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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)

**APPOINTMENT OF DIRECTORS AND
CHANGE OF COMPOSITION OF BOARD COMMITTEES
AND
TERMINATION OF MEMORANDUM OF UNDERSTANDING
IN RELATION TO
SUBSCRIPTION OF EQUITY INTEREST
IN TARGET COMPANY**

The board (the “**Board**”) of directors (the “**Directors**”) of China Beidahuang Industry Group Holdings Limited (the “**Company**”) announces the following:

Appointment of Directors and Change of Composition of Board Committees

1. Mr. JIANG Jianjun (“**Mr. Jiang**”) has resigned as the Chairman of the Board and the chairman of the nomination committee (the “**Nomination Committee**”) of the Company with effect from 10 December 2018. Mr. Jiang will remain as an executive Director and a member of the remuneration committee (the “**Remuneration Committee**”) of the Company.

Mr. Jiang has confirmed that there is no matter in relation to his resignation as the Chairman of the Board and the chairman of the Nomination Committee that needs to be brought to the attention of the shareholders of the Company.

2. Mr. LI Jiehong (“**Mr. Li**”) has been appointed as the Chairman of the Board, an executive Director and the chairman of the Nomination Committee with effect from 10 December 2018.

Mr. Li, aged 45, is currently the joint chairman of the board of directors of Phoenix (Dongguan) Animals Nutrition Limited* (菲尼氏(東莞)動物營養有限公司) and was the founding shareholder of the company when it was established in 2014. Mr. Li graduated from the Department of Administrative Management of China Central Radio and Television University. He is a Certified International Senior Business Manager and has accumulated extensive experience in various financial sectors for over 20 years, including banking, securities and investment.

Mr. Li has entered into a letter of appointment with the Company for a term of one year commencing from 10 December 2018 and is subject to retirement by rotation and re-election pursuant to the articles of association of the Company. He is entitled to an annual emolument of HK\$150,000 as an executive Director which is determined by the Board by reference to his duties and responsibilities with the Company, the Company’s remuneration policy and the Remuneration Committee’s recommendation.

As at the date of this announcement, Mr. Li holds interests in 91,800,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the laws of Hong Kong) (“**SFO**”) in the following way:

Personal Interest	Interest of Spouse	Interest in Corporate
224,000 shares	40,424,000 shares	51,152,000 shares (<i>Note</i>)

Note: These shares are held by Sino Insight Holdings Limited, which is wholly owned by Mr. Li.

Save as disclosed above and the information disclosed in the section headed “Termination of Memorandum of Understanding in relation to Subscription of Equity Interest in Target Company” of this announcement, Mr. Li does not hold any directorship in any listed public companies in Hong Kong or overseas in the past three years and does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

3. Mr. GU Chunyang (“**Mr. Gu**”) has been appointed as the Vice Chairman of the Board and an executive Director with effect from 10 December 2018.

Mr. Gu, aged 58, graduated from Physics Education Department of Daqing Petroleum Institute and holds a Master Degree in Economic Management from Harbin University of Science and Technology. Since 2017, he has been the general manager of Beidahuang Maiye Co., Ltd.* (北大荒麥業有限責任公司) which is a related company 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**”). Mr. Gu has 35 years of working experience in different kinds of business in the PRC. As at the date of this announcement, Beidahuang (HK) International Trade Co., Limited (“**Beidahuang**”), a wholly-owned subsidiary of Heilongjiang Nongken Beidahuang, holds 660,000,000 shares representing approximately 11.75% of the issued shares of the Company.

Mr. Gu has entered into a letter of appointment with the Company for a term of one year commencing from 10 December 2018 and is subject to retirement by rotation and re-election pursuant to the articles of association of the Company. He is entitled to an annual emolument of HK\$150,000 as an executive Director which is determined by the Board by reference to his duties and responsibilities with the Company, the Company’s remuneration policy and the Remuneration Committee’s recommendation.

As at the date of this announcement, Mr. Gu holds 9,372,000 shares in the Company within the meaning of Part XV of the SFO.

Save as disclosed in this announcement, Mr. Gu does not hold any directorship in any listed public companies in Hong Kong or overseas in the past three years and 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.

4. Mr. CHONG Cha Hwa (“**Mr. Chong**”) has been appointed as an independent non-executive Director, the chairman of the audit committee (the “**Audit Committee**”) and Remuneration Committee of the Company, and a member of the Nomination Committee with effect from 10 December 2018.

