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NATURAL DAIRY (NZ) HOLDINGS LIMITED

天然乳品(新西蘭)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00462)

UPDATE ON RESUMPTION PROGRESS

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 22 July 2011, 8 June 2012, 28 December 2012, 3 January 2013, 13 August 2013, 9 September 2013, 8 October 2013, 26 March 2014 and 20 August 2014 respectively (collectively, the “**Resumption Progress Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

MODIFICATION OF RESUMPTION CONDITIONS

Further to the resumption conditions imposed on the Company by the Stock Exchange as set out in the announcement of the Company dated 22 July 2011 (the “**Original Resumption Conditions**”) and the Further Resumption Conditions as set out in the announcement of the Company dated 26 March 2014, the Board wishes to announce that on 5 September 2014, the Company received a letter from the Stock Exchange informing the Company that, having considered the Company’s submission and the circumstances of the matter, the Stock Exchange agree to modify the resumption conditions by not requiring the Company to put the Uncompleted Transactions to Shareholders for approval, subject to the Company publishing an announcement (“**Resumption Progress Announcement**”) containing:

- (1) *a full disclosure of the legal advice provided by the Company’s legal advisers, including that of Counsel Johnny So dated 17 April 2014, on why the Company’s entry into the Uncompleted Transactions fell within the Shareholders’ mandate in 2009 and therefore separate Shareholders’ approval is not required;*
- (2) *the New Board’s basis and analysis of why it is not feasible for the Company to put the Uncompleted Transactions to the Shareholders for approval, with confirmation by the Company’s legal advisers that such basis and analysis is legally valid; and*

(3) *statement(s) to the effect that the Stock Exchange will continue investigating and following up on possible breaches of the Listing Rules by the Company in respect of the VSA-1 and related transactions (including, without limitation, the Uncompleted Transactions), and that modification of the resumption conditions is without prejudice to any future disciplinary actions against the Company and the relevant Directors in respect of possible breaches;*

*(collectively, the “**Modified Resumption Conditions**”).*

For the avoidance of doubt, the Company is still subject to all other resumption proposals set out in the letters from the Stock Exchange dated 8 July 2011 and 20 February 2014 (i.e. the Original Resumption Conditions and the Further Resumption Conditions) including, among others, the New Board performs appropriate due diligence on the Uncompleted Transactions to the satisfaction of the Stock Exchange and reports its findings, assessment and views to the Stock Exchange and the public.

The Stock Exchange has also indicated in its letter dated 5 September 2014 that it disagrees with the Company’s view expressed in its announcement dated 20 August 2014 that the Company has satisfied all resumption conditions imposed by the Stock Exchange. The Company is currently liaising with the Stock Exchange on addressing the Stock Exchange’s comments on the adequacy of the New Board’s due diligence work on the Uncompleted Transactions.

Further Resumption Progress announcements will be made by the Company to update the Shareholders on the progress of the above due diligence and the Modified Resumption Conditions as and when appropriate.

SUSPENSION OF TRADING

Trading in the Shares has been suspended since 9:33 a.m. on 7 September 2010 and will remain suspended while the Company has yet to comply with all the trading resumption conditions imposed by the Stock Exchange. The Company is working with the Stock Exchange to resume trading in the Shares as soon as possible.

By order and authority of the Board
Resumption Working Committee
Natural Dairy (NZ) Holdings Limited
Liu Nanguang
Executive Director

Hong Kong, 22 September 2014

As at the date of this announcement, the Board comprises four executive directors, being Mr. Wu Nengkun (Chairman & managing director), Mr. Liu Nanguang, Mr. Zhang Han Wen and Ms. Houwen Tan and three independent non-executive directors, being Mr. Zhang Jianhong, Mr. Wong Wang Tai and Mr. Chen Wei.

The Resumption Working Committee comprises Mr. Liu Nanguang (Chairman), Ms. Houwen Tan, Mr. Wong Wang Tai and Mr. Chen Wei, all are directors of the Company.