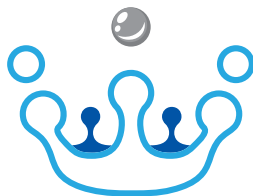


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*This announcement is for information purposes only and does not constitute an offer to acquire, purchase or subscribe for the securities of the Company referred to in this announcement.*



**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) PROPOSED PLACING OF CONSOLIDATED SHARES  
AND  
(II) PROPOSED OPEN OFFER ON THE BASIS OF  
ONE OFFER SHARE FOR EVERY FIVE CONSOLIDATED  
SHARES HELD ON THE RECORD DATE**

**Financial adviser to the Company**

**VEDA | CAPITAL**  
**智 略 資 本**

**Placing Agent and Underwriter**

 **ENHANCED 進隆證券**  
**SECURITIES LIMITED**

## **THE SHARE PLACING**

On 2 May 2018, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place an aggregate of 757,875,000 Placing Shares at HK\$0.1025 per Placing Share, on a fully underwritten basis, to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties and independent to the Concert Group.

The Placing Shares will be issued under a specific mandate proposed to be obtained at the EGM.

It is expected that the gross and net proceeds from the Share Placing will amount to approximately HK\$77.68 million and approximately HK\$75.74 million respectively. The Company intends to use the net proceeds from the Share Placing to expand and develop the business of the Enlarged Group upon Acquisition Completion.

## **THE OPEN OFFER**

The Company proposes to raise approximately HK\$10.36 million, before expenses, by way of the Open Offer involving the allotment and issue of 101,050,000 Offer Shares at the Offer Price of HK\$0.1025 per Offer Share on the basis of one (1) Offer Share for every five (5) Consolidated Shares held on the Record Date (assuming that no Shares or Consolidated Shares (upon Share Consolidation becoming effective) to be issued or repurchased by the Company except for the issue and allotment of the Consideration Shares, Placing Shares and the Conversion Shares upon the full conversion of the Consideration CBs from the date of this announcement and up to the Record Date).

On 2 May 2018, the Company and the Underwriter entered into the Underwriting Agreement pursuant to which the Underwriter has conditionally agreed to fully underwrite the Offer Shares (save for 64,167,662 Offer Shares to be subscribed by Global Courage).

The gross proceeds from the Open Offer are approximately HK\$10.36 million and the net proceeds is estimated to be approximately HK\$10.26 million. The net proceeds will be used by the Company for general working capital.

## **GENERAL**

As disclosed in the Announcement, the Company will despatch a circular in accordance with the requirements under the Listing Rules and the Takeovers Code, which will contain, among other things, further details of (i) the Share Consolidation; (ii) the Acquisition; (iii) reverse takeover involving a new listing application; (iv) the Disposal; (v) the Share Placing; (vi) the Open Offer; (vii) the Whitewash Waiver; (viii) the appointment of proposed Directors; (ix) the recommendation of the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Disposal, the Whitewash Waiver and the transactions contemplated thereunder; and (x) the notice of EGM. The circular will be despatched on or about 9 May 2018.

The Open Offer Prospectus Documents setting out details of the proposed Open Offer are expected to be sent to the Qualifying Shareholders on or about 8 June 2018. The Open Offer Prospectus (but not the application form) will be despatched to the Excluded Shareholders for information only.

## **WARNING**

The Share Placing is conditional, *inter alia*, the fulfillment or waiver of the conditions set out under the section headed “Conditions precedent to the Placing Agreement” of this announcement. The Open Offer is conditional, *inter alia*, the fulfillment or waiver of the conditions set out under the section headed “Conditions precedent to the Underwriting Agreement” of this announcement. In particular, the Open Offer is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out under the section headed “Termination of the Underwriting Agreement” in this announcement. Accordingly, the Share Placing and the Open Offer may or may not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares/Consolidated Shares up to the date when the conditions of the Share Placing and the Open Offer are fulfilled or waived will bear the risk that the Share Placing and the Open Offer might not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares/Consolidated Shares.

## **THE SHARE PLACING**

### **The Placing Agreement**

On 2 May 2018, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place an aggregate of 757,875,000 Placing Shares at HK\$0.1025 per Placing Share, on a fully underwritten basis, to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties and independent to the Concert Group.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent, together with its associates, are independent third parties to the Group, the Target Group and the Concert Group, as well as independent third parties to the connected person(s) of the Group, the Target Group and the Concert Group.

### **Placees**

All the Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners (a) are Independent Third Parties; (b) shall be independent of and not be parties acting in concert (as defined in the Takeovers Code) with the Company, the Vendors, other Placee(s) or Shareholder(s) and their respective associates to the effect that any placing to such Placee(s) shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code; (c) shall be independent of the Vendors, their ultimate beneficial owners and parties acting in concert (as defined in the Takeovers Code) with them; (d) shall be independent of the proposed Directors referred to the section headed "Change of Directors" in the Announcement and the core connected persons after the Acquisition Completion; and (e) shall be regarded as public shareholders (within the meaning as defined under the Listing Rules).

