

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## FIRST NATURAL FOODS HOLDINGS LIMITED

### 第一天然食品有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1076)

- A. Clarification of the Suspension Announcement**
- B. Board Meeting**
- C. Resignations of Executive Directors, Chief Executive Officer, Independent Non-Executive Directors and Members of Audit Committee and Remuneration Committee**
- D. Resignation of Company Secretary, Qualified Accountant and Authorized Representative**
- E. Appointment of Independent Non-Executive Director and Members of Audit Committee and Remuneration Committee**
- F. Writ of Summons from Deutsche Bank A.G.**

Reference is made to the announcement published by First Natural Foods Holdings Limited (the “Company”) regarding the suspension of trading in the shares of the Company dated 12<sup>th</sup> December, 2008 (“Suspension”), pending the release of an announcement in relation to price-sensitive information of the Company (the “Suspension Announcement”).

### **Clarification of the Suspension Announcement**

The board of directors of the Company (the “Board”) clarifies that the Suspension Announcement contains information that are untrue and inaccurate. In particular, the following should be noted:

- (i) As at 12<sup>th</sup> December, 2008, the date of the Suspension Announcement, none of Mr. Yip Tze Wai, Albert (“Mr. Yip”, an executive director of the Company), Mr. Wong Chi Keung (“Mr. Wong”, an independent non-executive director of the Company) or Mr. Leung Chiu Shing (“Mr. Leung”, an independent non-executive director of the Company) had tendered their resignations as directors of the Company (“Directors”, each a “Director”), nor had they been removed as Directors up to 12<sup>th</sup> December, 2008.

---

\* *For identification purposes only*

The statement in the Suspension Announcement that the Board only comprised one executive director, Mr. Yeung Chung Lung (“Mr. Yeung”), as at 12<sup>th</sup> December, 2008 is untrue and inaccurate.

- (ii) The Suspension Announcement has not been seen by any of Mr. Yip, Mr. Wong or Mr. Leung before its publication.

Therefore, the Suspension Announcement was not properly authorized by the Board.

### **Board Meeting**

On 12<sup>th</sup> December, 2008, the then company secretary of the Company, Mr. Chai Chung Wai (“Mr. Chai”), informed Mr. Yip, Mr. Wong and Mr. Leung that Mr. Yang Le (“Mr. Yang”), Mr. Ni Chao Peng (“Mr. Ni”) and Mr. Lu Ze Jian (“Mr. Lu”), being the Directors residing in the People’s Republic of China, had tendered their resignations by facsimile copies with effect on the same day (“Resignations”).

Furthermore, from 12<sup>th</sup> December, 2008 to the date of this announcement, each of Mr. Yip, Mr. Wong and Mr. Leung used their best endeavours to contact Mr. Yeung regarding, among others, matters in relation to the Resignations, but in vain.

On 17<sup>th</sup> December, 2008, in view of the urgency and seriousness of the nature of the above events, Mr. Wong and Mr. Yip convened an urgent Board meeting to discuss, inter alia, the recent events / incidents in respect of the Company and resignation of director(s) and appointment of director(s) to fill casual vacancy (the “Board Meeting”). In this regard, Mr. Yip and Mr. Wong used their best endeavours to contact Mr. Yeung for the purposes of holding the Board Meeting. Although Mr. Yeung could not be reached, with a quorum present pursuant to the Bye-laws of the Company, the Board Meeting was duly held on the same day to discuss the above matters accordingly.

### **Resignations of Executive Directors, Chief Executive Officer, Independent Non-Executive Directors and Members of Audit Committee and Remuneration Committee**

The Board announces that the following directors have resigned from the Board.

On 12<sup>th</sup> December, 2008, via facsimile:

- (i) Mr. Yang had tendered his resignation with effect from 12<sup>th</sup> December, 2008 as an executive Director and the chief executive officer of the Company;
- (ii) Mr. Ni had tendered his resignation with effect from 12<sup>th</sup> December, 2008 as an executive Director; and
- (iii) Mr. Lu had tendered his resignation with effect from 12<sup>th</sup> December, 2008 as an independent non-executive Director, a member of audit committee and a member of remuneration committee of the Company.

On 17<sup>th</sup> December, 2008, by way of a letter of resignation:

- (iv) Mr. Leung had tendered his resignation with effect from 3:00 p.m. 17<sup>th</sup> December, 2008 as an independent non-executive Director, a member of audit committee and a member of remuneration committee of the Company because he considered he was no longer able to discharge his duties as a Director due to the recent incident related to the Company and Mr. Yeung.
- (v) After the close of the Board Meeting on 17<sup>th</sup> December, 2008, Mr. Yip also tendered his resignation with effect from the close of the board meeting on 17<sup>th</sup> December, 2008 as an executive Director because of the recent decisions of another executive Director in relation to the personnel change of the Company and his disagreement with decisions of that executive Director in respect of the said matters.

