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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)

INSIDE INFORMATION

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of China Huishan Dairy Holdings Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.19 and Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 10 April 2017 whereby it was announced (amongst other things) that the Company received a letter from The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) as the agent for the finance parties of a US\$200,000,000 (approximately HK\$1,560,000,000) dual tranche facility under a facility agreement (the “**Facility Agreement**”), details of which are set out in the Company’s announcement dated 26 October 2015.

On 8 September 2017 and 11 September 2017, the Company received two letters from HSBC stating that as one or more events of default under the Facility Agreement have occurred and were continuing, it declared all loans, accrued interests and all other amounts accrued or outstanding under the Facility Agreement and agreements contemplated thereunder to be immediately due and payable. The latest deadline imposed for payment is within 3 days from 11 September 2017. It is stated in the letter that as at 11 September 2017, the principal amount outstanding for the US\$ tranche is US\$180,000,000 (approximately HK\$1,404,000,000) and for the HK\$ tranche is HK\$156,000,000 and the unpaid accrued interest are US\$5,767,109.00 (approximately HK\$44,983,450.20) and HK\$4,688,962.93, respectively.

The Company received another letter dated 11 September 2017 from HSBC with respect to another banking facility made available to the Company by HSBC in 2014. As stated in its letter, HSBC terminated such facility and demanded immediate repayment in the aggregate amount of US\$13,704,965.08 (approximately HK\$106,898,727.62).

The Company is taking legal advice in connection with the above and believes that any repayment arrangements will be considered together with the debt restructuring proposals referred to in the Company's announcement dated 3 July 2017. The Company continues to be in dialogue with its major bank creditors in the PRC about its debt restructuring.

In this announcement, for illustration purposes only, US\$ has been converted into HK\$ at US\$1 = HK\$7.8.

By Order of the Board
China Huishan Dairy Holdings Company Limited
Yang Kai
Chairman

Shenyang, 11 September 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.