### **Placing Shares**

The maximum number of 757,875,000 Placing Shares under the Share Placing represents:

- (i) approximately 1.50 times of the entire issued share capital of the Company (assuming the Share Consolidation has become effective) as at the date of this announcement;
- (ii) approximately 60.00% of the issued share capital of the Company (assuming the Share Consolidation has become effective) as enlarged by the allotment and issue of the Placing Shares but before the allotment and issue of Consideration Shares, Conversion Shares and Offer Shares;
- (iii) approximately 15.00% of the entire issued share capital of the Company (assuming the Share Consolidation has become effective) as enlarged by the allotment and issue of the Placing Shares and the Consideration Shares but before the allotment and issue of Conversion Shares and Offer Shares;

- (iv) approximately 12.00% of the issued share capital of the Company (assuming the Share Consolidation has become effective) as enlarged by the allotment and issue of the Placing Shares, Consideration Shares, the Conversion Shares upon the exercise of Consideration CBs in full and the Placing Shares but before the allotment and issue of the Offer Shares; and
- (v) approximately 11.81% of the issued share capital of the Company (assuming the Share Consolidation has become effective) as enlarged by the allotment and issue of the Consideration Shares, the Conversion Shares upon the exercise of Consideration CBs in full, the Placing Shares and Offer Shares.

The Placing Shares will be issued under a specific mandate proposed to be obtained at the EGM. The maximum aggregate nominal value of the Placing Share under the Share Placing will be HK\$15,157.50.

### **Ranking of Placing Shares**

The Placing Shares will upon issue, rank, *pari passu* in all respects with the Consolidated Shares in issue on the date of allotment and issue of the Placing Shares.

### **Application for Listing**

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal, in the Placing Shares.

### **The Placing Price**

The Placing Price represents:

- (i) a discount of approximately 96.95% to the equivalent closing price of HK\$3.360 per Consolidated Share based on the closing price of the Shares of HK\$1.680 per Share as quoted on the Stock Exchange on the Last Trading Day after taking into account the effect of the Share Consolidation;
- (ii) a discount of approximately 97.25% to the equivalent average closing price of approximately HK\$3.724 per Consolidated Share based on the average of the closing price of approximately HK\$1.862 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day after taking into account the effect of the Share Consolidation;
- (iii) a discount of approximately 97.36% to the equivalent average closing price of approximately HK\$3.882 per Consolidated Share based on the average of the closing price of approximately HK\$1.941 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day after taking into account the effect of the Share Consolidation;

- (iv) a discount of approximately 97.25% to the equivalent average closing price of approximately HK\$3.729 per Consolidated Share based on the average of the closing price of approximately HK\$1.864 per Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day after taking into account the effect of the Share Consolidation;
- (v) a premium of approximately HK\$0.1882 over the audited net liabilities value per Consolidated Share of approximately HK\$0.0857 based on the published audited consolidated net liabilities of the Company of approximately HK\$43.31 million as at 31 December 2017 and the issued share capital of 505,250,000 Consolidated Shares upon the Share Consolidation becoming effective; and
- (vi) a discount of approximately 0.29% to the unaudited net asset value per Consolidated Share of approximately HK\$0.1028 based on the unaudited pro forma consolidated net assets of the Enlarged Group of approximately HK\$51.96 million as at 31 December 2017 and the issued share capital of 505,250,000 Consolidated Shares upon the Share Consolidation becoming effective.

The Placing Price of HK\$0.1025 per Placing Share, which is equivalent to the Conversion Price, Offer Price and Issue Price, is determined having taken into account, among other things, the prolonged suspension of trading in the Shares.

It is expected that the gross and net proceeds from the Share Placing (after deducting commission) will amount to approximately HK\$77.68 million and approximately 75.74 million respectively. The net placing price of each Placing Share is approximately HK\$0.10.

### **Commission of the Share Placing**

The Placing Agent will receive a placing commission of 2.50% of the amount equal to the Placing Price multiplied by 757,875,000 Placing Shares. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size, the current market condition and the time allowed for the Placing Agent to procure Placées for the Share Placing. The Directors are of the view that the placing commission payable under the Share Placing is fair and reasonable.

### **Conditions precedent to the Placing Agreement**

- (i) the Listing Committee agreeing to grant a listing of, and permission to deal in, the Placing Shares;
- (ii) the passing by the Shareholders (other than those shareholders who are prohibited from or required to abstain from voting on the relevant resolutions under the articles of association of the Company or the Listing Rules or the Takeovers Code) at the EGM of resolution(s) to approve the Placing Agreement and the transaction contemplated thereunder;

- (iii) the Stock Exchange granting approval for the Resumption;
- (iv) the Share Consolidation having become effective; and
- (v) the Acquisition Agreement having become unconditional (other than the condition for the Placing Agreement to become unconditional).

The Company shall use its best endeavours to procure the fulfillment of the conditions as set out thereon and in the event the conditions as set out thereon is not fulfilled by 26 June 2018 (or such later date as may be agreed by the parties in writing hereto), all rights, obligations and liabilities of the parties thereunder in relation to the Share Placing shall cease and determine and neither of the parties shall have any claim against the others in respect of the Share Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

### **Termination and force majeure of the Placing Agreement**

Notwithstanding anything contained in the Placing Agreement to the contrary, the Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the completion date of the Share Placing to terminate the Placing Agreement if:

- (i) any Specified Event pursuant to the Placing Agreement comes to the notice of the Placing Agent; or
- (ii) there develops, occurs or comes into force:
  - a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Company as a whole; or
  - b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date thereof) of a political, military, economic or other nature (whether or not *ejusdem generis* with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Share Placing; or
  - c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Share Placing; or

- (iii) there is any adverse change in the business or in the financial or trading position of the Company taken as a whole which being unaware of by the Placing Agent and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Share Placing.

If notice is given pursuant to the Placing Agreement, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

### **Completion of the Share Placing**

Completion of the Share Placing will take place on the date of the Acquisition Completion (which will be simultaneously with or immediately after the Acquisition Completion).

