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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)

**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS
RECONSTITUTION OF BOARD COMMITTEES
AND
CONTINUED SUSPENSION OF TRADING IN SHARES AND CONDITIONS FOR
RESUMPTION OF TRADING**

- The Board is pleased to announce that with effect from 22 June 2017:
 - (1) Mr. CHU Kin Wang Peleus has been appointed as an independent non-executive Director, the chairman of each of the Audit Committee, the Remuneration Committee and the Nomination Committee, as well as a member of the Food Quality and Safety Advisory Committee;
 - (2) Mr. CHEUNG Ngai Lam has been appointed as an independent non-executive Director, as well as a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Food Quality and Safety Advisory Committee;
 - (3) Mr. CHUNG Wai Man has been appointed as an independent non-executive Director, as well as a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Food Quality and Safety Advisory Committee; and
 - (4) Mr. YANG Kai will be appointed as a member to the Remuneration Committee, in addition to his current membership of the Nomination Committee and his role as Chairman of the Food Quality and Safety Advisory Committee.
- With the appointment of the New Directors to the Board, the Board is able to meet the requirement as to the minimum number of Directors as stipulated in the articles of association of the Company, and hence can resume acting for and on behalf of the Company.

- The Stock Exchange has notified the Company that conditions would apply before the grant of any request by the Company for the resumption of trading of the shares in the Company.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of China Huishan Dairy Holdings Company Limited (the “**Company**”) is pleased to announce that with effect from 22 June 2017:

- (1) Mr. CHU Kin Wang Peleus has been appointed as an independent non-executive Director, the chairman of each of the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Board, as well as a member of the food quality and safety advisory committee (the “**Food Quality and Safety Advisory Committee**”) of the Board;
- (2) Mr. CHEUNG Ngai Lam has been appointed as an independent non-executive Director, as well as a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Food Quality and Safety Advisory Committee; and
- (3) Mr. CHUNG Wai Man has been appointed as an independent non-executive Director, as well as a member of each of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Food Quality and Safety Advisory Committee.

The biographical details of each of the newly appointed Directors above (together, the “**New Directors**”) are set out below.

Mr. CHU Kin Wang Peleus

Mr. CHU Kin Wang Peleus (“**Mr. Chu**”), aged 52, obtained his master degree in business administration from the University of Hong Kong. Mr. Chu is a Certified Public Accountant of Hong Kong Institute of Certified Public Accountant, a fellow member of the Association Chartered Certified Accountants and an associate of Hong Kong Institute of Company Secretary and The Institute of Chartered Secretaries and Administrators.

Mr. Chu is currently a director of Chinese People Holdings Company Limited, Tianli Holdings Group Limited (formerly known as EYANG Holdings (Group) Co., Limited), PT International Development Corporation Limited (formerly known as ITC Corporation Limited), Mingfa Group (International) Company Limited, China First Capital Group Limited (formerly known as China Vehicle Components Technology Holdings Limited), Flyke International Holdings Ltd. and Huayu Expressway Group Ltd., all of which are companies listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). He is also a director of Madison Wine Holdings Limited, Telecom Service One Holdings Limited and SkyNet Group Limited (formerly known as EDS Wellness Holdings Limited), all of which are companies listed on the Growth Enterprise Market of the Stock Exchange. From June 2015 to September 2015, he acted as an independent non-executive director of National

Agricultural Holdings Limited, a company listed on the Main Board of the Stock Exchange. From August 2015 to March 2017, he was a non-executive director of Perfect Group International Holdings Limited, which is also listed on the Main Board of the Stock Exchange.

A service contract has been entered into between the Company and Mr. Chu for a one year term. Under the service contract, Mr. Chu is entitled to a remuneration of HK\$25,000 per month which was determined by the Board with reference to his experience, duties, responsibilities and the prevailing market conditions.

Mr. CHEUNG Ngai Lam

Mr. CHEUNG Ngai Lam (“**Mr. Cheung**”), aged 48, obtained a bachelor’s degree in social sciences from the University of Hong Kong, a master of accounting degree from Curtin University of Technology in Perth, Australia, and a master of science (investment management) degree from The Hong Kong University of Science and Technology. Mr. Cheung is a member of the American Institute of Certified Public Accountants and is a Certified Practicing Accountant of Australia.

Mr. Cheung is currently the chief financial officer of China Zenix Auto International Limited, a company listed on the New York Stock Exchange, and an independent non-executive director of Boyaa Interactive International Limited and Co-Prosperty Holdings Limited, both of which are companies listed on the Main Board of the Stock Exchange.

