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**CHINA HUIZHAN DAIRY HOLDINGS COMPANY LIMITED
(PROVISIONAL LIQUIDATORS APPOINTED)**

**中國輝山乳業控股有限公司
(已委任臨時清盤人)**

*(Incorporated in Cayman Islands with limited liability)
(Stock code: 06863)*

UPDATE ON SUSPENSION OF TRADING

Reference is made to the announcements of China Huishan Dairy Holdings Company Limited (Provisional Liquidators Appointed) (the "**Company**", together with its subsidiaries, the "**Group**") (i) dated 28 November 2017 and 27 December 2017 regarding the appointment of bankruptcy administrators to two PRC-incorporated subsidiaries of the Company; (ii) dated 27 March 2018 and 4 October 2018 regarding the placing of the Company into the first and second delisting stage respectively and the conditions imposed by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the Company for resumption of trading of its shares; and (iii) dated 31 May 2018, 6 August 2018 and 6 November 2018 regarding updates on the suspension of trading (collectively the "**Announcements**"). Unless the context otherwise requires, the capitalised terms used herein shall have the same meanings as defined in the Announcements.

UPDATE ON BUSINESS OPERATIONS OF THE GROUP

As mentioned in the Company's announcements dated 6 August 2018 and 6 November 2018, (i) the Local Court in the PRC ordered that the administrations of 83 PRC subsidiaries be administered on a consolidated basis; and (ii) the Administrators issued a notice inviting the submission of restructuring proposals involving the aforementioned 83 PRC subsidiaries.

In their latest communication with creditors, the Administrators stated that they did not receive any formal restructuring proposal by the deadline of 15 November 2018. Accordingly, the existing PRC management submitted to the Administrators a restructuring proposal covering the aforementioned 83 PRC subsidiaries ("**PRC Proposal**") which provided, among other things, that assets/ shares of the aforementioned 83 PRC subsidiaries would be injected into a new company to be set up ("Newco") and the liabilities of the aforementioned 83 PRC subsidiaries would be compromised through (i) cash repayment; and/ or (ii) debt re-scheduling; and/or (iii) debt to equity swap (for shares in Newco). The Administrators indicated that the PRC proposal is subject to possible amendments/ modifications.

If the PRC Proposal were to be implemented as currently proposed, the aforementioned 83 PRC subsidiaries/ their assets would be carved out from the Group, but the final outcome depends, inter alia, on any future amendments/ modifications to the PRC Proposal.

The Administrators explained that the PRC Proposal is currently a draft proposal which is subject to approval by the respective creditors and contributories and it is therefore also subject to further amendments/ modifications.

UPDATE ON RESUMPTION CONDITIONS

Reference is made to the Company's announcements dated 27 March 2018, 31 May 2018, 6 August 2018 and 6 November 2018 where, among other things, it was stated that the Joint Provisional Liquidators had been in exploratory discussions with various parties regarding the possibility of a restructuring of the Company and/or its subsidiaries and regarding options available to the Company to formulate a viable resumption proposal. This process is still underway and further announcements will be made by the Company if and when appropriate.

CONTINUED SUSPENSION OF TRADING

Reference is made to the Company's announcement dated 8 May 2017, in which it was stated, among other things, that on 8 May 2017 the Company had received a notice from the Securities and Futures Commission ("SFC") that the SFC had exercised its power under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules to direct the Stock Exchange to suspend trading in the shares of the Company with effect from 9:00 a.m. on 8 May 2017.

Trading in the shares of the Company will remain suspended until further notice and until full satisfaction of the resumption conditions, including those mentioned in the announcement of the Company dated 4 October 2018 and any other further conditions, or modifications to the existing conditions, that may be imposed by the Stock Exchange.

For and on behalf of
China Huishan Dairy Holdings Company Limited
(Provisional Liquidators Appointed)
Lai Kar Yan (Derek)
Yeung Lui Ming (Edmund)
Stuart Sybersma
Joint Provisional Liquidators

Hong Kong, 8 February 2019

As at the date of this announcement, the board of directors of the Company comprises Mr. Yang Kai as an executive director and Mr. Chung Wai Man as an independent non-executive director.