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CHINA ZHONGDI DAIRY HOLDINGS COMPANY LIMITED
中國中地乳業控股有限公司

(A company incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 1492)

Announcement

Concerning the Concert Parties Arrangement and Resumption of Trading

This announcement is made by China Zhongdi Dairy Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the prospectus of the Company dated 20 November 2015 (the “**Prospectus**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

Concert Parties Arrangement and Share Transfer

The board of directors of the Company (the “**Board**”) hereby announces that Mr. Zhang Jianshe and Mr. Zhang Kaizhan have received a notice from Mr. Liu Dai that he intends to unilaterally terminate the concert parties arrangement with Mr. Zhang Jianshe and Mr. Zhang Kaizhan (the “**Concert Parties Arrangement**”) due to personal reasons.

Mr. Zhang Jianshe and Mr. Zhang Kaizhan indicated that Mr. Liu Dai’s request to unilaterally terminate the Concert Parties Arrangement has violated the “Confirmation Letter of the Concert Parties Arrangement” jointly signed on 15 April 2015, which stipulates that “This confirmation letter shall become effective as of the date when all parties sign it. Unless all parties agree to change or terminate, this confirmation letter is valid for long term.”, therefore, they disagreed with Mr. Liu Dai’s relevant request (the “**Shareholder Disputes**”). Please refer to the Prospectus for details of the Concert Parties Arrangement.

According to the record of the Notice of Disclosure of Interests filed in under Part XV of the SFO, on 15 July 2020, Mr. Liu Dai completed the transfer of his controlling interest in Tai Shing Company Limited through which he holds the Company’s interest to Marvel One Limited (the “**Share Transfer**”). Marvel One Limited is wholly-owned by Jin Jiejing, and Bao Ying is the spouse of Jin Jiejing and is therefore deemed to be interested in the shares in which Jin Jiejing is interested under the SFO.

Immediately before the Share Transfer, Mr. Liu Dai held 147,040,000 shares of the Company through his holding company, Tai Shing Company Limited, representing approximately 6.76% of the total issued shares of the Company (with voting rights at the Company's general meetings).

Changes of Controlling Shareholder

After the completion of the aforementioned Share Transfer, Mr. Liu Dai is no longer a shareholder of the Company under the Concert Parties Arrangement, and Mr. Liu Dai is no longer deemed to be interested under the Concert Parties Arrangement. Mr. Zhang Jianshe and Mr. Zhang Kaizhan continued to hold an aggregate of 728,028,000 shares of the Company, representing approximately 33.49% of the total issued shares of the Company (with voting rights at the Company's general meetings). Mr. Zhang Jianshe and Mr. Zhang Kaizhan will remain as the controlling shareholders of the Company and parties acting-in-concert under the Concert Parties Arrangement.

The Board received a notice from Mr. Zhang Jianshe that he had increased his holdings of 41,310,000 shares of the Company through YeGu Investment Company Limited on 20 July 2020, representing approximately 1.9% of the total issued shares of the Company (with voting rights at the Company's general meetings) (the "**Share Increase**"). After the Share Increase, Mr. Zhang Jianshe and Mr. Zhang Kaizhan hold an aggregate of 769,338,000 shares of the Company, representing approximately 35.39% of the total issued shares of the Company (with voting rights at the Company's general meetings).

The directors of the Company (the "**Directors**") believe that the aforementioned Shareholder Disputes and Share Transfer are not relevant to the financial condition or normal operation of the Group at the current stage.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares of the Company.

Resumption of Trading

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") was halted with effect from 1:10 p.m. on 22 July 2020 pending the release of this Announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 23 July 2020.

On behalf of the Board
China ZhongDi Dairy Holdings Company Limited
Zhang Jianshe
Chairman

Hong Kong, 22 July 2020

As at the date of this announcement, the Board of the Company comprises Mr. Zhang Jianshe and Mr. Zhang Kaizhan as executive directors; Mr. Liu Dai, Mr. Du Yuchen, Mr. Li Jian and Ms. Yu Tianhua as non-executive directors; and Prof. Li Shengli, Dr. Zhang Shengli and Mr. Zhang Juying Jerry as independent non-executive directors.