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*Huishan*

**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)**

**COMPLETION OF DISCLOSEABLE TRANSACTION IN RELATION  
TO THE JOINT VENTURE TRANSACTION WITH FRIESLANDCAMPINA**

Reference is made to the announcement of China Huishan Dairy Holdings Company Limited (the “**Company**”) dated 8 October 2014 (the “**Announcement**”) in connection with the establishment of the Joint Venture with FrieslandCampina. Unless otherwise defined herein, capitalised terms used hereunder shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that the conditions precedent to the Sale and Purchase Agreement have been satisfied and Completion took place on 1 April 2015. The Consideration of US\$112,685,230.42 (equivalent to approximately RMB692,000,000) was paid by FrieslandCampina to Huishan BVI for the Sale Shares and is based on an estimation of 50% of the Book Value at Completion and other bases set out in the Announcement. There are expected to be post Completion adjustments to this Consideration as stated in the Announcement and the final amount is expected to be determined within 50 business days of Completion.

The parties to the Sale and Purchase Agreement and the JV Company have also entered into the Joint Venture Agreement on 1 April 2015.

Following Completion, the accounts of the JV Group will no longer be consolidated in the financial statements of the Group and each member of the JV Group will cease to be a subsidiary of the Company. The Company will account for its equity interest retained in the JV Group using the equity method in the Group’s consolidated financial statements.

As a term of the Sale and Purchase Agreement, FrieslandCampina has also committed to invest an amount equal to at least US\$30 million within six months from Completion by purchasing, on the market, shares in the Company. Such shares shall be subject to a six year lock up period, save that this lock up shall cease to apply upon the earlier of (i) FrieslandCampina exercising the FrieslandCampina Call Option or (ii) the Joint Venture being terminated.

*For the purpose of this announcement, amounts denominated in US\$ have been translated into RMB at an exchange rate of US\$1: RMB6.1410. No representation is made that any amounts in US\$ and RMB can be or could have been converted at the relevant date at the above rate or at any other rates or at all.*

By order of the Board  
**China Huishan Dairy Holdings Company Limited**  
**Michael Chou**  
*Company Secretary*

Shenyang, 1 April 2015

*As at the date of this announcement, the board of directors of the Company comprises Yang Kai, Ge Kun, So Wing Hoi, Xu Guangyi, Kwok Hok Yin and Mark Anthony Wilson, as executive Directors; Cheng Chi Heng and Li Kar Cheung, as non-executive Directors; Siu Wai Keung, Song Kungang, Gu Ruixia and Tsui Kei Pang, as independent non-executive Directors.*