

**APPLICATION FOR THE WAIVER OF COMPLIANCE WITH RULES 707(1) AND
707(2) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE
SECURITIES TRADING LIMITED**

1. INTRODUCTION

The board of directors (the “**Board**”, or “**Directors**”) of China Dairy Group Ltd. (the “**Company**”) refers to the joint announcement dated 30 December 2015 (the “**Joint Announcement**”) made by the Company and Winner International Investments Limited (the “**Offeror**”) in relation to the proposed voluntary delisting of the Company (the “**Proposed Delisting**”) from the Official List of the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST (“**Listing Manual**”) (the “**Delisting Proposal**”).

All capitalised terms used and not defined herein shall have the same meanings given to them in the Joint Announcement, unless otherwise expressly stated or the context otherwise requires.

2. WAIVER SOUGHT FROM THE SGX-ST

The Board wishes to announce that, in connection with the Proposed Delisting, on 5 February 2016, an application was made by the Company to the SGX-ST to seek a waiver from the SGX-ST from the requirements to:

- (a) convene its forthcoming annual general meeting (“**AGM**”) for the financial year ended 31 December 2015 pursuant to Rule 707(1) of the Listing Manual; and
- (b) issue and dispatch its annual report for the financial year ended 31 December 2015 (the “**AR2015**”) to the shareholders of the Company (“**Shareholders**”) and the SGX-ST at least 14 days before the date of the AGM pursuant to Rule 707(2) of the Listing Manual,

(collectively, the “**Waiver Application**”).

The Company will update the Shareholders on the outcome of the Waiver Application in due course.

3. BACKGROUND AND REASONS FOR THE WAIVER APPLICATION

3.1 Assurance of Shareholders' Approval for the Proposed Delisting

- (a) As stated in paragraph 6.1 of the Joint Announcement, the Proposed Delisting and the Exit Offer will be conditional on:
 - (i) the Delisting Resolution (as defined in paragraph 3.1(b)(i) below) (A) being approved by a majority of at least 75% of the total number of issued Shares held by the Shareholders present and voting, on a poll, either in person or by proxy at the extraordinary general meeting (the “**EGM**”) to be convened for the Shareholders to vote on the Delisting Resolution (the Directors and controlling Shareholders need not abstain from voting on the Delisting Resolution) and (B) not being voted against by 10% or more of the total number of issued Shares held by the Shareholders present and voting, on a

poll, either in person or by proxy at the EGM (collectively, the **"Delisting Resolution Approval Condition"**);

- (ii) confirmation by the SGX-ST that it has no objection to the Proposed Delisting, subject to the satisfaction of the Delisting Resolution Approval Condition; and
 - (iii) the Offeror having received, by the close of the Exit Offer, valid acceptances in respect of such number of Offer Shares which, together with Shares owned, controlled or agreed to be acquired by the Offeror either before or during the Exit Offer, pursuant to the Exit Offer or otherwise, will result in the Offeror and persons acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the close of the Exit Offer.
- (b) As stated in paragraph 6.3 of the Joint Announcement:
- (i) the Offeror holds 212,424,000 shares, representing approximately 48.32% of the total number of issued ordinary shares in the capital of the Company (the **"Shares"**) and the Offeror has stated its intention to vote all the Shares held by it in favour of the resolution for the Proposed Delisting of the Company (the **"Delisting Resolution"**); and
 - (ii) Oasis Ventures Limited (the **"Undertaking Shareholder"**) holds (through its nominee, Bank of Singapore Nominees Pte Ltd) 129,700,000 Shares (the **"Undertaking Shares"**) representing approximately 29.5% of the total number of issued Shares and has, pursuant to an irrevocable undertaking, irrevocably undertaken to attend, and to procure that its nominee attend and vote all the Undertaking Shares in favour of the Delisting Resolution and/or other matters in connection with the Proposed Delisting.

Accordingly, the aggregate shareholding percentage which will vote in favour of the Proposed Delisting at the EGM will be at least 77.82% of the total number of issued Shares.

- (c) Subject to the confirmation by the SGX-ST that it has no objection to the Proposed Delisting, it is envisaged that the Delisting Resolution will be approved (should it not be voted against by 10% or more of the total number of Shares held by the Shareholders present and voting at the EGM to seek approval of the Shareholders for the Proposed Delisting) and the Company will very likely be delisted from the Official List of the SGX-ST.

3.2 Not prejudicial to interests of Shareholders

The Company has on 29 February 2016 announced its unaudited financial results for the financial year ended 31 December 2015 (the **"FY2015 Results Announcement"**). The FY2015 Results Announcement contains the pertinent financial information of an annual report, albeit on an unaudited basis. The unaudited full year financial results will also be incorporated in the circular to be issued to the Shareholders in relation to the Proposed Delisting and Exit Offer and consequently, the interests of the Shareholders in respect of access to updated financial information of the Company would not be prejudiced. The Company believes that in such circumstances, Shareholders generally would not be overly concerned if the AGM and the AR2015 are deferred until 30 June 2016.

3.3 Saving of unnecessary costs to the Company

The shares of the Company are expected to be delisted from the Official List of the SGX-ST in or around end April or early May 2016. As the Company would be delisted from the Official List of the SGX-ST shortly, the Company would like to avoid incurring unnecessary costs in relation to the time and expense in preparing for the issuance of the AR2015 and other

preparatory work for the convening of the AGM for public Shareholders in view of the present circumstances as mentioned above.

3.4 Continued compliance with the Companies Act

The Company will continue to be subject to the requirements set out under the Companies Act (Chapter 50 of Singapore) (the “**Companies Act**”) on the conduct of AGM. Shareholders who do not accept the Exit Offer and do choose to remain as shareholders in the Company will not be prejudiced as they will have the opportunity to participate in the AGM to be carried out, when the Company has been delisted, in the manner and pursuant to the requirements set out under the Companies Act.

Under the Companies Act, the Company is required to conduct its AGM by 30 April 2016. The Company is concurrently seeking approval from the Accounting and Corporate Regulatory Authority for an extension of time up to 30 June 2016 to hold the AGM.

4. **OTHERS**

Further information on the Proposed Delisting, the advice of the independent financial advisor (the “**IFA**”) to the Directors who are considered independent for the purposes of the Delisting Proposal and the Exit Offer (the “**Independent Directors**”), and the recommendation of the Independent Directors in relation to the Exit Offer and the Delisting Proposal, will be set out in the circular to be issued by the Company in connection with the Proposed Delisting (the “**Circular**”) to Shareholders to be despatched by the Company in due course.

In the meantime, Shareholders are advised to exercise caution when dealing in their Shares and refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the recommendation of the Independent Directors as well as the advice of the IFA as set out in the Circular.

5. **DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this announcement relating to the Company (excluding information relating to the Delisting Proposal, the Exit Offer, the Offeror, including the Relevant Persons, and the Irrevocable Undertaking) are fair and accurate and that, where appropriate, no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading.

Where any information in this announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, an Offeror Director or the Undertaking Shareholder, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement. The Directors jointly and severally accept responsibility accordingly.

By Order of the Board

CHINA DAIRY GROUP LTD.

Liu Huaguo
Executive Chairman
2 March 2016