### **Resignation of Company Secretary, Qualified Accountant and Authorized Representative**

On 17<sup>th</sup> December, 2008, Mr. Chai formally tendered his resignation with retrospective effect from 12<sup>th</sup> December, 2008 as the company secretary, qualified accountant and authorized representative of the Company due to personal reasons.

At present, the Company has no company secretary and qualified accountant, which cannot meet the requirements stipulated by Rule 8.17 and Rule 3.24 of the Rules Governing the Listing of Securities on Stock Exchange (“the Listing Rules”) respectively. Furthermore, the Company has only one authorized representative, which will fall below the minimum number as required under Rule 3.05 of the Listing Rules. In this regard, the Company will seek suitable candidate(s) to fill the vacancies. A further announcement will be made once such appointments are confirmed.

### **Appointment of Independent Non-Executive Director and Members of Audit Committee and Remuneration Committee**

To fill the casual vacancy of Mr. Leung Chiu Shing, the Board is pleased to announce that Mr. Leung King Yue, Alex (“Mr. Alex Leung”) was appointed as an independent non-executive Director, a member of audit committee and a member of remuneration committee of the Company with effect from 17<sup>th</sup> December, 2008.

Mr. Alex Leung, aged 31, holds a bachelor degree in Commerce specialising in Economics and Finance from the University of Melbourne in Australia and is a Chartered Financial Analyst of the United States of America. He started his career in investment banking in 2000 focusing on private equity projects, corporate finance advisory, merger and acquisition transactions and listed equities. Mr. Alex Leung then joined JK Capital Management Limited in 2003 as a portfolio manager specialising in investments in global high yield fixed income securities and listed Chinese equities. He is licensed by the Securities and Futures Ordinance to carry out securities advisory, corporate finance advisory and asset management activities. He is currently a Responsible Officer of both JK Capital Management Limited and Asian Asset Management Limited.

Mr. Alex Leung has been an executive director of Apex Capital Limited since 9<sup>th</sup> March, 2007, and was an executive director of UBA Investments Limited during the period from 17<sup>th</sup> July, 2007 to 1<sup>st</sup> December, 2008. Both of the companies are listed on the Main

Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). He has been an executive director of GreaterChina Technology Group Limited since 14<sup>th</sup> July, 2008, a company listed on the Growth Enterprises Market of the Stock Exchange. Save as disclosed above, Mr. Alex Leung did not act as a director in any other listed companies in the last three years and he does not hold any other position with the Company and other subsidiaries of the Company.

Mr. Alex Leung does not have any other relationship with any directors, senior management or substantial or controlling shareholders of the Company as defined under the Listing Rules. As at the date hereof, he had no interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Alex Leung has not entered into any service contract with the Company and has not been appointed for a specific term, and he will hold office until the next general meeting of the Company and being eligible, will offer himself for re-election at that meeting pursuant to the Bye-Laws of the Company. His emoluments will be determined based on the prevailing market conditions and his roles and responsibilities. A further announcement will be made once his remunerations are fixed.

Following the said resignations of Mr. Lu and Mr. Leung and appointment of Mr. Alex Leung, the Company will have only two independent non-executive Directors and the audit committee of the Company will comprise only two members, which will fall below the minimum number as required under Rule 3.10 and Rule 3.21 of the Listing Rules respectively. In order to meet the requirements under the Listing Rules, the Company will seek a suitable candidate to fill the casual vacancy in the office of independent non-executive Director. A further announcement will be made once such an appointment is confirmed.

#### **Writ of Summons from Deutsche Bank A.G.**

The Company has received a Writ of Summons lodged by Deutsche Bank Aktiengesellschaft (“DB”) as plaintiff dated 15<sup>th</sup> December, 2008, regarding the USD interest rate swap with AFRB Index entered into between the Company and DB (the “Swap”). Reference is made to the announcements of the Company dated 3<sup>rd</sup> November, 2008 and 5<sup>th</sup> November, 2008 for details of the Swap.

The Board is studying the writ and will seek legal advice on the merits of the case, and will keep investors updated on the development.

By order of the board of  
**FIRST NATURAL FOODS HOLDINGS LIMITED**  
**WONG Chi Keung**  
*Independent Non-Executive Director*

Hong Kong, 18<sup>th</sup> December, 2008

*As at the date of this announcement, the Board comprises three directors of which Mr. Yeung Chung Lung is the chairman and executive director; and Mr. Wong Chi Keung and Mr. Leung King Yue, Alex are the independent non-executive directors*