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Daqing Dairy Holdings Limited
大慶乳業控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1007)

**UPDATE ON RECENT DEVELOPMENT OF SUSPENSION
AND
THE APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

UPDATE ON SUSPENSION

Reference is made to the announcement of Daqing Dairy Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) dated 22 March 2012 regarding the suspension (the “**Suspension**”) of the trading in the Shares of the Company and the announcements of the Company dated 20 June 2012, 20 July 2012, 28 September 2012, 30 October 2012 and 9 November 2012 (the “**Announcements**”) in relation to, inter alia, the appointments of independent non-executive directors, auditors and financial adviser of the Company and the development of the Suspension. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Company’s announcement dated 9 November 2012.

The Board wishes to update the Shareholders that the Company has appointed Mr. Chiang Chi Kin Stephen (“**Mr. Chiang**”) as an independent non-executive Director, the chairman of the nomination committee of the Company and a member of the Audit Committee with effect from 28 November 2012. More details of the appointment of Mr. Chiang are set out below.

Upon the appointment of Mr. Chiang, the Company has yet to fulfill the minimum number of independent non-executive Directors requirement under Rule 3.10(1), and audit committee members under Rule 3.21 of the Listing Rules.

Further work to re-constitute the audit committee via the appointment of another two INEDs is still continuing. The Company expects that once the Audit Committee is constituted, the Audit Committee will decide on a suitable forensic specialist to conduct the forensic investigation on the Matters as disclosed in the announcement of the Company dated 29 March 2012. Among other matters, the Audit Committee will also decide on the appointment of auditors and financial adviser of the Company, such appointments will be made as soon as reasonably practicable once the Audit Committee is constituted. Further announcement(s) will be made by the Company when any major new developments take place.

THE APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. Chiang has been appointed as an independent non-executive Director, the chairman of the nomination committee and a member of the audit committee of the Company with effect from 28 November 2012.

The biography of Mr. Chiang is set out as below:

Mr. Chiang, aged 43, graduated from the University of Wolverhampton with a bachelor's degree in laws, and qualified as a solicitor of the High Court of Hong Kong in 1998. Mr. Chiang has over 13 years of experience in corporate and commercial law. Mr. Chiang has been the deputy general manager and company secretary of Rising Development Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 1004) since September 2007. He is also the director of a number of its major subsidiaries. Besides, he had been the deputy general manager and company secretary of China Power New Energy Development Company Limited (a company listed on the main board of the Stock Exchange, stock code: 735) from October 2004 to 26 March 2010. Mr. Chiang has also sat on the board of Greenfield Chemical Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 582) as an independent non-executive director since 22 August 2011.

Mr. Chiang has entered into a letter of appointment with the Company to act as an independent non-executive Director for an initial fixed term of one year commencing from 28 November 2012 which may only be terminated in accordance with the provisions of the service agreement or by either party giving to the other not less than three months' notice in writing.

Mr. Chiang will be entitled to receive a director's fee of HK\$360,000 per annum which is determined with reference to the prevailing market conditions and his duties and responsibilities in the Company. Pursuant to the Articles of Association of the Company, Mr. Chiang will hold office until the first general meeting after his appointment and be eligible for re-election at such general meeting. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

As at the date of this announcement, Mr. Chiang did not have or was not deemed to have any interests or short positions in the shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

Save as disclosed above, (i) Mr. Chiang has not held any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) he has not held any other positions in the Company and other members of the Group or other major appointments and professional qualifications; and (iii) he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Chiang was publicly censured by the Securities and Futures Commission (the “SFC”) in 2004, as an executive director of GP NanoTechnology Group Limited (“GP Nano”), a company then listed (now having been delisted by the Stock Exchange and compulsory wound-up) on the Growth Enterprise Market of the Stock Exchange for that Mr. Chiang, collectively with other directors and individually, failed to ensure a circular be issued for a voluntary conditional cash offer for the shares in GP Nano, nor consulting the SFC, thereby had breached Rule 8.4 of the Codes on Takeovers and Mergers and Share Repurchases. Details of the censure were disclosed in the enforcement news of the SFC dated 18 October 2004.

Save as disclosed above, to the best knowledge, information and belief of the Board, and as confirmed by Mr. Chiang, he has no information that is required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to his appointment that need to be brought to the attention of the Shareholders.

The Board would like to extend its warmest welcome to Mr. Chiang for joining the Board.

CONTINUED SUSPENSION OF TRADING IN SHARES

Trading in the Shares will continue to be suspended until further notice. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

By order of the Board
Daqing Dairy Holdings Limited
Zhao Yu
Chairman

Hong Kong, 28 November 2012

As at the date of this announcement, the executive directors of the Company are Mr. Zhao Chuan Wen, Mr. Zhao Yu, Mr. Xia Yuan Jun, Mr. Fong Pin Jan and Mr. Wang De Lin, and the independent non-executive director of the Company is Mr. Chiang Chi Kin Stephen.