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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)

PROFIT WARNING

This announcement is made by Daqing Dairy Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Board, the Company is expected to record a substantial decrease in net loss for the year ended 31 December 2017 as compared to 2016. The substantial decrease in loss was mainly attributable to the absence of professional fees incurred for the publication of the outstanding financial information of the Company, preparation of the announcements and documents which were expenses of non-recurring nature in 2016.

The information contained in this announcement is only based on the preliminary review on the unaudited management accounts of the Company for the year ended 31 December 2017, which have not been audited by the Company’s independent external auditors nor reviewed by the audit committee of the Company, and the information currently available to the Company. The Company is in the process of finalising its annual results for the year ended 31 December 2017. The annual results announcement of the Company for the year ended 31 December 2017 is expected to be published in March 2018.

Reference is also made to the announcements of the Company dated 21 December 2016, 21 February 2017, 28 February 2017, 4 May 2017, 5 June 2017, 5 July 2017, 7 August 2017, 28 August 2017 and 20 September 2017 in relation to, among other things, the Resumption Proposal and the filing of the First New Listing Application and the Second New Listing Application (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those used in the Announcements. Pursuant to Rule 10 and Practice Note 2 of the Code on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”), this profit warning announcement constitutes a profit forecast and would need to be reported on by the Company’s financial advisers and auditors or accountants, and their reports must be included in the next document of the Company to be sent to the Shareholders (the “**Shareholders’ Document**”) under Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules), the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties in meeting the said reporting requirements of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, this profit warning will be repeated in full and be reported on by the Company’s financial adviser and its auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be contained in the next Shareholders’ Document. However, in the event that the announcement of the annual financial results for the year ended 31 December 2017 is published prior to the next Shareholders’ Document, the requirements to report on this profit warning announcement under Rule 10.4 of the Takeovers Code will be superseded.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the shares of the Company has been suspended since 22 March 2012 and will continue to be suspended until further notice.

WARNING:

Shareholders and potential investors of the Company should note that this profit warning announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on this profit warning in assessing the merits and demerits of the proposed transactions contemplated under the Resumption Proposal. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

The proposed transactions contemplated under the Resumption Proposal are subject to a number of conditions precedents which may or may not be fulfilled and are subject to change upon the review of the Stock Exchange.

In addition, the Stock Exchange's approval on the new listing application to be made by the Company may or may not be granted, therefore the proposed transactions contemplated under the Resumption Proposal may or may not proceed.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
Daqing Dairy Holdings Limited
Choi Chiu Fai Stanley
Chairman

Hong Kong, 5 March 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Choi Chiu Fai Stanley and Mr. Choi Ka Wai; and three independent non-executive Directors, namely Mr. Ha Kee Choy Eugene, Mr. Szeto Tat Kwan Brandon and Mr. Fok Wai Ming Eddie.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.