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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by China Beidahuang Industry Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

AGREEMENT FOR THE CHINA GANYU MARINE SCIENCE AND TECHNOLOGY CITY PROJECT

The board of directors (the “**Board**”) of the Company is pleased to announce that on 28 September 2017, the Company entered into an agreement (the “**Agreement**”) with Jiangsu Province Ganyu Marine Economic Development Zone Management Committee and Lianyungang City Ganyu District Qingkou Town People’s Government (collectively, “**Party A**”) wherein the Company will invest and participate in the construction of the China Ganyu Marine Science and Technology City Project (the “**Project**”) initiated by the Lianyungang City Ganyu District People’s Government. Through facilities, platform construction, business integration, scientific research, entertainment, ecological and other urban elements, the Project will extend the ocean industrial chain and build the China Ganyu Marine Science and Technology City as a modern marine industry complex with major focus on cold chain logistics, fresh seafood transactions and catering services, supplemented by facilities such

as technology research and development, E-commerce and tourism. The Project will include six subprojects, namely, (i) cold chain logistics base; (ii) seafood transactions market; (iii) E-commerce business platform; (iv) seafood products display transactions centre; (v) marine science and technology art gallery and (vi) seafood food city. The Company will participate in the investment, construction and operation of three out of the six subprojects, namely, (i) seafood food city; (ii) cold chain logistics base and (iii) seafood transactions market (collectively, the “**Subprojects**”). Details of the Subprojects are as follows:

- (a) Land : approximately 353 acres
- (b) Construction area : 200,000 square meters
- (c) Total investment amount : RMB1,500 million
- (d) Construction period : construction to be commenced by end of November 2017; main construction to be completed before end of December 2018; and operation to be started by the first half of 2019

The principal terms of the Agreement are as follows:

1. Party A is responsible for the acquisition of land, compensation and other works for the Subprojects and will try its best endeavour to put up the land for the first subproject “Seafood Food City” for open auction before 30 October 2017 in accordance with the terms of the Agreement.
2. When the conditions of sale of the land complied with the provisions of the Agreement, the Company have to participate in the open auction and submit a bid. Upon the Company being confirmed as the successful bidder, the Company will have to pay the land price pursuant to the “State-owned Land Use Right Transfer Agreement” and fulfil its obligations under the Agreement.
3. The Company will prepare the project plans, construction plans and design in accordance with the national requirements, the requirements of Jiangsu Province and the urban management technology of Jiangsu Province. After the written approval of Party A, the Company will apply for the planning approval, land use planning permit, land use permit, construction planning permit and construction permit.

4. The Company will incorporate an independent entity in the Jiangsu Province Ganyu Marine Economic Development Zone as the project company (the “**Project Company**”) to manage the investment, construction, operation and management of the Subprojects, payment of territorial tax and withholding of construction-related taxes and fees within 30 days from the date of the signing of the Agreement. During the project development period of the Subprojects, the Company will guarantee its full control of the Project Company and the project development rights. If the Project Company is in any default, the Company shall be responsible for such default.
5. Within 10 business days from the date of the signing of the Agreement, the Company will pay an earnest money of RMB5 million to the designated account of Party A. Upon the transfer of the land for the subproject “Seafood Food City” to the Project Company, the earnest money will be treated as partial payment of the land price. If the earnest money is not paid within the specified period, the Agreement will automatically lapse.

AGREEMENT FOR THE SEAFOOD FOOD CITY PROJECT

The Board is pleased to announce that on 28 September 2017, the Company entered into an agreement with Party A in relation to the subproject “Seafood Food City” (the “**Food City Agreement**”). Pursuant to the Food City Agreement, the Company will invest RMB300 million for the construction of the Seafood Food City and ancillary landscape facilities. The main construction will be completed within 12 months and operation of the Seafood Food City will commence within 18 months from the date of the signing of the Food City Agreement.

The signing of the above agreements facilitates the Group’s further business diversification and expansion and also widens its business prospects in the People’s Republic of China.

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

Hong Kong, 28 September 2017

As at the date of this announcement, the Executive Directors are Mr. Jiang Jianjun, Mr. Jiang Jiancheng, Mr. Ke Xionghan and Mr. Zeng Fanxiong; 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.