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Huishan

**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, 4 October 2018 and 16 May 2019 regarding the placing of the Company into the first, second and third delisting stage respectively and the conditions imposed by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the Company for the resumption of trading of its shares; and (iii) dated 31 May 2018, 6 August 2018, 6 November 2018, 8 February 2019 and 8 May 2019 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, 6 November 2018, 8 February 2019 and 8 May 2019, (i) the Local Court in the PRC ordered that the administrations of 83 PRC subsidiaries be administered on a consolidated basis; (ii) the Administrators issued a notice inviting the submission of restructuring proposals involving the aforementioned 83 PRC subsidiaries; (iii) the existing PRC management submitted to the Administrators a finalized draft PRC restructuring proposal which was circulated to the creditors and contributories of the aforementioned 83 PRC subsidiaries in early March 2019 ("**March 2019 Proposal**"); (iv) the Administrators announced that the March 2019 Proposal did not obtain the approval of the requisite majority of certain classes of creditors; and (v) the Administrators advised that preliminary interest in participating in a restructuring of the aforementioned 83 PRC subsidiaries had been expressed by some parties in the PRC dairy product manufacturing industry ("**Industry Players**") and that the Administrators would enter into negotiations with them, which if successful, could lead to the formulation of a revised restructuring proposal, which would then be subject in due course to a vote by the creditors and contributories.

As of the date of this announcement, it is our understanding that there has been contact between the Administrators and the aforementioned Industry Players, but it is uncertain whether such contact will lead to any revised restructuring proposal.

UPDATE ON RESUMPTION CONDITIONS

Reference is made to the Company's announcements dated 27 March 2018, 31 May 2018, 6 August 2018, 6 November 2018, 8 February 2019 and 8 May 2019 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.

Reference is also made to the Company's announcement dated 16 May 2019 in which, among other things, it was stated that the Company had been placed into the third delisting stage. The third delisting stage shall expire on 15 November 2019.

The Company is required to submit a viable resumption proposal to the Stock Exchange at least 10 business days before the expiry of the third delisting stage (i.e. by 1 November 2019) to demonstrate that the Company has sufficient operations or assets as required under Rule 13.24 of the Listing Rules. If no viable resumption proposal is submitted by the end of the third delisting stage, the Company's listing will be cancelled.

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, 7 August 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.