

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim 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

(Provisional Liquidators Appointed)

第一天然食品有限公司*

(已委任臨時清盤人)

(Incorporated in Bermuda with limited liability)

(Stock Code: 01076)

UPDATE OF THE SITUATION OF THE GROUP

Financial Adviser



ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

PROGRESS OF THE LEGAL ACTION AGAINST MR. YEUNG

The Fuzhou Court on 28 July 2009 issued the Judgement Letter in the Provisional Liquidators' favour with regard to the replacements of Longyu's legal representative and board of directors. On 2 September 2009, Mr. Yeung filed an appeal against the decisions of the Judgment Letter. The Provisional Liquidators are awaiting the next hearing date to be fixed by the relevant court in the PRC.

FURTHER ADJOURNMENT OF HEARING OF THE WINDING-UP PETITION

Pursuant to an order of the High Court dated 17 September 2009, hearing of the Petition was further adjourned to 18 January 2010.

SECOND STAGE OF THE DELISTING PROCEDURES

The Company received the Second Condition Letter from the Stock Exchange, pursuant to which the Company had been placed in the second stage of the delisting procedures and the Company is required to submit to the Stock Exchange within the next six months from the date of the Second Condition Letter (i.e., by 17 March 2010) a viable resumption proposal.

At the end of such six months period, the Stock Exchange will determine whether it is appropriate to proceed to the third stage of the delisting procedures after considering any proposal made by the Company.

Should there be any material developments, the Company will update the Shareholders when and as appropriate by publishing further announcements.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:30 a.m. on 15 December 2008 and will remain suspended until further notice.

Reference is made to the announcements dated 26 March 2009 and 25 June 2009 published by the Company in relation to, among others, the update of the situation of the Group and the adjournment of the Hearing respectively (the “**Announcements**”). The Provisional Liquidators would like to update the Shareholders the latest situation of the Group as follows. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

PROGRESS OF THE LEGAL ACTION AGAINST MR. YEUNG

As announced by the Company on 26 March 2009 that the Provisional Liquidators had engaged PRC lawyers to commence legal actions against Mr. Yeung and Mr. Yang Le to regain control of the subsidiaries in the PRC, including Longyu, the major subsidiary of the Company.

The Fuzhou Intermediate People’s Court (福州市中級人民法院) of Fujian Province, the PRC (the “**Fuzhou Court**”) issued a judgment letter dated 28 July 2009 (the “**Judgment Letter**”) in the Provisional Liquidators’ favour with regard to the replacements of Longyu’s legal representative and board of directors. On 2 September 2009, Mr. Yeung filed an appeal against the decisions of the Judgment Letter. The Provisional Liquidators are awaiting the next hearing date to be fixed by the relevant court in the PRC.

FURTHER ADJOURNMENT OF HEARING OF THE WINDING-UP PETITION

Pursuant to an order of the High Court dated 17 September 2009, hearing of the Petition was further adjourned to 18 January 2010.

SECOND STAGE OF THE DELISTING PROCEDURES

As announced by the Company on 26 March 2009, the Company received the Condition Letter from the Stock Exchange stating that, *inter alia*, if the Company fails to submit a viable resumption proposal to address the conditions stated in the Condition Letter on or before 11 September 2009, the Stock Exchange may consider to proceed to place the Company in the second stage of the delisting procedures pursuant to Practice Note 17 to the Listing Rules.

On 18 September 2009, the Company received a letter from the Stock Exchange (the “**Second Condition Letter**”) stating that the Stock Exchange considered that it is appropriate to place the Company in the second stage of the delisting procedures under Practice Note 17 to the Listing Rules from the date of the Second Condition Letter as the Company had not submitted any resumption proposal before 11 September 2009 and did not have an operation to comply with Rule 13.24 of the Listing Rules.

Pursuant to the Second Condition Letter, among other things, the Company is required to submit a viable resumption proposal within the next six months from the date of the Second Condition Letter (i.e. by 17 March 2010) to the Stock Exchange which should enable the Company to meet the following conditions:

1. demonstrate that the Company has a sufficient level of operations or has assets of sufficient value as required under Rule 13.24 of the Listing Rules;
2. demonstrate that circumstances do not exist to suggest that there may be significant deficiencies in the Group’s internal control system;
3. demonstrate compliance with Rule 3.08 of the Listing Rules regarding duties of Directors; and
4. withdrawal and/or dismissal of the Petition, and discharge of the Provisional Liquidators.

At the end of such six months period, the Stock Exchange will determine whether it is appropriate to proceed to the third stage of the delisting procedures after considering any proposal made by the Company.

Should there be any material developments, the Company will update the Shareholders when and as appropriate by publishing further announcements.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:30 a.m. on 15 December 2008 and will remain suspended until further notice.

For and on behalf of
FIRST NATURAL FOODS HOLDINGS LIMITED
(Provisional Liquidators Appointed)
Stephen Liu Yiu Keung
David Yen Ching Wai
Joint and Several Provisional Liquidators

* *for identification purposes only*

Hong Kong, 24 September 2009

As at the date of this announcement, the Board comprises five Directors of which Mr. Lee Wa Lun, Warren is an executive Director; and Mr. Wong Chi Keung, Mr. Leung King Yue, Alex, Mr. Tang Chi Chung, Matthew and Mr. Lo Wai On are independent non-executive Directors.