

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

MEMORANDUM OF UNDERSTANDING PROPOSED COOPERATION WITH CELLVAX

This is a voluntary announcement made by China Beidahuang Industry Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide shareholders of the Company and potential investors on the Group’s latest business development.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, on 17 June 2019, the Company entered into a memorandum of understanding (the “**Memorandum**”) with Cellvax (“**Cellvax**”, together with the Company, the “**Parties**”) in respect of, among other things, the proposed cooperation plan with Cellvax (the “**Proposed Cooperation**”), which includes the Parties’ intention to enter into a definitive sale and purchase agreement (the “**Definitive Agreement**”) regarding the Company’s possible acquisition of shares in Cellvax (the “**Possible Investment**”). According to Cellvax, it is a technology-driven preclinical service company.

THE PROPOSED COOPERATION

Pursuant to the Memorandum, the scope of the Proposed Cooperation shall include, among other things, (i) the Possible Investment; (ii) the Company's intention to introduce Cellvax's technology to develop relevant technologies in the mainland China; and (iii) Cellvax's intention to utilise the Company's domestic network to enter into the mainland China market.

The Memorandum has a term of six months from the date of the Memorandum, and during the term (or an extension thereof) the Parties may enter into the Definitive Agreement, if the Parties decide to proceed with the Possible Investment. According to the Memorandum, it is not intended to create any legally binding obligations.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, Cellvax and its ultimate beneficial owners are independent of, and not connected with, the Company and any of its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

REASONS FOR THE PROPOSED COOPERATION

According to Cellvax, it was founded in 2001 in France and it is a preclinical contract research organisation (CRO) which provides innovating drug validation studies both in vitro and in vivo allowing to accelerate the drug development process for unmet needs related to severe human diseases, mainly in Cancer and Osteoarthritis (OA) fields. Cellvax is a technology-driven preclinical service company. The Company entered into the Memorandum with the intention to formulate a cooperation plan with Cellvax with a view to leverage on the Parties' respective strength, resources and expertise, which in turn could enhance the Group's competitiveness. The entering into of the Memorandum is in line with the business strategies of the Group to explore business and/or investment opportunities in the biomedical field.

The Directors are of the view that the terms and conditions of the Memorandum are on normal commercial terms and are fair and reasonable and that the Proposed Cooperation is in the interests of the Company and the Shareholders as a whole.

GENERAL

The Company is an investment holding company. The Group is principally engaged in sale of green food products; wholesaling and retailing of staple food, cooking oil, alcohol and beverage, frozen and fresh food; construction for municipal public project; flotation selection of non-ferrous metals mines and sales of mineral products; money lending and the rental of logistic warehouse in Hong Kong and office facilities in the PRC.

In the event that the Possible Investment materialises, it may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

The Board wishes to emphasise that the implementation of the transaction(s) contemplated under the Memorandum (if any) are subject to the definitive agreement(s) to be entered into between the Parties, and that the Company has not entered into any legally binding agreement in relation to the Proposed Cooperation as at the date of this announcement. The Proposed Cooperation may not necessarily materialise or be implemented as contemplated under the Memorandum or at all. Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
China Beidahuang Industry Group Holdings Limited
Li Jiehong
Chairman

Hong Kong, 17 June 2019

As at the date of this announcement, the executive Directors are Mr. Li Jiehong (Chairman), Mr. Jiang Jianjun, Mr. Ke Xionghan and Mr. Huang Wuguang; the non-executive Director is Ms. Ho Wing Yan; and the independent non-executive Directors are Mr. Chong Cha Hwa, Mr. Ho Man Fai and Mr. Yang Yunguang.