Mr. Chong, aged 52, is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. He holds a bachelor degree of management with honours from the University of Science, Malaysia. Mr. Chong has more than 20 years of experience in the accounting and finance area servicing private and publicly listed companies in Hong Kong and the Southern Asia region. He was an independent non-executive director of China Mining Resources Group Limited (presently known as Tongguan Gold Group Limited) from November 2011 to July 2017. He was also an executive director of China Shanshui Cement Group Limited from December 2015 to February 2016 and was then re-designated to a non-executive director of that company from February 2016 to May 2017. The shares of the aforesaid companies are listed on the Main Board of the Stock Exchange.

Mr. Chong has entered into a letter of appointment with the Company for a term of three years commencing from 10 December 2018 and is subject to retirement by rotation and re-election pursuant to the articles of association of the Company. He is entitled to an annual emolument of HK\$150,000 as an independent non-executive Director which is determined by the Board by reference to his duties and responsibilities with the Company, the Company's remuneration policy and the Remuneration Committee's recommendation.

As at the date of this announcement, Mr. Chong does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chong does not hold any directorship in any listed public companies in Hong Kong or overseas in the past three years and 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.

5. Mr. ZHANG Xianming (“**Mr. Zhang**”) has been appointed as an independent non-executive Director with effect from 10 December 2018.

Mr. Zhang, aged 61, graduated from the Department of Animal Science of Heilongjiang Bayi Agricultural University with a major in pastoral medicine. Since 2017, he has been the chairman of Beidahuang Maiye Co., Ltd.* (北大荒麥業有限責任公司) which is a related company of Heilongjiang Nongken Beidahuang. Mr. Zhang has more than 35 years of working experience in the PRC and served as the technician, director, secretary and chairman of various subsidiaries under the group of Heilongjiang Nongken Beidahuang. As at the date of this announcement, Beidahuang, a wholly-owned subsidiary of Heilongjiang Nongken Beidahuang, holds 660,000,000 shares representing approximately 11.75% of the issued shares of the Company.

Mr. Zhang has entered into a letter of appointment with the Company for a term of one year commencing from 10 December 2018 and is subject to retirement by rotation and re-election pursuant to the articles of association of the Company. He is entitled to an annual emolument of HK\$150,000 as an independent non-executive Director which is determined by the Board by reference to his duties and responsibilities with the Company, the Company’s remuneration policy and the Remuneration Committee’s recommendation.

As at the date of this announcement, Mr. Zhang does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed in this announcement, Mr. Zhang does not hold any directorship in any listed public companies in Hong Kong or overseas in the past three years and 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.

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 of the Company in relation to the appointments of Mr. Li, Mr. Gu, Mr. Chong and Mr. Zhang.

The Board would like to take this opportunity to welcome Mr. Li, Mr. Gu, Mr. Chong and Mr. Zhang to join the Company.

Compliance with Rules 3.10(1), 3.10(2), 3.10A, 3.21 and 3.25 of the Listing Rules and Code Provision A.5.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules

Reference is made to the announcement of the Company dated 1 November 2018 in relation to, among other things, the Company's non-compliance with certain requirements with respect to the Board composition pursuant to the Listing Rules. Following the above mentioned appointments, the Company will fully comply with the requirements under Rules 3.10(1), 3.10(2), 3.10A, 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

Termination of Memorandum of Understanding in relation to Subscription of Equity Interest in Target Company

Reference is made to the announcement of the Company dated 8 June 2018 ("**Announcement**"). Unless otherwise specified, capitalised terms used hereunder shall have the same meanings as those defined in the Announcement.

As the due diligence exercise has not been progressed as expected, the Company, the Target Company and the Existing Shareholders have agreed not to pursue the transactions contemplated under the MOU and to terminate the MOU immediately by way of a termination agreement on 7 December 2018. Pursuant to the termination agreement, the Company, the Target Company and the Existing Shareholders shall release the other from all obligations and duties under the MOU and any other related agreements (if any) whatsoever.

The Board considers that the termination of the MOU would not have any material adverse effect on the financial position or the operations of the Company.

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

Hong Kong, 7 December 2018

As at the date of this announcement, the Executive Directors are Mr. Jiang Jianjun, Mr. Ke Xionghan, Mr. Zeng Fanxiong and Mr. Huang Wuguang; the Non-executive Directors are Ms. Ho Wing Yan and Mr. Wang Jianguo; and the Independent Non-executive Directors are Mr. Ho Man Fai and Mr. Yang Yunguang.

* *For identification purpose only*