A service contract has been entered into between the Company and Mr. Cheung for a one year term. Under the service contract, Mr. Cheung is entitled to a remuneration of HK\$20,000 per month which was determined by the Board with reference to his experience, duties, responsibilities and the prevailing market condition.

Mr. CHUNG Wai Man

Mr. CHUNG Wai Man (“**Mr. Chung**”), aged 58, holds a Diploma in Business Management from the Hong Kong Management Association and a Certificate of Bank of China Banking Course. He started working in The Kwangtung Provincial Bank in 1976, and his last position before leaving the bank in 1996 was a manager in charge of the Tai Po sub-branch. After his departure from The Kwangtung Provincial Bank, Mr. Chung established “Raymond Chung Company” in 1996, a finance and business consulting firm for corporations in Hong Kong. In 2004, he set up another consulting firm, Excel Linker Capital (Asia) Limited to provide similar consultancy service. Due to duplicity of the business nature, Raymond Chung Company was closed in September 2006. In 2009, Mr. Chung applied to deregister Excel Linker Capital (Asia) Limited as he decided to quit the consultancy services market. From February 2013 to July 2015 and from August 2013 to September 2014, Mr. Chung acted as an independent non-executive director of China Kingstone Mining Holdings Limited and U-RIGHT International Holdings Limited, respectively, both being companies listed on the Main Board of the Stock Exchange.

A service contract has been entered into between the Company and Mr. Cheung for a one year term. Under the service contract, Mr. Cheung is entitled to a remuneration of HK\$20,000 per month which was determined by the Board with reference to his experience, duties, responsibilities and the prevailing market condition.

As at the date of this announcement, save as disclosed above, none of the New Directors (i) hold any other position in the Company or its subsidiaries; (ii) have or had in the past three years, held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) have any relationship with any director, senior management, substantial shareholder or controlling shareholder (as respectively defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company. As at the date of this announcement, none of the New Directors have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other matter relating to the appointment of the New Directors that need to be brought to the attention of the shareholders of the Company and there is no other information that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The Board would also like to take this opportunity to welcome each of Mr. Chu, Mr. Cheung and Mr. Chung to the Board.

RECONSTITUTION OF BOARD COMMITTEES

The Board has also resolved to appoint Mr. Yang Kai as a member of the Remuneration Committee.

Following the appointments referred to above, the composition of the following Board committees is set out as below:

	Audit Committee	Remuneration Committee	Nomination Committee	Food Quality and Safety Advisory Committee
Mr. YANG Kai		Member	Member	Chairman
Mr. CHU Kin Wang Peleus	Chairman	Chairman	Chairman	Member
Mr. CHEUNG Ngai Lam	Member	Member	Member	Member
Mr. CHUNG Wai Man	Member	Member	Member	Member

RESTORATION OF THE MINIMUM NUMBER OF DIRECTORS ON THE BOARD

With the appointment of the New Directors to the Board, the current Board comprises four Directors, and is hence able to meet the requirement of there being a minimum of three Directors as stipulated in the articles of association of the Company. As a result of there being a quorate Board, the current Board can resume acting for and on behalf of the Company.

CONTINUED SUSPENSION OF TRADING IN SHARES AND CONDITIONS FOR RESUMPTION OF TRADING

The Stock Exchange has notified the Company that the following conditions would apply before the grant of any request by the Company for the resumption of trading of the shares in the Company:

- (a) inform the market of all material information for the shareholders and the investors to appraise the Group's positions;
- (b) demonstrate that the Company has put in place adequate financial reporting procedures and internal control systems to meet the obligations under the Listing Rules; and
- (c) publish all outstanding financial results and address any audit qualification.

The Company must also comply with the Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption.

The Stock Exchange stated that it may modify any of the above conditions and/or impose further conditions if the situation changes.

Trading in the Company's shares on the Stock Exchange will continue to be suspended pending the fulfilment of the conditions referred to above.

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

Yang Kai

For and on behalf of the Board of

China Huishan Dairy Holdings Company Limited

Shenyang, 23 June 2017

As at the date of this announcement, the board of directors of the Company comprises Mr. Yang Kai as an executive Director; Mr. Chu Kin Wang Peleus, Mr. Cheung Ngai Lam and Mr. Chung Wai Man as independent non-executive Directors.