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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO SUBSCRIPTION OF
NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement of China Beidahuang Industry Group Holdings Limited (the “**Company**”) dated 17 July 2017 in relation to the Subscription of new Shares under General Mandate (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

Further to the information disclosed in the Announcement, the Company would like to provide the following additional details:

**1. FURTHER DETAILS ON THE SPECIFIC USE OF PROCEEDS
FROM THE SUBSCRIPTION**

As disclosed in the Announcement, the net proceeds from the Subscription will be approximately HK\$129.50 million. The intended use of such net proceeds is given below:

	<i>HK\$'000</i>
Business development relating to building of warehouse facilities in the PRC	100,000
General working capital and payment of bond interest	<u>29,500</u>
Total	<u><u>129,500</u></u>

2. DETAILS ON THE USE OF FUNDS RAISED IN THE PAST TWELVE MONTHS

As disclosed in the announcement of the Company dated 1 November 2016, the net proceeds from the subscription of 351,599,550 Shares were approximately HK\$168.70 million which were subsequently fully utilised by the Group to satisfy the consideration in respect of the acquisition of the 100% equity interest in 深圳明建金業有限公司 (Shenzhen Ming Jian Gold Industry Limited*).

Further, as disclosed in the announcement of the Company dated 7 April 2017, the net proceeds from the placing of convertible bonds were approximately HK\$195 million and have been utilised by the Group in the following manner:

	<i>HK\$'000</i>
Expansion of logistic warehouse in Hong Kong	30,000
Deposited in bank (<i>Note</i>)	<u>165,000</u>
Total	<u><u>195,000</u></u>

Note:

The deposit in bank is intended for the following purposes:

	<i>HK\$'000</i>
Acquisition of projects related to mines and mining business	60,000
Expansion of the business development of 臨湘市強盛礦業有限責任公司 (Linxiang Qiangsheng Mining Industry Company Limited*)	56,815
Expansion of rental business in Beijing	34,100
General working capital and payment of bank loan interest	<u>14,085</u>
	<u><u>165,000</u></u>

Shareholders and potential investors who wish to deal in the securities of the Company should note that the Subscription may or may not proceed and therefore are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 21 July 2017

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

* *For identification purpose only*