### **Reasons for and benefits of the Share Placing and Use of Proceeds**

The Share Placing is inter-conditional with the Acquisition. The Company and the Vendors have agreed, and are intended, to broaden the Shareholders base of the Company through the Share Placing.

It is expected that the gross and net proceeds from the Share Placing will amount to approximately HK\$77.68 million and approximately HK\$75.74 million respectively. The Company intends to use the net proceeds from the Share Placing to expand and develop the business of the Enlarged Group upon Acquisition Completion.

The Directors have considered alternative fund raising methods such as bank borrowings and rights issue. However, taking into account: (i) bank loans and/or other borrowings with interest rate will inevitably increase the interest burden and adversely affect the financial position of the Group; (ii) equity fund raising methods will provide a good opportunity to the Company to raise additional funds and enhance its working capital and financial position; and (iii) apart from the proposed Open Offer, the Share Placing will further broaden the Shareholders' base by involving more new independent Shareholders to participate in the development of the Enlarged Group, the Directors are of the view the Share Placing, together with the Open Offer, is in the interests of the Company and the Shareholders as a whole.



## THE OPEN OFFER

The Company proposes to raise approximately HK\$10.36 million, before expenses, by way of the Open Offer involving the allotment and issue of 101,050,000 Offer Shares at the Offer Price of HK\$0.1025 per Offer Share on the basis of one (1) Offer Share for every five (5) Consolidated Shares held on the Record Date (assuming that no Shares or Consolidated Shares (upon Share Consolidation becoming effective) to be issued or repurchased by the Company except for the allotment and issue of the Consideration Shares, Placing Shares and the conversion of Consideration CBs in full from the date of this announcement and up to the Record Date).

### Issue details

Basis of the Open Offer	One (1) Offer Share for every five (5) Consolidated Shares held by the Qualifying Shareholders on the Record Date
Offer Price	HK\$0.1025 per Offer Share
Number of Shares in issue as at the date of this announcement	1,010,500,000 Shares
Number of Consolidated Shares expected to be in issue as at the Record Date	505,250,000 Consolidated Shares
Number of Offer Shares expected to be issued	101,050,000 Offer Shares

### The Offer Price

The Offer Price represents:

- (i) a discount of approximately 96.95% to the equivalent closing price of HK\$3.360 per Consolidated Share based on the closing price of the Shares of HK\$1.680 per Share as quoted on the Stock Exchange on the Last Trading Day after taking into account the effect of the Share Consolidation;
- (ii) a discount of approximately 97.25% to the equivalent average closing price of approximately HK\$3.724 per Consolidated Share based on the average of the closing price of approximately HK\$1.862 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day after taking into account the effect of the Share Consolidation;

- (iii) a discount of approximately 97.36% to the equivalent average closing price of approximately HK\$3.882 per Consolidated Share based on the average of the closing price of approximately HK\$1.941 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day after taking into account the effect of the Share Consolidation;
- (iv) a discount of approximately 97.25% to the equivalent average closing price of approximately HK\$3.729 per Consolidated Share based on the average of the closing price of approximately HK\$1.864 per Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day after taking into account the effect of the Share Consolidation;
- (v) a premium of approximately HK\$0.1882 over the audited net liabilities value per Consolidated Share of approximately HK\$0.0857 based on the published audited consolidated net liabilities of the Company of approximately HK\$43.31 million as at 31 December 2017 and the issued share capital of 505,250,000 Consolidated Shares upon the Share Consolidation becoming effective; and
- (vi) a discount of approximately 0.29% to the unaudited net asset value per Consolidated Share of approximately HK\$0.1028 based on the unaudited pro forma consolidated net assets of the Enlarged Group of approximately HK\$51.96 million as at 31 December 2017 and the issued share capital of 505,250,000 Consolidated Shares upon the Share Consolidation becoming effective.

The Offer Price of HK\$0.1025 per Offer Share, which is equivalent to the Conversion Price, Placing Price and Issue Price, is determined having taken into account, among other things, the prolonged suspension of trading in the Shares.

### **The Offer Shares**

Assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Record Date, the maximum number of 101,050,000 Offer Shares to be issued and allotted represents:

- (i) approximately 20.00% of the entire issued share capital of the Company (assuming the Share Consolidation has become effective) as at the date of this announcement;
- (ii) approximately 16.67% of the entire issued share capital of the Company (assuming the Share Consolidation has become effective) as enlarged by the allotment and issue of the Offer Shares but before the allotment and issue of the Consideration Shares, the Conversion Shares and the Placing Shares;

- (iii) approximately 2.30% of the entire issued share capital of the Company (assuming the Share Consolidation has become effective) as enlarged by the allotment and issue of the Offer Shares and the Consideration Shares but before the allotment and issue of the Conversion Shares and the Placing Shares;
- (iv) approximately 1.79% of the entire issued share capital of the Company (assuming the Share Consolidation has become effective) as enlarged by the allotment and issue of the Offer Shares, the Consideration Shares, the Conversion Shares upon the exercise of Consideration CBs in full but before the allotment and issue of the Placing Shares; and
- (v) approximately 1.57% of the entire issued share capital of the Company (assuming the Share Consolidation has become effective) as enlarged by the allotment and issue of the Consideration Shares, the Conversion Shares upon the exercise of the Consideration CBs in full, the Placing Shares and the Offer Shares.

### **Undertaking**

Global Courage, the controlling Shareholder holding approximately 63.50% issued share capital of the Company as at the date of this announcement, which is indirectly wholly-owned by Dr. Choi, the chairman of the Board and an executive Director, has given an undertaking in favour of the Company and the Underwriter that it will take up its entitlement under the Open Offer.

