

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase, subscribe for or otherwise deal in the securities of Mengniu, the Offeror or Yashili nor is it a solicitation of any vote or approval in any jurisdiction. This announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.



CHINA MENGNIU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2319)



Yashili International Holdings Ltd

雅士利國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1230)

Star Future Investment Company Limited

星萊投資有限公司

(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

PROPOSED PRIVATIZATION OF YASHILI BY STAR FUTURE INVESTMENT COMPANY LIMITED BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION 86 OF THE COMPANIES ACT) AND PROPOSED WITHDRAWAL OF LISTING OF YASHILI

(1) RESULTS OF THE COURT MEETING AND THE SCHEME EGM

AND

(2) CLOSURE OF REGISTER OF MEMBERS OF YASHILI

Financial Adviser to the Offeror and Mengniu



Independent Financial Adviser to the Yashili Independent Board Committee



SOMERLEY CAPITAL LIMITED

RESULTS OF THE COURT MEETING AND THE SCHEME EGM

The Court Meeting

At the Court Meeting held on Friday, June 23, 2023, the resolution to approve the Scheme was approved by the Scheme Shareholders present and voting in person or by proxy at the Court Meeting.

The Scheme EGM

At the Scheme EGM held on Friday, June 23, 2023, (a) the special resolution to approve and give effect to any reduction of the issued share capital of Yashili associated with the cancellation of the Scheme Shares was approved by the Yashili Shareholders present and voting in person or by proxy at the Scheme EGM; and (b) the ordinary resolution to simultaneously maintain the issued share capital of Yashili at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Yashili Shares as is equal to the number of Scheme Shares cancelled for issuance to the Offeror was approved by the Yashili Shareholders present and voting in person or by proxy at the Scheme EGM.

CLOSURE OF REGISTER OF MEMBERS OF YASHILI

For the purpose of determining the entitlements of the Scheme Shareholders under the Scheme, assuming that the Scheme Record Date falls on Tuesday, July 4, 2023, the register of members of Yashili will be closed from Friday, June 30, 2023 (or such other date as Yashili Shareholders may be notified by an announcement) onwards.

Reference is made to the composite scheme document jointly issued by China Mengniu Dairy Company Limited, Star Future Investment Company Limited (the “**Offeror**”) and Yashili International Holdings Ltd (“**Yashili**”) on May 31, 2023, in relation to, among other things, the proposal for the privatization of Yashili by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act and the proposed withdrawal of listing of Yashili (the “**Scheme Document**”). Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Scheme Document.

RESULTS OF THE COURT MEETING

The Court Meeting was held at Salon 1–3 of JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, June 23, 2023 at 10:00 a.m. (Hong Kong time).

For the purposes of section 86 of the Companies Act, the approval required to be obtained at the Court Meeting would be regarded as being obtained if the Scheme was approved (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting.

For the purposes of Rule 2.10 of the Takeovers Code, the approvals required to be obtained at the Court Meeting in respect of the Scheme were as follows:

- (i). the approval of the Scheme (by way of poll) by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Disinterested Scheme Shares held by the Disinterested Scheme Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (ii). the number of votes cast (by way of poll) by the Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Disinterested Scheme Shares.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

	Number of votes		
	Total number	For the Scheme	Against the Scheme
Number of the Scheme Shares voted by the Scheme Shareholders who were present and voting in person or by proxy (approximate percentage represented)	768,264,485 (100%)	768,206,019 (99.99%)	58,466 (0.01%)
Number of the Disinterested Scheme Shares voted by the Disinterested Scheme Shareholders who were present and voting in person or by proxy (approximate percentage represented)	768,264,485 (100%)	768,206,019 (99.99%)	58,466 (0.01%)
Approximate percentage of the number of the Disinterested Scheme Shares voted by the Disinterested Scheme Shareholders who attended and voted in person or by proxy against the Scheme (being 58,466 Yashili Shares) over the number of votes attaching to all Disinterested Scheme Shares (being 1,137,052,509 Yashili Shares)			0.01%

Note: All percentages are rounded to 2 decimal places.

Accordingly, as:

- (a). the resolution proposed at the Court Meeting to approve the Scheme was duly passed (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b). the resolution proposed at the Court Meeting to approve the Scheme was duly passed (by way of poll) by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Disinterested Scheme Shares held by the Disinterested Scheme Shareholders that were voted either in person or by proxy at the Court Meeting; and
- (c). the number of votes cast (by way of poll) by the Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting was not more than 10% of the votes attaching to all the Disinterested Scheme Shares,

both section 86 of the Companies Act and Rule 2.10 of the Takeovers Code have been complied with.

