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*Huishan*

## CHINA HUIZHAN DAIRY HOLDINGS COMPANY LIMITED

中國輝山乳業控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 06863)

### VOLUNTARY ANNOUNCEMENT FINANCE LEASE FRAMEWORK AGREEMENT

The board of directors (“**Directors**”) of the Company is pleased to announce that on 8 December 2016, Huishan Dairy (China) Co., Ltd. (輝山乳業(中國)有限公司) and two of its subsidiaries (all of which are wholly-owned subsidiaries and together hereinafter referred to as “**Huishan China Group**”) as the vendors and lessees, entered into a finance lease framework agreement (“**Finance Lease Framework Agreement**”) with JIC (Tianjin) Leasing Co., Ltd.\* (中建投租賃(天津)有限責任公司) as the purchaser and lessor (“**JIC**”).

In accordance with the Finance Lease Framework Agreement, Huishan China Group may, during the six-month’s period commencing from the date of the Finance Lease Framework Agreement, sell certain of its property, plant and equipment (the “**Leased Assets**”) to JIC for an aggregate cash consideration of up to RMB300 million (approximately HK\$338 million) and JIC will then lease the Leased Assets back to Huishan China Group in return for an interest payment at the rate of 5% per annum. Parties will enter into definitive agreements with respect to each finance lease transaction contemplated under the Finance Lease Framework Agreement. The payment obligations of Huishan China Group under the Finance Lease Framework Agreement and the definitive agreements contemplated thereunder are guaranteed by the Company pursuant to a guarantee given on 8 December 2016 by the Company in favour of JIC, whereby the Company has agreed to guarantee the principal amount of the lease of RMB300 million together with any interests and other fees payable by Huishan China Group to JIC.

*For illustrative purpose only, the exchange rate of RMB1:HK\$1.1271 has been used in this announcement. No representation is made that any amounts in RMB can be converted to HK\$ at the above rate or at all.*

By Order of the Board  
**China Huishan Dairy Holdings Company Limited**  
**Michael Chou**  
*Company Secretary*

Shenyang, 8 December 2016

*As at the date of this announcement, the board of directors of the Company comprises Mr. Yang Kai, Ms. Ge Kun, Mr. So Wing Hoi, Mr. Xu Guangyi and Mr. Kwok Hok Yin as executive Directors; Mr. Li Kar Cheung as non-executive Director; Mr. Song Kungang, Mr. Gu Ruixia, Mr. Tsui Kei Pang and Mr. Kan Yu Leung Peter as independent non-executive Directors.*