### **Qualifying Shareholders**

To qualify for the Open Offer, each Shareholder must be registered as a member of the Company on the Record Date and must be a Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Consolidated Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 31 May 2018. It is expected that the last day of dealing in the Consolidated Shares on a cum-entitlement basis is Tuesday, 29 May 2018 and the Consolidated Shares will be dealt with on an ex-entitlement basis from Wednesday, 30 May 2018.

Subject to the Open Offer being approved at the EGM and the Share Consolidation becoming effective on Tuesday, 29 May 2018, the Company will despatch the Open Offer Prospectus Documents to each of the Qualifying Shareholders and, for information only, the Open Offer Prospectus to each of the Excluded Shareholders (if any) on or about Friday, 8 June 2018.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of its/his/her entitlement under the Open Offer, its/his/her proportionate shareholding in the Company will be diluted.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable or capable of renunciation and there will not be any trading in the assured entitlements on the Stock Exchange.

### **Rights of the Overseas Shareholders**

The Open Offer Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Board will make enquiries as to whether the issue of the Offer Shares to the Overseas Shareholders, if any, may contravene the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules and result of the enquiries will be included in the Open Offer Prospectus. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to the Excluded Shareholders.

As such, the Open Offer will not be extended to the Excluded Shareholders. The Company will send the Open Offer Prospectus to the Excluded Shareholders for their information only but will not send any application forms in respect of the Open Offer to the Excluded Shareholders. The basis of exclusion of the Excluded Shareholders, if any, from the Open Offer will be disclosed in the Open Offer Prospectus.

### **Closure of register of members**

The register of members of the Company will be closed from Friday, 1 June 2018 to Thursday, 7 June 2018, both dates inclusive, in order to determine the eligibility of the Shareholders to the Open Offer. No transfers of Consolidated Shares will be registered during such book closure period.

### **No application for excess Offer Shares**

The Qualifying Shareholders will not be entitled to subscribe for any Offer Shares in excess of their respective assured entitlements. All Offer Shares (other than 64,167,662 Offer Shares to be subscribed by Global Courage) not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

### **Fractions of Offer Shares**

The Company will not issue any fractions of Offer Shares to the Qualifying Shareholders otherwise entitled thereto. All fractions of Offer Shares will be aggregated and rounded down to the nearest whole number of Offer Shares and taken up by the Underwriter.

### **Certificates and refund cheques for the Offer Shares**

Subject to the Open Offer becoming unconditional, certificates for all fully paid Offer Shares shall be despatched by ordinary post to those Qualifying Shareholders who have accepted and paid for their Offer Shares by Wednesday, 4 July 2018, at their own risk. Refund cheques in respect of the Offer Shares if the Open Offer is terminated shall be despatched by ordinary post to the applicants at their own risk.

### **Conditions precedent to the Open Offer**

Please refer to the below conditions precedents under the section headed “The Underwriting Agreement”.

### **Application for the Offer Shares**

The Company shall make application to the Stock Exchange for the listing of and permission to deal in the Offer Shares.

### **Listing rules implications**

As the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding this announcement and the Open Offer will be fully underwritten by the Underwriter who is (i) not a director, chief executive or substantial shareholder of the Company or an associate of any of them, and (ii) independent third party to the Concert Group, the Open Offer is not subject to the approval by the Shareholders pursuant to Rule 7.24(5) of the Listing Rules.

## **The Underwriting Agreement**

On 2 May 2018, the Company and the Underwriter entered into the Underwriting Agreement pursuant to which the Underwriter has conditionally agreed to fully underwrite the Offer Shares (save for 64,167,662 Offer Shares to be subscribed by Global Courage). Principal terms of the Underwriting Agreement are set out in the following table:

Date	2 May 2018
Parties	(1) the Company; and (2) the Underwriter
Number of the Offer Shares expected to be fully underwritten by the Underwriter	(save for 64,167,662 Offer Shares to be subscribed by Global Courage) an aggregate of 36,882,338 Offer Shares underwritten by the Underwriter
Underwriting commission	2.50%

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter, together with its associates, is an independent third party to the Group, the Target Group and the Concert Group, as well as an independent third party to the connected person(s) of the Group, the Target Group and the Concert Group.

## **Termination of the Underwriting Agreement**

If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement, if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or higher or a "black" rainstorm warning is or remains hoisted between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or higher or a "black" rainstorm warning is or remains hoisted between 9:00 a.m. and 4:00 p.m. on that day):

- (i) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Enlarged Group as a whole or is materially adverse in the context of the Open Offer; or

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Enlarged Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out.

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement (save and except the clause stated in the Underwriting Agreement which shall remain in full force and effect and save further that the Company shall pay the fees and expenses specified in the clause under the Underwriting Agreement) shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches. For the avoidance of doubt, the Underwriter shall not be entitled to give a notice at any time after its obligations have terminated pursuant to the Underwriting Agreement.

If the Underwriting Agreement is terminated by the Underwriter at such time before the Latest Time for Termination but after the Underwriter has in accordance with the Underwriting Agreement paid or procured payment to the Company of the aggregate Offer Price in respect of the Underwritten Shares for which the Underwriter is obliged to subscribe or procure subscription under the provisions of the Underwriting Agreement, the Company shall, not later than the end of the second Business Day after (but not including) the date of receipt of the notice of termination issued by the Underwriter pursuant to the Underwriting Agreement, remit to the Underwriter such amount of aggregate Offer Price which it has received from the Underwriter. For the avoidance of doubt, notwithstanding the payment of any sum by or on behalf of the Underwriter to the Company, pursuant to the Underwriting Agreement, shall apply and the amount referred to the Underwriting Agreement in any event shall not be payable.

Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

### **Conditions precedent to the Underwriting Agreement**

The Open Offer is conditional upon:

- i. the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the CWUMPO not later than Open Offer Posting Date;
- ii. the posting of the Open Offer Prospectus Documents to the Qualifying Shareholders and the posting of the Open Offer Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Open Offer Posting Date;
- iii. the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- iv. the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- v. the Listing Division of the Stock Exchange has approved in principle of the resumption of the trading of the Consolidated Shares;
- vi. the Share Consolidation having become effective;



- vii. compliance with and performance of all undertakings and obligations of Global Courage under its undertaking;
- viii. all necessary consents and approvals required to be obtained on the part of the Company in respect of the Underwriting Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect; and
- ix. all necessary consents and approvals required to be obtained on the part of the Underwriter in respect of the Underwriting Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect.

The Company shall use all reasonable endeavours to procure the fulfillment of the conditions set out above by the Latest Time for Termination for the Open Offer under the Underwriting Agreement or such other time as stated in the Underwriting Agreement and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Offer Shares.

All the conditions set out in conditions precedent are incapable of being waived. If the conditions above are not satisfied by the Latest Time for Termination for the Open Offer, or where appropriate, the times stipulated under the Underwriting Agreement, or such later date or dates as the Underwriter may agree with the Company in writing, the underwriting shall terminate and (save in respect of any provisions under the Underwriting Agreement and any rights or obligations which may accrue under the underwriting prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

#### **Reasons for and benefits of the Open Offer and use of proceeds**

The gross proceeds from the Open Offer are approximately HK\$10.36 million and the net proceeds is estimated to be approximately HK\$10.26 million. The net proceeds will be used by the Company for general working capital.

The Directors consider that the Open Offer will enlarge the capital base and strengthen the financial position of the Company so as to facilitate the Enlarged Group's long term development. Also, the Directors believe that it is in the interest of the Company to raise additional capital by way of the Open Offer under which the existing Shareholders are given equal opportunities to participate in the enlargement of capital base of the Company as well as enabling the existing Shareholders to continue to participate in the future development of the Enlarged Group upon completion of all the transactions under the Resumption Proposal at their own wish.

## Fund raising activities involving issue of securities in the past 12 months

The Company has not conducted any equity fund raising activities in the previous 12 months immediately preceding the date of this announcement.

## Effect on the shareholding structure of the Company

For illustration purpose, the following tables illustrate the shareholding of the Company upon the completion of the transactions contemplated in the Announcement:

### (i) Assume full acceptance of the Open Offer

	As at the date of this announcement		(i) Upon the Share Consolidation becoming effective		(ii) immediately after the issue and allotment of Consideration Shares and the completion of Share Placing but before the Conversion Shares to be issued pursuant to the exercise of the Consideration CBs		(iii) immediately after the issue and allotment of Consideration Shares, the completion of Share Placing and the completion of Open Offer (assume full acceptance) but before the Conversion Shares to be issued pursuant to the exercise of the Consideration CBs		(iv) immediately after the issue and allotment of Consideration Shares and Conversion Shares pursuant to the exercise of the Consideration CBs in full, the completion of Share Placing and the completion of Open Offer (assume full acceptance)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Global Courage (Note 1)	641,676,629	63.50	320,838,314	63.50	—	—	—	—	—	—
The Concert Group										
— Vendor I	—	—	—	—	3,547,612,875	70.22	3,547,612,875	68.84	4,730,150,500	73.72
— Vendor II	—	—	—	—	111,407,625	2.20	111,407,625	2.16	148,543,500	2.31
— Vendor III	—	—	—	—	84,503,062	1.67	84,503,062	1.64	112,670,750	1.76
— Vendor IV	—	—	—	—	44,714,625	0.89	44,714,625	0.87	59,619,500	0.93
— Vendor V	—	—	—	—	1,136,813	0.02	1,136,813	0.02	1,515,750	0.02
Sub-total	—	—	—	—	3,789,375,000	75.00	3,789,375,000	73.53	5,052,500,000	78.74
Public Shareholders										
— Existing public Shareholders	368,823,371	36.50	184,411,686	36.50	184,411,686	3.65	221,294,024	4.29	221,294,024	3.45
— Global Courage (Note 1)	—	—	—	—	320,838,314	6.35	385,005,976	7.47	385,005,976	6.00
— Places of Share Placing	—	—	—	—	757,875,000	15.00	757,875,000	14.71	757,875,000	11.81
Sub-total	368,823,371	36.50	184,411,686	36.50	1,263,125,000	25.00	1,364,175,000	26.47	1,364,175,000	21.26
Total	1,010,500,000	100.00	505,250,000	100.00	5,052,500,000	100.00	5,153,550,000	100.00	6,416,675,000	100.00

