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**NATURAL DAIRY (NZ) HOLDINGS LIMITED
(IN PROVISIONAL LIQUIDATION)**

天然乳品(新西蘭)控股有限公司
(臨時清盤中)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 0462)

QUARTERLY UPDATE ON STATUS OF RESUMPTION

Financial Adviser to the Company



馮銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

This announcement is made by Natural Dairy (NZ) Holdings Limited (In Provisional Liquidation) (the “**Company**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcements of the Company dated 5 December 2017, 15 June 2018 and 3 July 2018 respectively (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise specified.

Business Operation

Shares of the Company (the “**Shares**”) were suspended from trading on the Stock Exchange since 7 September 2010 and there are currently no operations based on the Joint Provisional Liquidators’ understanding.

As disclosed in the Announcements, it is proposed that a scheme of arrangement (“**Creditors Schemes**”) will be entered into between the Company and its creditors as part of the Resumption Proposal (subject to the necessary approvals), pursuant to

which, the Company will transfer the entire equity interests of the all the existing subsidiaries of the Company to a special vehicle, such that these companies will cease to be subsidiaries of the Company upon completion of the Creditors Schemes.

Resumption Conditions

By a letter dated 1 December 2017 issued by the Stock Exchange to the Company, the Stock Exchange advised that they have decided to place the Company into the third delisting stage commencing on 13 December 2017 pursuant to Practice Note 17 to the Listing Rules. The Company was required to submit a viable resumption proposal to address the following issues (“**Resumption Conditions**”):

- i. demonstrate sufficient operations or assets as required under Rule 13.24 of the Listing Rules to the Stock Exchange;
- ii. publish all outstanding financial results under the Listing Rules and address any audit qualifications;
- iii. have the winding up petitions against the Company (and its subsidiaries), where applicable, withdrawn or dismissed and the provisional liquidators discharged;
- iv. demonstrate that the Company has put in place adequate financial reporting procedures and internal control systems to meet its Listing Rule obligations; and
- v. inform the market of all material information for the shareholders and the investors to appraise the Group’s position.

Resumption Proposal

As mentioned in the Announcements, on 12 June 2018, the Company submitted the Resumption Proposal to the Stock Exchange in support of the resumption of trading in the Shares (the “**Resumption**”). The foundation of the Resumption Proposal is a definitive Restructuring Agreement dated 29 May 2018 (as amended and restated on 25 June 2018) for the proposed Acquisition by the Company of a target company which is a property developer in the PRC. The Acquisition will constitute a very substantial acquisition and a reverse takeover involving a new listing application of the Company under the Listing Rules.

The Resumption Proposal also sets out detailed proposal on satisfying the Resumption Conditions, including:

- i. proposed Acquisition of Target Company which would satisfy Rule 13.24. Rule 13.24 requires an issuer to carry out a sufficient level of operations or have tangible assets of sufficient value or intangible assets for which a

sufficient potential value can be demonstrated to warrant the continued listing of the issuer's securities. If the Resumption Proposal is successfully implemented, the Company will meet the requirements of Rule 13.24 as to operations (proven by the track record profits) and assets (proven by the net assets and their nature) on Resumption;

- ii. the Investor will procure the Company to appoint various professional parties, including sponsor, legal advisers, reporting accountants and internal control consultant, upon the Listing Committee agreed to allow the Company to continue the resumption process by preparing a formal new listing application. All the outstanding financial results will be included in the circular (with audit qualification addressed) as part of the new listing application and will be published after the Company obtained the in-principle approval from the Listing Committee of the circular;
- iii. upon approval from the Creditors of the Creditors Scheme and completion of all the transactions contemplated in this Resumption Proposal, the Joint Provisional Liquidators will apply to the Grand Court of the Cayman Islands to be discharged and to have the winding up petition against the Company be dismissed;
- iv. an internal control consultant will be appointed to review the internal control procedures of the Company and the Target Group, which will become the only operating subsidiaries of the Company upon Resumption; and
- v. the Company will issue announcements in compliance with Listing Rules to keep shareholders and investors up to date from time to time going forward.

Recent Progress

As mentioned in the Announcements, application has been filed to the Grand Court of the Cayman Islands for obtaining sanction in relation to the Amended and Restated Restructuring Agreement.

Furthermore, the Company, with the assistance of the financial advisors, has made written submissions to the Stock Exchange on 19 July 2018, 24 July 2018 and 26 July 2018 in response to their queries with respect to the Resumption Proposal.

Further announcements will be made by the Company to update Shareholders and the investing public regarding the progress of the Resumption Proposal and the listing status of the Company as and when appropriate pursuant to the requirement of the Listing Rules.

Suspension of Trading

At the request of the Company, trading in the shares on the Main Board of the Stock Exchange has been suspended with effect from 9:33 a.m. on 7 September 2010 and will remain suspended until further notice and full satisfaction of the resumption conditions and such other further conditions that may be imposed by the Stock Exchange.

The transactions contemplated under the Restructuring Agreement and the Resumption Proposal, including the Acquisition, are subject to a number of conditions precedent which may or may not be satisfied. Accordingly, the transactions contemplated under the Restructuring Agreement and the Resumption Proposal may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

The publication of this announcement does not indicate that the Resumption Proposal will be completed, nor does it indicate any decision or conclusion from the Stock Exchange or warrant any approval from the Stock Exchange on the resumption of trading in the Shares. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares or securities of the Company.

**For and on behalf of
Natural Dairy (NZ) Holdings Limited
(In Provisional Liquidation)
Yat Kit Jong
Simon Conway
Joint Provisional Liquidators
Acting as agents without personal liability**

Hong Kong, 1 August 2018

As at the date of this announcement, the Board comprises four executive directors, being Mr. Liu Nanguang (Chairman), Mr. Chan Wai, Mr. Lin Bin and Dr. Chew Chee Wah, and three independent non-executive directors, being Mr. Zhang Jianhong, Ms. Fu ZhiFan and Mr. Tam Tsz Ming.