As at the date of the Court Meeting:

- (1). the total number of the Yashili Shares in issue was 4,745,560,296 Yashili Shares;
- (2). the total number of the Scheme Shares was 1,137,052,509 Shares, representing approximately 23.96% of the issued Yashili Shares;
- (3). the total number of the Yashili Shares entitled to be voted at the Court Meeting in respect of the Scheme for the purposes of section 86 of the Companies Act was 1,137,052,509 Yashili Shares, representing approximately 23.96% of the issued Yashili Shares; and
- (4). the total number of the Disinterested Scheme Shares held by the Disinterested Scheme Shareholders entitled to vote at the Court Meeting in respect of the Scheme for the purposes of Rule 2.10 the Takeovers Code was 1,137,052,509 Shares, representing approximately 23.96% of the issued Yashili Shares.

As at the date of the Court Meeting, the Offeror held 1,186,390,074 Yashili Shares and Mengniu International, an Offeror Concert Party, held 2,422,117,713 Yashili Shares, representing approximately 25.00% and 51.04% of the issued Yashili Shares, respectively. As disclosed in the Scheme Document, such Yashili Shares held or beneficially owned by the Offeror and Mengniu International will not constitute Scheme Shares and will not be voted on the Scheme at the Court Meeting. Accordingly, none of the Offeror and Mengniu International voted on the Scheme at the Court Meeting.

Notwithstanding that Yashili Shares owned by exempt principal traders within the HSBC Group were considered Disinterested Scheme Shares for the purposes of the Takeovers Code, such Yashili Shares were required not to be voted, and were not voted, at the Court Meeting in accordance with the requirements of Rule 35.4 of the Takeovers Code.

Save as disclosed above, none of the Scheme Shareholders were required to abstain from voting at the Court Meeting in accordance with the Takeovers Code, there were no Yashili Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favor of the Scheme at the Court Meeting pursuant to Rule 13.40 of the Listing Rules, and no Scheme Shareholder was required under the Listing Rules to abstain from voting in respect of the Scheme at the Court Meeting, nor did any person state any intention in the Scheme Document to vote against or to abstain from voting in respect of the Scheme at the Court Meeting.

The attendance of Yashili Directors at the Court Meeting is as follows:

- (a). Mr. Mok Wai Bun Ben, an independent non-executive director of Yashili, attended the Court Meeting in person and acted as the chairman of the Court Meeting;
- (b). Mr. Cheng Shoutai and Mr. Lee Kong Wai Conway, independent non-executive directors of Yashili, attended the Court Meeting in person; and
- (c). all other Yashili Directors attended the Court Meeting by electronic means.

Yashili's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, acted as the scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE SCHEME EGM

The Scheme EGM was held at Salon 1–3 of JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, June 23, 2023 after the conclusion of the Court Meeting.

The poll results in respect of the special resolution and ordinary resolution proposed at the Scheme EGM were as follows:

Special Resolution	Number of votes (<i>approximate percentage</i>)		
	Total number	For	Against
“THAT for the purpose of giving effect to the scheme of arrangement between Yashili and the Scheme Shareholders (as defined in the Scheme Document) (the “ Scheme ”) as set out in the scheme document of Yashili dated May 31, 2023 (the “ Scheme Document ”) and subject to the approval of the Scheme by the Scheme Shareholders at the Court Meeting (as defined in the Scheme Document), on the Scheme Effective Date (as defined in the Scheme Document), any reduction of the issued share capital of Yashili associated with the cancellation of the Scheme Shares (as defined in the Scheme Document) be and is hereby approved.”	4,368,755,250 (100%)	4,366,994,800 (99.96%)	1,760,450 (0.04%)

Ordinary Resolution	Number of votes (<i>approximate percentage</i>)		
	Total number	For	Against
<p>“THAT:</p> <p>(A) subject to and simultaneously with the cancellation of the Scheme Shares, the maintenance of the issued share capital of Yashili at the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Yashili Shares (as defined in the Scheme Document) as is equal to the number of Scheme Shares cancelled for issuance to Star Future Investment Company Limited be and is hereby approved; and that the directors of Yashili be and are hereby authorized to allot and issue such new Yashili Shares accordingly;</p>	<p>4,368,756,250 (100%)</p>	<p>4,366,994,800 (99.96%)</p>	<p>1,761,450 (0.04%)</p>
<p>(B) subject to the Scheme taking effect, the withdrawal of listing of the Yashili Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) be and is hereby approved; and</p>			

Ordinary Resolution	Number of votes (<i>approximate percentage</i>)		
	Total number	For	Against
(C) the directors of Yashili be and are hereby unconditionally authorized to do all acts and things and/or sign all such documents as considered by them to be necessary for or desirable in connection with the implementation of the Privatization Proposal (as defined in the Scheme Document) and the Scheme, including (without limitation) (i) the making of an application to the Stock Exchange for the withdrawal of the listing of the Yashili Shares on the Stock Exchange, subject to the Scheme taking effect; (ii) any reduction of the issued share capital of Yashili; (iii) the allotment and issue of the Yashili Shares referred to above; and (iv) the giving, on behalf of Yashili, of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose and to do all other acts and things and/or sign all such other documents considered by them to be necessary for or desirable in connection with the implementation of the Scheme and in relation to the proposed privatization of Yashili by Star Future Investment Company Limited by way of the Scheme as a whole.”			

