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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**

Reference is made to the announcement of Daqing Dairy Holdings Limited (the “**Company**”) dated 22 March 2012 regarding the suspension of the shares of the Company (the “**Suspension**”) and the announcement of the Company dated 20 June 2012 (the “**Announcement**”) in relation to, inter alia, the dissolution of the independent review committee and the resignation of the independent non-executive directors (“**INEDs**”) of the Company.

The Board wishes to provide an update to the shareholders (the “**Shareholders**”) of the Company regarding the latest development concerning the Suspension.

As disclosed in the Announcement, the Board has identified two potential candidates to act as the INEDs. However, the terms of service and the scope of responsibilities are yet to be agreed between the Company and the respective INEDs. The Company is also evaluating potential candidates for the third INED with a view to constituting the audit committee as soon as possible.

Further, in order to carry out the outstanding audit work and to restore the corporate governance of the Company, the Company is also in the course of identifying suitable professional advisers to act as each of the auditors and financial adviser of the Company.

The Company will update the Shareholders and public investors the progress of the respective appointments as and when appropriate.

**Trading in the Shares has been suspended at the request of the Company since 22 March 2012 and will remain in suspension until further notice.**

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

Hong Kong, 20 July 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 Fu Chong, Mr Fong Pin Jan and Mr Wang De Lin.*