May 2007. Among the total of 192,930,000 Options granted, 18,830,000 Options were granted to the directors and the chief executive officer of the Company. Further details of the grant of the Options as referred to in the announcement of the Company dated 24 July 2015.

Charge on Assets and Contingent Liabilities

As at 30 June 2015, the Group did not pledge any assets to secure the Group's bank loans and bills payable and had no material contingent liabilities (31 December 2014: Nil).

Employee and Remuneration Policy

As at 30 June 2015, the Group had approximately 143 (2014: 168) employees in Hong Kong and the PRC with total staff costs amounted to approximately HK$6.66 million (30 June 2014: HK$7.41 million). Remuneration of employees is offered at competitive standards, generally structured with reference to market terms and individual qualifications.

The Company has adopted a share option scheme and the purpose of which is to provide incentives to participants for their contribution to the Group, and to enable the Group to recruit and retain quality employees to serve the Group on a long-term basis.

LITIGATION

On 18 August 2015, the Company received a writ of summons issued by, Mr. Qu Shuncai ("**Mr. Qu**"), a former director of the Company and the plaintiff of the claim, and issued from the Registry of the High Court of Hong Kong (the "**Writ**"). Pursuant to the Writ, Mr. Qu claims against the Company for the sum of HK$6,069,000 being damages for the Company's wrongful refusal of the issue of 2,500,000 shares of the Company to him upon exercise of the share options of the Company by Mr. Qu.

On this announcement date, the Company is still seeking legal advice in relation to the Writ.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2015.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the six months ended 30 June 2015 have been reviewed by the audit committee of the Company, which comprises three Independent Non-executive Directors, namely Dr. Loke Yu, Mr. Li Xiaofeng and Mr. Ho Man Fai.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code on ethics and securities transactions (the "**Code**"), which incorporates a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Specified employees who are likely to be in possession of unpublished price-sensitive information of the Company are also subject to the compliance with the Code. Having made specific enquiry of all directors, the Company confirms that the directors have complied with the required standard set out in the Code throughout the six months ended 30 June 2015.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2015, save as disclosed as follows.

In respect of code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Qu Shuncai, Mr. Jiang Jiancheng, Mr. Huang Qingxi, Dr. Loke Yu and Mr. Li Xiaofeng were unable to attend the extraordinary general meeting of the Company held on 17 February 2015 due to their other business engagements. Mr. Li Jianqing, Mr. Qu Shuncai, Mr. Jiang Jiancheng, Dr. Loke Yu, Mr. Li Xiaofeng and Mr. Ho Man Fai were unable to attend the extraordinary general meeting of the Company held on 10 April 2015 due to their other business engagements. Mr. Li Jianqing, Mr. Qu Shuncai, Mr. Jiang Jiancheng and Mr. Li Xiaofeng were unable to attend the annual general meeting of the Company held on 23 June 2015 due to their other business engagements.

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

Hong Kong, 26 August 2015

As at the date of this announcement, the Executive Directors are Mr. Jiang Jianjun, Mr. Li Jianqing and Mr. Jiang Jiancheng; the Non-executive Director is Ms. Ho Wing Yan; and the Independent Non-executive Directors are Dr. Loke Yu alias Loke Hoi Lam, Mr. Li Xiaofeng and Mr. Ho Man Fai.

* *For identification purposes only*