Note: All percentages are rounded to 2 decimal places.

Accordingly:

- (i). the special resolution to approve and give effect to any reduction of the issued share capital of Yashili associated with the cancellation of the Scheme Shares was duly passed by a majority of not less than three-fourths of the votes cast by the Yashili Shareholders present and voting in person or by proxy at the Scheme EGM; and
- (ii). the ordinary resolution to simultaneously maintain the issued share capital of Yashili at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Yashili Shares as is equal to the number of Scheme Shares cancelled for issuance to the Offeror was duly passed by a simple majority of the votes cast by the Yashili Shareholders present and voting in person or by proxy at the Scheme EGM.

The total number of Yashili Shares entitling the holders to attend and vote on the special resolution and the ordinary resolution above was 4,745,560,296 Yashili Shares.

There were no Yashili Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favor of the special resolution or the ordinary resolution above at the Scheme EGM pursuant to Rule 13.40 of the Listing Rules, and no Yashili Shareholder was required under the Listing Rules to abstain from voting on the special resolution or the ordinary resolution above at the Scheme EGM, nor did any person state any intention in the Scheme Document to vote against or to abstain from voting on the special resolution or the ordinary resolution above at the Scheme EGM.

The attendance of Yashili Directors at the Scheme EGM is as follows:

- (a). Mr. Mok Wai Bun Ben, an independent non-executive director of Yashili, attended the Scheme EGM in person and acted as the chairman of the Scheme EGM;
- (b). Mr. Cheng Shoutai and Mr. Lee Kong Wai Conway, independent non-executive directors of Yashili, attended the Scheme EGM in person; and
- (c). all other Yashili Directors attended the Scheme EGM by electronic means.

Yashili's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, acted as the scrutineer for the vote-taking at the Scheme EGM.

CURRENT STATUS OF THE CONDITIONS TO THE PRIVATIZATION PROPOSAL AND THE SCHEME

As at the date of this announcement, the Privatization Proposal remains, and the Scheme will become effective and binding on the Offeror, Mengniu, Yashili and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the Scheme Conditions (other than the Scheme Conditions (a) and (b) which have been satisfied) as set out in the section headed “5. Conditions to the Privatization Proposal and the Scheme” in the Explanatory Memorandum in Part VIII of the Scheme Document.

Subject to such Scheme Conditions being fulfilled or waived (as applicable), the Scheme is expected to become effective on Tuesday, July 4, 2023 (Cayman Islands time).

CLOSURE OF REGISTER OF MEMBERS FOR SCHEME ENTITLEMENTS

For the purpose of determining the entitlements of the Scheme Shareholders under the Scheme, assuming that the Scheme Record Date falls on Tuesday, July 4, 2023, the register of members of Yashili will be closed from Friday, June 30, 2023 (or such other date as Yashili Shareholders may be notified by an announcement) onwards. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the transfer of Yashili Shares to them are lodged with Yashili’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 in their names or in the names of their nominees no later than 4:30 p.m. (Hong Kong time) on Thursday, June 29, 2023.

PROPOSED WITHDRAWAL OF LISTING OF THE YASHILI SHARES

Subject to the Scheme becoming effective, the withdrawal of the listing of the Yashili Shares on the Stock Exchange is expected to take place with effect from 4:00 p.m. on Wednesday, July 5, 2023.

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local dates and times.

Hong Kong time (unless otherwise stated)

