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CHINA SUPPLY CHAIN HOLDINGS LIMITED

中國供應鏈產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3708)

VOLUNTARY ANNOUNCEMENT STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT

This announcement is made by China Supply Chain Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide its shareholders and potential investors with updated information in relation to the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company is pleased to announce that on 9 December 2021, the Company entered into a non-legally binding strategic co-operation framework agreement (the “**Strategic Co-operation Framework Agreement**”) with Anhui Dayun Hengtong Electronic Commerce Co., Ltd.* (安徽大運亨通電子商務股份有限公司) (“**Dayun Hengtong**”, together with its subsidiaries, “**Dayun Hengtong Group**”) in respect of potential co-operation in the general healthy agri-food and related products’ industries in the People’s Republic of China (“**PRC**”).

THE PROPOSED CO-OPERATION

The term of the Strategic Co-operation Framework Agreement is three years from the date of the Strategic Co-operation Framework Agreement, which can be terminated by either party by giving three months’ prior written notice to the other party.

** for identification purpose only*

Pursuant to the Strategic Co-operation Framework Agreement, the Group and Dayun Hengtong Group aim to jointly develop, optimize and upgrade the supply chain management platform for the general healthy agri-food and related products' industries, which can provide one-stop supply chain management services to enterprises through an OTO (online-to-offline) system, facilitate enterprises to reach out to upstream suppliers and downstream customers and enhance the sales and distribution of the related products (the “**Proposed Co-operation**”). In particular:

1. each party shall make full use of its respective advantages in terms of resources and facilitate the business system optimization in the general healthy agri-food and related products' industries for business upgrade and expansion;
2. Dayun Hengtong shall provide and share its existing supply chain management platform, connections and distribution networks with the Company, and be responsible for conducting marketing campaigns on the general healthy agri-food and related products' in accordance with co-operation plans to be agreed between the Company and Dayun Hengtong; and
3. the Company shall provide and share its existing connections with Dayun Hengtong, leverage on its capital capability, and consider to invest in upstream, midstream and downstream sectors of the general healthy agri-food and related products' industries in light of the market conditions and in accordance with its business strategies.

The Board considers that the Strategic Co-operation Framework Agreement was entered into on normal commercial terms after arm's length negotiation between the Company and Dayun Hengtong, and such co-operation is in the interests of the Company and its shareholders as a whole.

INFORMATION ON DAYUN HENGTONG

Established in PRC in 2014, Dayun Hengtong is mainly engaged in the wholesale, retail and online sales of food, agricultural and sideline products through its self-developed supply chain management platform. Its brand, namely “fkgou” (with its website at www.fkgou.com), is a global industry cluster platform shared by health and specialty products' industries. Dayun Hengtong has already (a) started its deployment and expansion of the “fkgou cloud” and big data; and (b) integration of the upstream industry chain of the specialty products' industry is achieved (i) through the integration and incubation of agricultural and health industries, which are characteristic, organic and with huge development potential; (ii) by adhering to the principles of “creativity for the public, community, sharing, co-construction” to boost the product sales, capital appreciation is strengthened upon the increase in the product sales; and (iii) with the combination of unique self-operation mode and cross-border trade of agricultural products. According to the information of Dayun Hengtong, it has developed a huge network in the supply chain management of general healthy agri-food and related products' industries.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Dayun Hengtong and its shareholders (and their respective ultimate beneficial owner(s)) are third parties independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**")).

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC CO-OPERATION FRAMEWORK AGREEMENT

The Board considers that the entering into of the Strategic Co-operation Framework Agreement could potentially lead to more business opportunities for the Group and enable both the Group and Dayun Hengtong Group to leverage on their respective strengths, resources and/or expertise for the development in the general healthy agri-food and related products' business. The Proposed Co-operation will enhance the corporate development of the Group which will be in the best interests of the Company and its shareholders as a whole.

GENERAL

The Board hereby emphasises that the Strategic Co-operation Framework Agreement is only a framework agreement with the purpose of setting out the intention of cooperative plans between the parties to facilitate further negotiations on specific co-operation projects. Save for certain provisions such as provisions relating to confidentiality, protection of intellectual property rights, force majeure and dispute resolution, the Strategic Co-operation Framework Agreement is non-legally binding. Detailed terms and conditions of the co-operations contemplated under the Strategic Co-operation Framework Agreement will be subject to further negotiations and to be agreed and confirmed in the definitive agreement(s) to be entered into by both parties in respect of the Proposed Co-operation.

As at the date of this announcement, no definitive agreement in relation to the Proposed Co-operation has been entered into by the Group. As such, the Proposed Co-operation as stated in the Strategic Co-operation Framework Agreement may or may not materialise. In the event that the Group enters into any definitive agreement in relation to the Proposed Co-operation, further announcement(s) will be made by the Company in accordance with the GEM Listing Rules if necessary.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Supply Chain Holdings Limited
Ma Huijun
Chairman

Hong Kong, 9 December 2021

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Ma Huijun (Chairman), Mr. Dai Jian (Vice Chairman and Chief Executive Officer), Mr. Lai Aizhong and Mr. Dai Ming; a non-executive Director, namely Mr. Zhang Junze and three independent non-executive Directors, namely Mr. Huang Shuhui, Ms. Wong Ying and Mr. Wong Ka Shing.