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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)

LISTING APPEALS COMMITTEE
OVERTURNED
LISTING (REVIEW) COMMITTEE'S DECISION

Financial Adviser to the Company



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

Reference is made to the announcement of the Company dated 1 August 2018, 2 November 2018, 24 December 2018, 1 February 2019, 30 April 2019, 31 July 2019, 31 October 2019, 7 February 2020, 29 April 2020, 9 July 2020, 31 July 2020 and 30 October 2020 and 29 January 2021 (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise specified.

LISTING APPEALS COMMITTEE DECISION

On 23 January 2020, the Listing Committee concurred with the recommendation of the Listing Division, and decided to cancel the Company’s listing (the “**LC Decision**”).

The Listing (Review) Committee subsequently upheld the LC Decision on 26 June 2020 (the “**L(R)C Decision**”).

Following the Listing Appeals Committee hearing held on 8 January 2021 and having considered all the submissions (both written and oral) presented by the Company and the Listing Division, the Listing Appeals Committee decided to overturn the L(R)C Decision (the “**LAC Decision**”).

On 3 February 2021, the Company received the Listing Appeals Committee’s decision in respect of the LAC Decision. Set out below is a summary of the views expressed by the Listing Review Committee in arriving at the LAC Decision:

1. The Listing Appeals Committee considered it was essentially tasked with considering whether the Company had failed to demonstrate to the Stock Exchange's satisfaction that Mr. Yang (the controlling shareholder of the Target Company) met the suitability criteria under the relevant rules and guidance of the Stock Exchange in view of the incident that occurred in 2009 (the “**Incident**”) as referred to in a PRC court judgment by the Hubei Ezhou Intermediate People's Court dated 17 February 2011 (the “**Hubei Judgment**”), concerning the conviction of a former public official, Mr. Deng Xinsheng (“**Mr. Deng**”), for corruption, such that the New Listing Application should not proceed and the Company's listing therefore be cancelled. The Listing Appeals Committee considered that the Listing Division was quite right to have brought these matters up as a concern in relation to the New Listing Application in view of the relevant rules and guidance and the grave importance of suitability/integrity of directors which is important to the operation of a fair market and the Stock Exchange's function. The Listing Appeals Committee endorsed the Listing Division's analysis presented regarding suitability criteria and related issues under the relevant rules and guidance, and amongst other matters confirmed the Stock Exchange is entitled to look at different considerations from the courts (dealing with disqualification cases) and also that the burden is firmly on a company to satisfy the Stock Exchange with respect to suitability issues.
2. On balance the Listing Appeals Committee was not convinced that based on the Hubei Judgment and the Incident alone that the New Listing Application should be rejected on the basis of suitability issues having regard to the entirety of evidence and submissions. In coming to its view the Listing Appeals Committee had regard to a number of factors which individually would not have caused the Listing Appeals Committee to hesitate in upholding the LC Decision and L(R)C Decision, but which collectively persuaded the Listing Appeals Committee by a fine margin to exercise its discretion to overturn the same. Amongst other matters, these were: (i) the small amount of the RMB20,000 payment (which sum was also repaid by Mr. Deng to Mr. Yang shortly thereafter); (ii) the relative plausibility of Mr. Yang's explanation for the same juxtaposed with the automatic untested nature of agreed prosecution facts; (iii) the passage of time since the Incident of over 10 years; (iv) Mr. Yang had not been the subject of any proceedings or prosecution arising from the Incident or the Hubei Judgment, or any other case; and (v) the character evidence adduced in support of Mr. Yang which might be afforded at least some weight.

The Listing Appeals Committee also considered and directed that the Stock Exchange should keep the information relating to the Hubei Judgment and Incident on file and that should further issues or material come to light in future, the Stock Exchange take the same into account. The Listing Appeals Committee did not comment on other aspects of the New Listing Application which it viewed should be considered by the Listing Division and Listing Committee in the usual manner.

RESUMPTION PROGRESS

The Company and its professional advisers are grateful of the LAC Decision.

The Company and the Target Company will resume preparation of the New Listing Application. Further announcements in relation to the New Listing Application and the proposed restructuring will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code.

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.

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, 10 February 2021

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