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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) SANCTION OF THE SCHEME

(2) EXPECTED SCHEME EFFECTIVE DATE

AND

(3) EXPECTED DATE OF WITHDRAWAL OF LISTING OF YASHILI SHARES

Financial Adviser to the Offeror and Mengniu



Independent Financial Adviser to the Yashili Independent Board Committee



SOMERLEY CAPITAL LIMITED

References are made to (i) 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**”); and (ii) the announcement jointly issued by Mengniu, the Offeror and Yashili dated June 23, 2023 in relation to, among other things, the results of the Court Meeting and the Scheme EGM. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Scheme Document.

SANCTION OF THE SCHEME

The Scheme was sanctioned (without modification) by the Court on Thursday, June 29, 2023 (Cayman Islands time).

STATUS OF THE SATISFACTION OF THE SCHEME CONDITIONS

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 second part of Scheme Condition (c) and Scheme Conditions (d), (e), (f), (g), (h) and (i) as set out below. All of the other Scheme Conditions 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 have been fulfilled.

- (c) ... the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Court for registration;
- (d) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Act in relation to any reduction of the issued share capital of Yashili involved in the Scheme;
- (e) all Approvals in connection with the Privatization Proposal and the Scheme having been obtained from, given by or made with or by (as the case may be) the relevant Authorities in the Cayman Islands, Hong Kong and any other relevant jurisdictions, and all such Approvals remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by the relevant Authorities which are not expressly provided for, or are in addition to requirements expressly provided for, in any relevant laws, rules, regulations or codes in connection with the Privatization Proposal or any related matters, documents (including circulars) or things, in each case up to and at the time when the Scheme becomes effective;

- (f) all third party consents or waivers in relation to the Privatization Proposal and the Scheme which may be required under any existing contractual obligations of the Yashili Group having been obtained (and remaining in effect), where any failure to obtain such consent or waiver would have a material adverse effect on the implementation of the Privatization Proposal or the Scheme or the business, assets or liabilities of the Yashili Group;
- (g) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or, made, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Privatization Proposal or the Scheme or the implementation thereof in accordance with their terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Privatization Proposal or the Scheme or the implementation thereof in accordance with their terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Privatization Proposal and the Scheme;
- (h) since the Rule 3.5 Announcement Date, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Yashili Group (to an extent which is material in the context of the Yashili Group taken as a whole or in the context of the Privatization Proposal); and
- (i) save in connection with the implementation of the Privatization Proposal, the listing of Yashili on the Stock Exchange not having been withdrawn, and no indication having been received from the SFC and/or the Stock Exchange, to the effect that the listing of the Yashili Shares on the Stock Exchange is or is likely to be withdrawn.

A copy of the order of the Court sanctioning the Scheme is expected to be delivered to the Registrar of Companies in the Cayman Islands for registration on or by Tuesday, July 4, 2023 (Cayman Islands time) whereupon Scheme Conditions (c) and (d) will be fulfilled.

EXPECTED SCHEME EFFECTIVE DATE

Assuming that all Scheme Conditions are fulfilled or waived (as applicable), it is expected that the Scheme will become effective on Tuesday, July 4, 2023 (Cayman Islands time). An announcement will be made when the Scheme has become effective.

EXPECTED DATE OF WITHDRAWAL OF LISTING OF YASHILI SHARES

An application has been made to the Stock Exchange for, and the Stock Exchange has approved, the withdrawal of the listing of the Yashili Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect from 4:00 p.m. on Wednesday, July 5, 2023, subject to the Scheme becoming effective.

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 times and dates.

**Hong Kong time
(unless otherwise stated)**

Scheme Record Date Tuesday, July 4, 2023

Scheme Effective Date ⁽¹⁾ Tuesday, July 4, 2023
(Cayman Islands time)

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).

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 30, 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*