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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)

ANNOUNCEMENT

- (I) COMPLETION OF VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF LONGHUI INTERNATIONAL CATERING MANAGEMENT HOLDINGS LTD.;**
- (II) COMPLETION OF VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF GLOBAL MILK PRODUCTS PTE. LTD.;**
- (III) COMPLETION OF PLACING OF CONSOLIDATED SHARES;**
- (IV) COMPLETION OF OPEN OFFER;**
- (V) CHANGE OF DIRECTORS, COMPOSITION OF THE BOARD COMMITTEES AND AUTHORISED REPRESENTATIVE;**
- AND**
- (VI) ARRANGEMENT FOR ODD LOT TRADING**

Financial adviser to the Company

VEDA | CAPITAL
智 略 資 本

References are made to (i) the announcements of Daqing Dairy Holdings Limited (the “**Company**”) dated 9 November 2012 and 19 May 2015 in relation to, among other things, the resumption conditions of the Company (the “**Announcements**”); (ii) the circular of the Company dated 9 May 2018 (the “**Circular**”); (iii) the announcement of the Company dated 28 May 2018 in relation to, among other things, the poll results of EGM; (iv) the announcement of the Company dated 30 May 2018 in relation to the implementation of the Share Consolidation and the change in board lot size; and (v) the announcement of

the Company dated 3 July 2018 in relation to the results of the Open Offer. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF THE ACQUISITION

All the conditions precedent to the Acquisition as set out in the Acquisition Agreement have been fulfilled and the Acquisition Completion took place on 4 July 2018. A total of 3,789,375,000 Consideration Shares were allotted and issued and the Consideration CBs in the aggregate principal amount of HK\$129,470,312.50 were issued to the Vendors (or their nominees) on 4 July 2018. Upon Acquisition Completion, the Target Company has become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Company.

COMPLETION OF THE DISPOSAL

All the conditions precedent to the Disposal as set out in the Disposal Agreement have been fulfilled and the Disposal Completion took place on 4 July 2018. Upon Disposal Completion, the Group has ceased to have any beneficial interest in any company in the Disposal Group, and all the companies in the Disposal Group have ceased to be subsidiaries of the Company.

COMPLETION OF THE SHARE PLACING

All the conditions set out in the Placing Agreement have been fulfilled and the completion of Share Placing took place on 4 July 2018. An aggregate of 757,875,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Places at the Placing Price of HK\$0.1025 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

COMPLETION OF THE OPEN OFFER

As disclosed in the Open Offer results announcement of the Company dated 3 July 2018, at 4:00 p.m. on Monday, 25 June 2018, being the Latest Time for Acceptance of and payment for the Offer Shares, a total of 113 valid acceptances of allotments for an aggregate of 74,899,062 Offer Shares, representing approximately 74.12% of the total number of the Offer Shares available for subscription under the Open Offer, were received.

Share certificates for the Offer Shares to those Qualifying Shareholders who have accepted and paid for their Offer Shares have been despatched by ordinary post on 4 July 2018 at their own risk.

Shareholding Structure of the Company

	(i) As at the date of this announcement after the issue and allotment of Consideration Shares, Placing Shares and Offer Shares but before the Conversion Shares to be issued pursuant to the exercise of the Consideration CBs		(ii) As at the date of this announcement after the issue and allotment of Consideration Shares, Placing Shares, Offer Shares and assume all the Conversion Shares issued and allotted pursuant to the exercise of the Consideration CBs in full	
	<i>No. of Consolidated Shares</i>	<i>%</i>	<i>No. of Consolidated Shares</i>	<i>%</i>
The Concert Group				
— Vendor I	3,547,612,875	68.84	4,730,150,500	73.72
— Vendor II	111,407,625	2.16	148,543,500	2.31
— Vendor III	84,503,062	1.64	112,670,750	1.76
— Vendor IV	44,714,625	0.87	59,619,500	0.93
— Vendor V	<u>1,136,813</u>	<u>0.02</u>	<u>1,515,750</u>	<u>0.02</u>
				78.74
Sub-total	<u>3,789,375,000</u>	<u>73.53</u>	<u>5,052,500,000</u>	<i>(Note)</i>
Public Shareholders				
— Existing public Shareholders	195,143,086	3.79	195,143,086	3.04
— Global Courage Limited	385,005,976	7.47	385,005,976	6.00
— Places of Share Placing	757,875,000	14.71	757,875,000	11.81
— The Underwriter	<u>26,150,938</u>	<u>0.50</u>	<u>26,150,938</u>	<u>0.41</u>
				21.26
Sub-total	<u>1,364,175,000</u>	<u>26.47</u>	<u>1,364,175,000</u>	<i>(Note)</i>
Total	<u><u>5,153,550,000</u></u>	<u><u>100.00</u></u>	<u><u>6,416,675,000</u></u>	<u><u>100.00</u></u>

Note:

This is for illustrative purpose only as there are restriction under the terms and conditions of the Consideration CBs which prohibits conversion resulting in insufficient public float of the Shares.

