



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)

29 January 2016

To the Independent Shareholders

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY



**FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE
ALL THE ISSUED SHARES (OTHER THAN THOSE ALREADY
OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT
WITH IT) IN DAQING DAIRY HOLDINGS LIMITED**

We refer to the Composite Document dated 29 January 2016 jointly issued by the Company and the Offeror, of which this letter forms part. Terms defined in the Composite Document shall bear the same meanings when used herein unless the context requires otherwise.


We have been appointed to constitute the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and as to its acceptance. VMS Securities has been appointed as the Independent Financial Adviser to advise us in this respect. Details of its advice and the principal factors and reasons taken into consideration in arriving at its advice are set out in the "Letter from the Independent Financial Adviser" as set out on pages 27 to 44 of the Composite Document.

We also wish to draw your attention to the "Letter from the Board", the "Letter from Head & Shoulders Securities" and the additional information as set out in the appendices to the Composite Document.

Taking into account the terms of the Offer and the independent advice from VMS Securities, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent

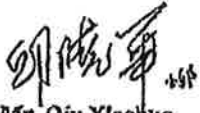
Shareholders to accept the Offer. Independent Shareholders are recommended to read the full text of the "Letter from the Independent Financial Adviser" as set out in the Composite Document.

**Yours faithfully,
For and on behalf of
Independent Board Committee**



Mr. Sze Liu Tang

Independent non-executive Directors



Mr. Qiu Xiaohua