**(ii) Assume no acceptance of the Open Offer**

	As at the date of this announcement		(i) Upon the Share Consolidation becoming effective		(ii) immediately after the allotment and issue of Consideration Shares and the completion of Share Placing but before the Conversion Shares to be issued pursuant to the exercise of the Consideration CBs		(iii) immediately after the allotment and issue of Consideration Shares, the completion of Share Placing and the completion of Open Offer (assume no acceptance from the existing public Shareholders) but before the Conversion Shares to be issued pursuant to the exercise of the Consideration CBs		(iv) immediately after the issue and allotment of Consideration Shares and Conversion Shares pursuant to the exercise of the Consideration CBs in full, the completion of Share Placing and the completion of Open Offer (assume no acceptance from the existing public Shareholders)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Global Courage (Note 1)	641,676,629	63.50	320,838,314	63.50	—	—	—	—	—	—
The Concert Group										
— Vendor I	—	—	—	—	3,547,612,875	70.22	3,547,612,875	68.84	4,730,150,500	73.72
— Vendor II	—	—	—	—	111,407,625	2.20	111,407,625	2.16	148,543,500	2.31
— Vendor III	—	—	—	—	84,503,062	1.67	84,503,062	1.64	112,670,750	1.76
— Vendor IV	—	—	—	—	44,714,625	0.89	44,714,625	0.87	59,619,500	0.93
— Vendor V	—	—	—	—	1,136,813	0.02	1,136,813	0.02	1,515,750	0.02
Sub-total	—	—	—	—	3,789,375,000	75.00	3,789,375,000	73.53	5,052,500,000	78.74
Public Shareholders										
— Existing public Shareholders	368,823,371	36.50	184,411,686	36.50	184,411,686	3.65	184,411,686	3.57	184,411,686	2.87
— Global Courage (Note 1)	—	—	—	—	320,838,314	6.35	385,005,976	7.47	385,005,976	6.00
— Places of Share Placing	—	—	—	—	757,875,000	15.00	757,875,000	14.71	757,875,000	11.81
— The Underwriter	—	—	—	—	—	—	36,882,338	0.72	36,882,338	0.58
Sub-total	368,823,371	36.50	184,411,686	36.50	1,263,125,000	25.00	1,364,175,000	26.47	1,364,175,000	21.26
Total	1,010,500,000	100.00	505,250,000	100.00	5,052,500,000	100.00	5,153,550,000	100.00	6,416,675,000	100.00

**Note:**

(1) The 641,676,629 Shares, prior to the Share Consolidation becoming effective, are held by Global Courage Limited. Global Courage Limited is wholly-owned by Head and Shoulders Direct Investment Limited, which in turn is wholly-owned by Dr. Choi. Thus, Head and Shoulders Direct Investment Limited and Dr. Choi are deemed to be interested in the 641,676,629 Shares held by Global Courage Limited pursuant to the SFO. Upon Resumption, Dr. Choi will resign as executive Director.

## EXPECTED TIMETABLE

*The expected timetable for the Share Consolidation, the Acquisition, the Share Placing, the Disposal and the Open Offer is set out below:*

<b>Event</b>	<b>Expected time and date</b>
Despatch of the circular . . . . .	Wednesday, 9 May 2018
Latest time for lodging transfers of Shares in order to qualify for the attendance and voting at the EGM . . . . .	4:30 p.m. on Wednesday, 23 May 2018
Register of members closes to determine the qualification for attendance and voting at the EGM (both dates inclusive) . . . . .	Thursday, 24 May 2018 to Monday, 28 May 2018
Latest time and date for lodging proxy forms for the EGM . . . . .	11:00 a.m. on Saturday, 26 May 2018
Record date for the EGM . . . . .	Monday, 28 May 2018
Date and time of the EGM . . . . .	11:00 a.m. on Monday, 28 May 2018
Announcement of results of the EGM. . . . .	Monday, 28 May 2018
<b>If approvals sought at the EGM are obtained:</b>	
Expected effective date of the Share Consolidation and change of board lot size . . . . .	Tuesday, 29 May 2018
Free exchange of existing Share Certificates for Consolidated Share Certificates Commences . . . . .	Tuesday, 29 May 2018
Last day of cum-entitlements of the Open Offer. . . . .	Tuesday, 29 May 2018
First day of ex-entitlements of the Open Offer. . . . .	Wednesday, 30 May 2018
Latest time for lodging transfer of Consolidated Shares in order to qualify for the Open Offer . . . . .	4:30 p.m. on Thursday, 31 May 2018
Register of members closes to determine the entitlement to qualify for the Open Offer (both dates inclusive) . . . . .	Friday, 1 June 2018 to Thursday, 7 June 2018

<b>Event</b>	<b>Expected time and date</b>
Record Date for the Open Offer . . . . .	Thursday, 7 June 2018
Register of members re-opens . . . . .	Friday, 8 June 2018
Despatch of the Open Offer Prospectus Documents . . . . .	Friday, 8 June 2018
Latest Time for Acceptance of and payment for the Offer Shares . . . . .	4:00 p.m. on Monday, 25 June 2018
Latest Time for Termination of the Underwriting Agreement . . . . .	5:00 p.m. on Tuesday, 26 June 2018
Announcement of the results of the Open Offer . . . . .	Tuesday, 3 July 2018
Despatch of certificates for the Offer Shares . . . . .	Wednesday, 4 July 2018
Completion of the Acquisition, the Share Placing and the Disposal . . . . .	Wednesday, 4 July 2018
Announcement of the completion of the Acquisition, the Share Placing and the Disposal . . . . .	Wednesday, 4 July 2018
Despatch of refund cheques if the Open Offer is terminated . . . . .	Wednesday, 4 July 2018
Last day of free exchange of existing certificates for new certificates for Consolidated Shares . . . . .	Thursday, 5 July 2018
Expected date of Resumption. . . . .	Friday, 6 July 2018
Dealing in Consolidated Shares and Offer Shares commences . . . . .	Friday, 6 July 2018
Odd lot matching arrangement commences . . . . .	Friday, 6 July 2018
Odd lot matching arrangement ends . . . . .	Thursday, 26 July 2018

*All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.*

## **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES**

The latest time for acceptance of and payment for the Offer Shares will be postponed if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning
  - (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same Business Day; or
  - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the latest time for acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Offer Shares is postponed in accordance with the foregoing, the dates mentioned in the above “EXPECTED TIMETABLE” may be affected. An announcement will be made by the Company in such event.

