



Brand Expansion

Shenbei Liquid Milk Processing Plant Commenced Operations, Further Expanding Nationwide

As Huishan Dairy continuously promoted its brand awareness in target sales areas and further expanded sales channels in target markets, the existing processing plant capacity could no longer keep pace with the development of its downstream business as demand increases. In April 2015, the Shenbei liquid milk processing plant has commenced operations with planned liquid milk production capacity of 620,000 tonnes per year. The new plant not only strengthens the existing liquid milk business in the Northeastern region, but also lays a strong foundation for the expansion of "Huishan" liquid milk products into key markets nationwide.

Officially Entered the East China Market by Establishing Regional Brand with a Convincing Approach to Become a National Dairy Enterprise

To accelerate market penetration of Huishan Dairy across China, Huishan Dairy and the wholly-owned subsidiary of Nantong Zongyi Investment Co., Limited, Alpha Spring have announced to invest in the establishment of a vertically-integrated dairy value chain in Jiangsu Province, China on 13 November 2014. The joint venture, Huishan Dairy Development (Shanghai) Co., Limited has been established on 18 May 2015, and officially launched the East China business operations. The establishment of the joint venture will allow Huishan Dairy to expand its business from its home base in Liaoning across other pasteurized milk markets including Shanghai, Jiangsu, Zhejiang and Anhui. Industry experts believe such developments indicate Huishan Dairy's nationwide expansion, entering end markets outside of Northeastern China by establishing regional brand, developing towards a national dairy enterprise.

Establishment of JV with FrieslandCampina has been Completed by Obtaining the Approval from the Ministry of Commerce, and Will Launch New IMF Brand in China

In October 2014, Huishan Dairy and FrieslandCampina announced plan to establish a strategic 50-50 joint venture to locally manufacture, market and sell new IMF products in China. The Chinese Ministry of Commerce approved the JV establishment on 25 March 2015. The two parties completed the joint venture establishment agreement on 1 April 2015. The consideration of US\$112,685,230.42 (equivalent to approximately RMB692,000,000) was paid by FrieslandCampina to Huishan BVI for the sale of shares. As a term of the agreement, FrieslandCampina has committed to purchase shares of Huishan Dairy on the market for an amount equal to at least US\$30 million, such shares shall be subject to a six year lock up period.

Development of Vertically-Integrated Value Chain

Implemented Two-Harvest Grass Plantation, Facilitated Agricultural Development in Shenyang and Liaoning with Strong Support from Local Government to Optimize Development of Vertically-Integrated Value Chain

In 2015, Huishan Dairy has implemented two-harvest grass plantation. Over the years, Huishan Dairy is committed to agricultural modernization, and adhered to the operation philosophy of "good cows, good grass and good milk", constantly providing consumers with safe and high quality dairy products. Currently, Huishan Dairy has over 480,000 mu of alfalfa, corn silage and oats plantation field, continuously providing quality feeds to dairy cows, ensuring the quality of each drop of raw milk. This year, Huishan Dairy has implemented a two-harvest grass plantation project in its oats and corn silage field in Shenbei New District, Shenyang. Benefiting from national, provincial and regional agricultural policies, Huishan Dairy will also employ large sprinkling irrigation system across its plantation fields to achieve a longer growing season. The two-harvest plantation model has revolutionized the Northern region's one-harvest tradition and optimized land efficiency, increasing the variety of feeds for dairy cows.

Annual General Meeting Announcement

22 June 2015 (Monday): Announcement of the annual results for the 12 months ended 31 March 2015
23 June 2015 (Tuesday): Investor presentation and press conference in Hong Kong

Updates

Mr. Eddie So is Named Among China's Top Ten CFOs by CFO World Magazine

CFO, Mr. Eddie So has been highly approved by the award committee, and has been named among China's top ten CFOs in the "China's Top Ten CFOs of 2014" award by CFO World Magazine. The professional committee members have acknowledged Huishan Dairy's achievements in 2014. As Huishan Dairy's CFO, Mr. Eddie So has performed brilliantly and impressed the committee members. Represented by Mr. Eddie So, all the top CFOs awarded will lead their companies to deliver long-term growth for investors.



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