ARRANGEMENT FOR ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Enhanced Securities Limited to provide matching services for sale and purchase of odd lots of Consolidated Shares at the relevant market price per Consolidated Share for Shareholders, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares from Friday, 6 July 2018 to Thursday, 26 July 2018 (both days inclusive). Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder who has any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

Shareholders who wish to take advantage of this facility should contact Mr. Christopher Lo of Enhanced Securities Limited at 37/F, Times Tower, 393 Jaffe Road, Wan Chai, Hong Kong at telephone number (852) 2836 2197 and fax number (852) 2893 1277 during the aforesaid period.

CHANGE OF DIRECTORS, COMPOSITION OF THE BOARD COMMITTEES AND AUTHORISED REPRESENTATIVE

With effect from the date of Resumption, Dr. Choi and Mr. Choi Ka Wai will resign and cease to be executive Directors, and Mr. Szeto Tat Kwan and Mr. Fok Wai Ming Eddie will resign and cease to be independent non-executive Directors due to the change in control of the Company and as contemplated under the Resumption Proposal.

Each of Dr. Choi, Mr. Choi Ka Wai, Mr. Szeto Tat Kwan and Mr. Fok Wai Ming Eddie has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders. The Board would like to express its gratitude to their valuable contribution to the Company during their tenure of office.

The appointments of Mr. Hung Shui Chak, Mr. So Kam Chuen, Mr. Chen Jun and Mr. Yuan Mingjie as executive Directors, and the appointments of Mr. Chan Chun Yiu Thomas and Mr. Mai Guangfan as independent non-executive Directors, will take effect from the date of Resumption, which is expected to take place on 6 July 2018. The appointments have been approved by the Shareholders at the EGM held on 28 May 2018. Mr. Ha Kee Choy Eugene will remain as an independent non-executive Director.

The biographical details and matters required to be disclosed under Rule 13.51(2) of the Listing Rules of each of the Directors have been disclosed in the Circular under the section headed “Directors and Senior Management of the Enlarged Group”. The proposed Directors confirm that as at the date of this announcement, there is no material change to the information concerning each of them as disclosed in the Circular.

In addition, each of Mr. Hung Shui Chak, Mr. So Kam Chuen, Mr. Chen Jun and Mr. Yuan Mingjie has entered into a service contract with the Company which will become effective upon Resumption for an initial term of 3 years and shall continue thereafter until terminated by either party by giving three (3) months' notice in writing at any time after such initial term to the other. The remuneration payable by the Company to each of Mr. Hung Shui Chak, Mr. So Kam Chuen, Mr. Chen Jun and Mr. Yuan Mingjie are HK\$0, HK\$452,000, HK\$436,000 and HK\$360,000 per annum respectively. Moreover, each of Mr. Chan Chun Yiu Thomas and Mr. Mai Guangfan has entered into an appointment letter with the Company which will become effective upon Resumption for an initial term of 3 years which may be terminated by either party by giving three (3) months' notice in writing at any time after such initial term to the other. The remuneration payable by the Company to each of Mr. Chan Chun Yiu Thomas and Mr. Mai Guangfan are HK\$200,000 and HK\$200,000 per annum respectively. Moreover, with effect from 6 July 2018 the remuneration of Mr. Ha Kee Choy Eugene have also been adjusted to HK\$200,000 per annum. The Directors will also be entitled to discretionary bonus which may be approved by the Board from time to time.

Save as disclosed above and in the Circular, there are no other matters in respect of each of the Directors that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other material matters relating to the Directors that need to be brought to the attention of the Shareholders.

Upon Resumption, the committees of the Board will comprise of the following:

Audit Committee	Mr. Ha Kee Choy Eugene (<i>Chairman</i>) Mr. Chan Chun Yiu Thomas Mr. Mai Guangfan
Remuneration Committee	Mr. Mai Guangfan (<i>Chairman</i>) Mr. Ha Kee Choy Eugene Mr. Chan Chun Yiu Thomas
Nomination Committee	Mr. Chan Chun Yiu Thomas (<i>Chairman</i>) Mr. Ha Kee Choy Eugene Mr. Hung Shui Chak

With effective from the date of Resumption, Mr. Hung Shui Chak and Mr. Yuan Mingjie will act as authorised representatives of the Company under Rule 3.05 of the Listing Rules.

Dealing in the Shares on the Main Board of the Stock Exchange has been suspended since 22 March 2012 and will remain suspended until further notice.

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

Hong Kong, 4 July 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 statement in this announcement misleading.

The English text of this announcement shall prevail over its Chinese text.