### **GENERAL**

As disclosed in the Announcement, the Company will despatch a circular in accordance with requirements under the Listing Rules and the Takeovers Code, which will contain, among other things, further details of (i) the Share Consolidation; (ii) the Acquisition; (iii) reverse takeover involving a new listing application; (iv) the Disposal; (v) the Share Placing; (vi) the Open Offer; (vii) the Whitewash Waiver; (viii) the appointment of proposed Directors; (ix) the recommendation of the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Disposal, the Whitewash Waiver and the transactions contemplated thereunder; and (x) the notice of EGM. The circular will be despatched on or about 9 May 2018.

The Open Offer Prospectus Documents setting out details of the proposed Open Offer are expected to be sent to the Qualifying Shareholders on or about 8 June 2018. The Open Offer Prospectus (but not the application form) will be despatched to the Excluded Shareholders for information only.

## **WARNING**

The Share Placing is conditional, *inter alia*, upon the fulfillment or waiver of the conditions set out under the section headed “Conditions precedent to the Placing Agreement” of this announcement. The Open Offer is conditional, *inter alia*, upon the fulfillment or waiver of the conditions set out under the section headed “Conditions precedent to the Underwriting Agreement” of this announcement. In particular, the Open Offer is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out under the section headed “Termination of the Underwriting Agreement” in this announcement. Accordingly, the Share Placing and the Open Offer may or may not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares/Consolidated Shares up to the date when the conditions of the Share Placing and Open Offer are fulfilled or waived will bear the risk that the Share Placing and the Open Offer might not become unconditional and may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares/Consolidated Shares.

## **CONTINUED SUSPENSION OF TRADING IN THE SHARES**

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

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 21 November 2016 (as amended and restated on 20 February 2017 and supplemented on 30 June 2017, 30 October 2017 and 30 April 2018) entered into between the Company and the Vendors in relation to the Acquisition
“Acquisition Completion”	the completion of the Acquisition pursuant to the terms of the Acquisition Agreement
“acting in concert”	has the meaning ascribed to the term under the Takeovers Code

“Announcement”	the announcement of the Company dated 7 August 2017 in relation to, among other things, the Share Consolidation, the Acquisition, reverse takeover involving new listing application, the Disposal, the Share Placing, the Open Offer, the application of Whitewash Waiver and the change of Directors
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, a Sunday or public holidays and days on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business throughout their normal business hours in Hong Kong
“Company”	Daqing Dairy Holdings Limited (大慶乳業控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 1007)
“Completion”	the Acquisition Completion and the completion of Disposal
“Concert Group”	the Vendors and any parties acting in concert with any of them
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$517,881,250, being the aggregate consideration for the Acquisition
“Consideration CBs”	the 5-year zero coupon convertible bonds in the aggregate principal amount of up to HK\$129,470,312.50 to be issued by the Company to the Vendors (or their respective nominees) upon Acquisition Completion pursuant to the terms of the Acquisition Agreement to satisfy part of the Consideration
“Consideration Shares”	an aggregate of 3,789,375,000 new Consolidated Shares to be allotted and issued by the Company to the Vendors (or their respective nominees) upon Acquisition Completion at the Issue Price pursuant to the terms of the Acquisition Agreement to satisfy part of the Consideration
“Consolidated Share(s)”	ordinary share(s) of HK\$0.00002 each in the share capital of the Company upon the Share Consolidation becoming effective



“Conversion Price”	the initial conversion price of HK\$0.1025 per Conversion Share (subject to adjustment)
“Conversion Share(s)”	a maximum of 1,263,125,000 new Consolidated Shares to be allotted and issued upon exercise of the conversion rights attaching to the Consideration CBs
“CWUMPO”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal by the Company of the entire issued share capital of Global Milk Singapore (as defined in the Announcement) and its subsidiaries pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement dated 21 November 2016 (and supplemented on 30 June 2017, 30 October 2017 and 30 April 2018) entered into between the Company and the Disposal Purchaser in relation to the Disposal
“Disposal Purchaser” or “Mr. Jiang”	Mr. Jiang Jianhui (姜建輝), the purchaser of the Disposal Group (as defined in the Announcement) under the Disposal Agreement, who is an Independent Third Party
“Dr. Choi”	Dr. Choi Chiu Fai Stanley, the chairman of the Board and an executive Director
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, among other things, seeking approval from the Independent Shareholders in respect of (i) the Share Consolidation; (ii) the Acquisition; (iii) the Whitewash Waiver; (iv) the Disposal; (v) the Share Placing; and (vi) the appointment of proposed Directors, and the transactions contemplated thereunder
“Enhanced Securities”	Enhanced Securities Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the Underwriter under the Underwriting Agreement and the Placing Agent under the Placing Agreement

