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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)

UPDATES IN RELATION TO FORENSIC INVESTIGATION

Reference is made to the announcement of the Company dated 22 March 2012 for the suspension of trading of the shares of Daqing Dairy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), the announcement of the Company dated 9 November 2012 in relation to, among other matters, the resumption conditions imposed by the Stock Exchange on the Company, and the announcement of the Company dated 6 November 2013 in relation to, among other matters, the engagement of Forensic Accountant (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

UPDATES IN RELATION TO FORENSIC INVESTIGATION

As disclosed in the Announcement, the Company has retained RSM Nelson Wheeler Corporate Advisory Limited as the Forensic Accountant of the Company to conduct forensic investigation on the Matters raised by the Former Auditors and to identify any person who may be responsible for the Matters, if applicable (the “**Forensic Investigation**”).

As at the date of this announcement, the Forensic Accountant has commenced its work including but not limited to making inquiries and performing preliminary research on the Matters. However, as most financial documents and records were said to be damaged and irretrievable within the Group due to the accident occurred in early January 2013 (as disclosed in the announcement of the Company dated 9 January 2013) and given the limited knowledge of the current management to the Matters and the limited resources of the Company, there is difficulty for the Company to reconstruct or locate such records. The Company has been making every effort to retrieve such information from different sources and parties and target to complete the background understanding research for the Forensic Investigation around March 2014.

The Company has been working towards facilitating the Forensic Investigation in order to enable the field work of the Forensic Accountant to be commenced as soon as possible while at the same time it shall endeavor to explore every possible legitimate means to safeguard its and its shareholders rights and interest. Assuming that the field work of the Forensic Investigation can be commenced in the first quarter of 2014, it is targeted that the report by the Forensic Accountant will be available around mid 2014.

Having said that, the target dates stated above are indicative only and are based on the preliminary assessment of work performed by the Forensic Accountant from the information currently available. As such, the target dates may be subject to change depending on, among other matters, the progress of the field work, the availability of the relevant records and information and the cooperation of the management of the subsidiaries of the Company etc. Any material changes to the target dates for the Forensic Investigation will be announced by the Company as and when appropriate. The Company will make further announcement on the progress of the Forensic Accountant's work and other developments in relation to the resumption progress in accordance with the requirements under the Stock Exchange and the Listing Rules.

CONTINUED SUSPENSION OF TRADING IN SHARES

As disclosed in the previous announcements of the Company, the Group is principally engaged in the production, marketing and sales of dairy products and the operation and management of ecological farm in the PRC. Based on the discussion with the management from the PRC subsidiaries, the Board believes that the Group's business is still operating at its normal capacity. Further announcement will be made by the Company if there is any further update on the business development of the Group.

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

By order of the Board
Daqing Dairy Holdings Limited
Kou Mei In
Chairlady

Hong Kong, 29 January 2014

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ng Kwong Chue Paul and Mr. Wang De Lin; one non-executive Director, namely Ms. Kou Mei In; and two independent non-executive Directors, namely Mr. Sze Lin Tang and Mr. Qiu Xiaohua.