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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)

**(A) RESIGNATION OF EXECUTIVE DIRECTORS;
(B) APPOINTMENT OF NEW CHAIRMAN OF THE BOARD
OF DIRECTORS; AND
(C) CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

(A) Resignation of executive directors

The board of directors (the “**Director(s)**”) (the “**Board**”) of Daqing Dairy Holdings Limited (the “**Company**”) received notices of resignation by hand and by electronic mail from Mr. Zhao Yu (“**Mr. Zhao**”), executive Director, chairman of the Board (the “**Chairman**”) and a member of the remuneration committee and nomination committee, and Mr. Fong Pin Jan (“**Mr. Fong**”), executive Director and chief financial officer of the Company respectively on 10 January 2013.

Since relinquishing Mr. Zhao’s previous role as chief executive officer of the Company (“**CEO**”) to Mr. Wang De Lin (current CEO) and acceptance of the role as Chairman, Mr. Zhao has not taken an active role in managing the operations of the operating subsidiaries of the Company in the PRC. Given the challenges faced by the Company, Mr. Zhao has agreed to resign as executive Director, the Chairman and a member of the remuneration committee and nomination committee, to allow the operational management greater flexibility to handle the challenges facing the Company.

Mr. Fong had previously tendered his resignation on 15 June 2012 but acceded to the request of the Board to retract his resignation on the same date to assist the Board in resolving the various issues raised by Deloitte Touche Tohmatsu, the former auditors of the Company, and to achieve the resumption in the trading of the shares of the Company on The Stock Exchange of Hong Kong Limited. Given the current circumstances of the Company, inter alia, the extensive damage to the computer and accounting records of the Company in an accident as disclosed in the announcement of the Company dated 9 January 2013, Mr. Fong considers that he is unable to make any further contributions to the Company. He has thus tendered his resignation on 10 January 2013.

In connection with the resignations of Mr. Zhao and Mr. Fong, the Company entered into a termination agreement (the “**ED Termination Agreement**”) with each of them on 10 January 2013 to terminate their respective service agreement with the Company dated 10 October 2010 (the “**Service Agreement(s)**”) with effect from 10 January 2013.

The Board had agreed to accept the resignations of Mr. Zhao and Mr. Fong and wish them all the best in their future endeavors.

Pursuant to their respective ED Termination Agreement, each of Mr. Zhao and Mr. Fong had confirmed that:

- (a) save and except for a continuation of their respective rights to indemnification under Article 164 of the Company’s articles of association which the parties to the relevant ED Termination Agreement have agreed to apply to matters relating to the period during which the executive Director was a director of the Company, each of them has no claims whatsoever against the Company, whether under their respective Service Agreement, as the case may be, or howsoever arising;
- (b) each of them is not aware of any breach of their respective Service Agreement by the Company;
- (c) the Company has no outstanding amount whatsoever due to each of them under their respective Service Agreement, as the case may be, or howsoever arising;
- (d) the terms of the respective ED Termination Agreement are without any admission by the Company of liability and in full and final settlement of all claims (if any), whether contractual, statutory or otherwise and whether contemplated or not, each of them has or may have against the Company and its associates arising out of or in connection with their respective Service Agreement or the ED Termination Agreement, including (without limitation) under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), all of which claims (if any) are, subject to paragraph (a) above, absolutely and irrevocably released; and
- (e) each of them has no disagreement with the Board and there is no other matter relating to their respective resignation that needs to be brought to the attention of the shareholders of the Company or, in so far as each of the resigning executive Director is concerned, in relation to any claims which are brought by the Company pursuant to their respective Service Agreement.

(B) Appointment of new chairman of the Board

In view of the resignation of Mr. Zhao, the Board has decided to appoint Mr. Zhao Chuan Wen, an executive Director to hold the position of the Chairman with effect from 10 January 2013.

The Board will look for a replacement to fill the vacancy of Mr. Fong in due course.

(C) Change of principal place of business in Hong Kong

The Board announces that the Company's principal place of business in Hong Kong has been changed to 33rd Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong with effect from 10 January 2013.

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

Hong Kong, 10 January 2013

As at the date of this announcement, the executive Directors are Mr. Zhao Chuan Wen and Mr. Wang De Lin and the independent non-executive Director is Mr. Chiang Chin Kin, Steven.