“Enlarged Group”	the Group as enlarged by the Target Group and excluding the Disposal Group (as defined in the Announcement) upon Completion
“Excluded Shareholder(s)”	those Overseas Shareholders whom the Directors, after making relevant enquiry as required under the Listing Rules, consider their exclusion from the Open Offer to be necessary or expedient on account of either the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Global Courage”	Global Courage Limited, a company incorporated in the British Virgin Islands with limited liability, which is ultimately owned by Dr. Choi
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	the Shareholders, excluding (i) the Concert Group, (ii) those who are involved or interested in a way which is different to other Shareholders in the Resumption Proposal and (iii) those who are required to abstain from voting at the EGM to be convened in accordance with the Listing Rules, the Takeovers Code and other applicable laws, rules and regulations
“Independent Third Party(ies)”	individual(s) or company(ies), who or which as far as the Directors are aware after having made all reasonable enquiries, is/are not connected with the Company and its connected person(s)
“Issue Price”	HK\$0.1025 per Consideration Share
“Last Trading Day”	21 March 2012, being the last trading day of the Shares prior to the date of the Resumption Proposal
“Latest Time for Acceptance”	4:00 p.m. on Monday, 25 June 2018 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the Offer Shares as described in the Open Offer Prospectus
“Latest Time for Termination”	5:00 p.m. on Tuesday, 26 June 2018 or such other time as may be agreed between the Company and the Underwriter, being the Business Day after the Latest Time for Acceptance

“Listing Committee”	the Listing Committee of Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	HK\$0.1025 per Offer Share
“Offer Share(s)”	101,050,000 new Consolidated Shares to be issued by the Company pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares at the Offer Price on the basis of one (1) Offer Share for every five (5) Consolidated Shares held on the Record Date
“Open Offer Posting Date”	Friday, 8 June 2018 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Open Offer Prospectus Documents to the Qualifying Shareholders or the Open Offer Prospectus to the Excluded Shareholders
“Open Offer Prospectus”	the prospectus to be issued by the Company in connection with the Open Offer
“Open Offer Prospectus Documents”	the Open Offer Prospectus and the application form(s) to be despatched by the Company to the Qualifying Shareholders in connection with the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are in (a) place(s) outside Hong Kong
“Placee(s)”	any individuals, corporate, institutional investors or other investors to be procured by the placing agent and/or its sub-placing agent(s) under the Share Placing
“Placing Agent”	Enhanced Securities
“Placing Agreement”	a placing agreement dated 2 May 2018 entered into between the Company and the Placing Agent in relation to the Share Placing
“Placing Price”	HK\$0.1025 per Placing Share
“Placing Shares”	757,875,000 new Consolidated Shares to be issued by the Company pursuant to the Share Placing

“PRC” or “China”	the People’s Republic of China, for the purposes of this announcement and for geographical reference only, excludes Taiwan, the Macao Special Administrative Region and Hong Kong (unless otherwise indicated)
“Qualifying Shareholder(s)”	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company on the Record Date
“Record Date”	Thursday, 7 June 2018, or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Open Offer
“Resumption”	the resumption of trading in the shares of the Company on the Stock Exchange
“Resumption Proposal”	the resumption proposal (as supplemented by subsequent submission(s) by the Company) submitted by the Company to the Stock Exchange on 22 November 2016 for the purpose of the Resumption which includes, among other things, the Acquisition, the Disposal, the Share Placing, the Open Offer and information of the Target Group
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.00001 each of the existing share capital of the Company
“Share Consolidation”	the consolidation of every two (2) issued and unissued Shares of HK\$0.00001 each into one Consolidated Share of HK\$0.00002
“Shareholder(s)”	holder(s) of the Share(s), or the Consolidated Share(s), as the case may be
“Share Placing”	the proposed placing of the Placing Shares at the Placing Price on fully underwritten basis to not less than six (6) Placees, whom and whose ultimate beneficial owners are Independent Third Parties and independent to the Concert Group, for subscription of the Placing Shares
“Singapore”	the Republic of Singapore

“Specified Event”	any event occurring or matter arising on or after the date of the Placing Agreement or the Underwriting Agreement (as the case may be) and prior to Completion or the Latest Time for Termination, which if it had occurred or arisen before the date of the Placing Agreement or the Underwriting Agreement (as the case may be) would have rendered any of the undertakings, warranties and representations contained in the Placing Agreement or the Underwriting Agreement (as the case may be) untrue or incorrect and such would have an adverse impact or effect on the Share Placing or the Open Offer, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Longhui International Catering Management Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 19 August 2016
“Target Group”	the Target Company and its subsidiaries after completion of the Reorganisation (as defined in the Announcement)
“Underwriter”	Enhanced Securities
“Underwriting Agreement”	an underwriting agreement dated 2 May 2018 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	an aggregate of 36,882,338 Offer Shares underwritten by the Underwriter
“Vendors”	Vendor I, Vendor II, Vendor III, Vendor IV and Vendor V, collectively, who are all Independent Third Parties
“Vendor I” or “Mr. Hung”	Mr. Hung Shui Chak (洪瑞澤) (formerly known as Hung Pan (洪斌))
“Vendor II” or “Ms. Hung”	Ms. Hung Ying (洪瑩), elder sister of Mr. Hung
“Vendor III” or “Mr. Ho”	Mr. Ho, Roy Poon Kwong (何磐光)
“Vendor IV” or “Mr. So”	Mr. So Kam Chuen (蘇錦存)

“Vendor V” or  
“Ms. Sezto” Ms. Sezto Yuen Man (司徒婉雯)

“Whitewash Waiver” a waiver from the obligation of the Vendors to make a mandatory general offer to other Shareholders in respect of the Consolidated Shares (other than those already owned or agreed to be acquired by the Vendors) as a result of the allotment and issue of Consideration Shares pursuant to Note 1 on the dispensations from Rule 26 of the Takeovers Code

% per cent.

For and on behalf of  
**Daqing Dairy Holdings Limited**  
**Choi Chiu Fai Stanley**  
*Chairman*

Hong Kong, 2 May 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.*

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