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Global Dairy Holdings Limited

環球乳業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01007)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES

FRAMEWORK AGREEMENT TO OCCUPY FORESTED LAND PARCEL AND INVESTMENT IN AND CONSTRUCTION OF A DAIRY FARM

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules. The purpose of this announcement is to keep Shareholders and potential investors of the Company apprised of the latest developments relating to the Group.

The Board is pleased to announce that, in line with the Group's expansion plans on investments upstream in cattle farms as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Board has resolved on 18 November 2010 to approve, *inter alia*, the investment in and construction of a dairy farm (the "**Group's Dairy Farm**") by Changqing Dairy, an indirect wholly-owned subsidiary of the Company, in Erhe Township which is approximately 30 km north-east of Wuchang City centre, Heilongjiang Province, the PRC (the "**Project**").

The Company will use approximately HK\$350.9 million of the net proceeds from the Global Offering to fund the Project which will comprise approximately RMB300 million for the acquisition of the land use rights of the requisite parcel of land (including fees payable for the grant of permission to occupy such land), the construction of the Group's Dairy Farm and the purchase of dairy cows. The Group will also invest approximately RMB40 million for the construction of a bio-organic fertilizers and bio-gas power generation facility for the Group's Dairy Farm.

It is currently anticipated that, upon completion, the Group's Dairy Farm can house and handle up to 10,000 dairy cows and, based on current estimates, it will have an annual fresh milk output of up to 42,000 tonnes and an annual bio-organic fertilizer output capacity of up to 20,000 tonnes.

In connection with the Project, Changqing Dairy has on 3 November 2010 entered into a framework agreement with the Wuchang Government, pursuant to which Changqing Dairy will be allowed to occupy a parcel of forested land located in Erhe Township and the major terms of which are as follows:

Contracting parties: (1) Changqing Dairy
(2) Wuchang Government (五常市人民政府)

Size of forested land: 500 *mu* (approximately 333,333 square meters)

Rehabilitation Fees: RMB4.6 million (being fees payable for the grant of permission to occupy the agreed land parcel)

Deforestation

Responsibility: The Wuchang Forest Department (五常林業局) will be responsible for removing any trees of a diameter of more than 6 centimetres from the agreed land parcel

Use of Deforested

Trees: Trees removed in the deforestation process may be used by Changqing Dairy, without additional fees, for the construction of cow sheds for the Group's Dairy Farm

It is anticipated that Changqing Dairy will enter into a series of transactions contemplated under the Project with Wuchang Government and/or other relevant parties. This includes, *inter alia*, agreement for the grant of the land use rights in connection with which further fees are payable. In the event that these contemplated transactions materialise, they may constitute notifiable transactions under the Listing Rules, and the Company will comply with its disclosure requirements and make further announcement pursuant to the Listing Rules in respect of these transactions as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“Changqing Dairy”	黑龍江常慶乳業有限責任公司 (Heilongjiang Chang Qing Dairy Products Co., Ltd*), a company incorporated in the PRC with limited liability on 7 August 2008 and an indirect wholly-owned subsidiary of the Company
“Company”	Global Dairy Holdings Limited 環球乳業控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Global Offering”	the Company's recently completed offer of 36,088,000 new Shares for subscription by the public in Hong Kong and placing of 324,792,000 Shares to institutional, professional and other investors both at the price of HK\$4.39 on the terms and subject to the conditions described, <i>inter alia</i> , in the Prospectus
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“km”	kilometre, a metric unit measure of distance
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“ <i>mu</i> ”	Chinese unit of area

“Prospectus”	the prospectus dated 15 October 2010 issued by the Company in respect of the Global Offering
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of HK\$0.00001 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“tonnes”	a unit of mass, equal to 1,000 kilogrammes
“Wuchang Government”	五常市人民政府, a third party independent of, and not connected with, any Directors, chief executive or substantial Shareholders (within the meaning under the Listing Rules) of the Company or any of its subsidiaries or any of their respective associates

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board
Global Dairy Holdings Limited
Zhao Chuan Wen
Chairman

Hong Kong, 19 November 2010

As at the date of this announcement, the Board comprises five executive Directors, namely Mr Zhao Chuan Wen, Mr Zhao Yu, Mr Xia Yuan Jun, Mr Fu Chong and Mr Fong Pin Jan and three independent non-executive Directors, namely Mr Cheung Hok Fung Alexander, Ms Chan Wah Man Carman and Mr Zhang Zhou.

* *For identification purpose only*

Company’s website: www.global-dairy.com.cn