Expected latest time for trading of Yashili Shares on the Stock Exchange	4:10 p.m. on Monday, June 26, 2023
Latest time for lodging transfers of Yashili Shares to qualify for entitlements under the Scheme	4:30 p.m. on Thursday, June 29, 2023
Closure of the register of members of Yashili for determining the entitlements of the Scheme Shareholders under the Scheme	from Friday, June 30, 2023 onwards
Court hearing of the petition to sanction the Scheme	Thursday, June 29, 2023 (<i>Cayman Islands time</i>)
Announcement of (1) the results of the Court hearing of the petition to sanction the Scheme, (2) the expected Scheme Effective Date and (3) the expected date of withdrawal of the listing of Yashili Shares on the Stock Exchange, published on the Stock Exchange's website	no later than 8:30 a.m. on Friday, June 30, 2023
Scheme Record Date	Tuesday, July 4, 2023
Scheme Effective Date ⁽¹⁾	Tuesday, July 4, 2023 (<i>Cayman Islands time</i>)
Announcement of (1) the Scheme Effective Date and (2) the withdrawal of the listing of Yashili Shares on the Stock Exchange, published on the Stock Exchange's website	no later than 8:30 a.m. on Wednesday, July 5, 2023
Expected withdrawal of the listing of the Yashili Shares on the Stock Exchange becomes effective ⁽²⁾	4:00 p.m. on Wednesday, July 5, 2023
Latest time to dispatch cheques for payment of the Cancellation Price to the Scheme Shareholders ⁽³⁾	Thursday, July 13, 2023

Notes:

- (1) The Scheme will become effective upon all the Scheme Conditions set out in “5. Conditions to the Privatization Proposal and the Scheme” in the Explanatory Memorandum in Part VIII of the Scheme Document having been fulfilled or (to the extent permitted) waived (as applicable).
- (2) If the Privatization Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Yashili Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Wednesday, July 5, 2023.
- (3) Cheques for the payment of the Cancellation Price to the Scheme Shareholders under the Scheme will be dispatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of Yashili as soon as possible following the Scheme Effective Date but in any event within seven (7) business days (as defined under the Takeovers Code) following the Scheme Effective Date (i.e. on or before Thursday, July 13, 2023).

GENERAL

As at the Offer Period Commencement Date (being March 16, 2022), the total number of Yashili Shares held or beneficially owned by the Offeror and the Offeror Concert Parties was 2,422,117,713 Yashili Shares, representing approximately 51.04% Yashili Shares. As at the date of this announcement, the total number of Yashili Shares held or beneficially owned by the Offeror and the Offeror Concert Parties was 3,608,507,787 Yashili Shares, representing approximately 76.04% Yashili Shares.

Save for 1,186,390,074 Yashili Shares (representing 25.00% Yashili Shares) acquired pursuant to the 25% Yashili Acquisition, neither the Offeror nor the Offeror Concert Parties had acquired or agreed to acquire any Yashili Shares or any convertible securities, warrants, options or derivatives in respect of the Yashili Shares since the Offer Period Commencement Date up to the date of this announcement.

As at the date of this announcement, neither the Offeror nor the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Yashili.

WARNING: The respective shareholders of Yashili and Mengniu and potential investors should be aware that the implementation of the Privatization Proposal and the Scheme is subject to the Scheme Conditions as set out in the Scheme Document being satisfied or (where applicable) waived, and thus the Privatization Proposal may or may not be implemented and the Scheme may or may not become effective. Therefore, the respective shareholders of Yashili and Mengniu and potential investors should exercise caution when dealing in the securities of Yashili and Mengniu. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By order of the board of directors of
**CHINA MENGNIU DAIRY COMPANY
LIMITED**
中國蒙牛乳業有限公司*
Jeffrey, Minfang Lu
*Chief Executive Officer and
Executive Director*

By order of the board of directors of
Yashili International Holdings Ltd
雅士利國際控股有限公司
Yan Zhiyuan
*Chief Executive Officer and
Executive Director*

By order of the board of directors of
Star Future Investment Company Limited
星萊投資有限公司
Kwok Wai Cheong
Director

Hong Kong, June 23, 2023

As at the date of this announcement, the board of directors of Mengniu comprises: Mr. Jeffrey, Minfang Lu, Ms. Wang Yan and Mr. Zhang Ping as executive directors; Mr. Chen Lang, Mr. Wang Xi and Mr. Simon Dominic Stevens as non-executive directors; and Mr. Yih Dieter (alias Yih Lai Tak, Dieter), Mr. Li Michael Hankin and Mr. Ge Jun as independent non-executive directors.

The Mengniu Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Yashili Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Yashili Directors) 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 statement in this announcement misleading.

As at the date of this announcement, the board of directors of the Offeror comprises: Mr. Kwok Wai Cheong and Mr. So Ying Fat.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Mengniu Group, except for that relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Mengniu Directors and the Yashili Directors) 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 statement in this announcement misleading.

As at the date of this announcement, the Yashili Board comprises: Mr. Jeffrey, Minfang Lu (Chairman of Yashili) and Mr. Zhang Ping as non-executive directors; Mr. Yan Zhiyuan as executive director; and Mr. Mok Wai Bun Ben, Mr. Cheng Shoutai and Mr. Lee Kong Wai Conway as independent non-executive directors.

The Yashili Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Mengniu Group, except for that relating to the Yashili Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Mengniu Directors and the directors of the Offeror) 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 statement in this announcement misleading.

** For identification purpose only*