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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)**

### **POSITIVE PROFIT ALERT**

This announcement is made by China ZhongDi Dairy Holdings Company Limited (the “**Company**”) pursuant to Rule 13.09(2) 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 under 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 joint announcement of the Company and Wholesome Harvest Limited (the “**Offeror**”) dated 27 September 2020 in connection with the possible mandatory conditional cash offer by CLSA limited for and on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned by the Offeror) (the “**Announcement**”). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Announcement.

The Board would like to inform the Shareholders and potential investors of the Company that based on a preliminary review of the unaudited consolidated management accounts of the Company for the ten months ended 31 October 2020 (the “**Management Accounts**”), the Company is expected to record an unaudited profit attributable to the Shareholders for the ten months ended 31 October 2020 (before biological fair value adjustments) of approximately RMB394,506,000 and an unaudited profit attributable to the Shareholders for the ten months ended 31 October 2020 (after biological fair value adjustments) of approximately RMB235,968,000, which represents a significant improvement compared to: (i) the audited profit attributable to the Shareholders for the year ended 31 December 2019 (before biological fair value adjustments) of RMB239,390,000; (ii) the audited profit attributable to the Shareholders for the year ended 31 December 2019 (after biological fair value adjustments) of RMB104,335,000; (iii) the unaudited profit attributable to the Shareholders for the six months ended 30 June 2020 (before biological fair value adjustments) of RMB155,376,000; and (iv) the unaudited profit attributable to the Shareholders for the six months ended 30 June 2020 (after biological fair value adjustments) of RMB104,910,000 (the “**Profit Alert**”).

The Board believes the significant increase in unaudited profit attributable to the Shareholders for the ten months ended 31 October 2020 was mainly attributable to an increase in both the selling price and sales volume of raw fresh milk during the relevant period, thanks to the Group's intensified marketing efforts, as well as the increased yield per dairy cow and the growth in milking herd.

The information contained in this announcement is only based on the preliminary assessment of the Board with reference to the information currently available to it, including the Management Accounts, which have not been audited or reviewed by the auditors of the Company or the audit committee of the Company and may be subject to changes and adjustments.

The Profit Alert constitutes a profit forecast under Rule 10 of the Takeovers Code and shall be reported on by the Independent Financial Adviser and the Company's auditor in accordance with the requirements under Rule 10 of the Takeovers Code (the "**Profit Estimate Reports**"). The Profit Estimate Reports must be included in the next document to be sent to the Shareholders by the Company in relation to the Offer pursuant to Rule 10.4 of the Takeovers Code.

Taking into account (i) the practical difficulties in terms of the additional time required for the preparation of the Profit Estimate Reports; and (ii) the requirements of timely disclosure of the inside information under Rule 13.09(2) of the Listing Rules and Part XIVA of the SFO, the Profit Alert as set out in this announcement does not meet the standard required by Rule 10 of the Takeovers Code. The requisite Profit Estimate Reports are proposed to be contained in the Composite Document (which is the next document to be sent to the Shareholders by the Company in relation to the Offer) to be jointly issued by the Offeror and the Company to the Shareholders as soon as reasonably practicable in accordance with the Takeovers Code.

## **WARNING**

**Shareholders and potential investors of the Company should note that the Profit Alert does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus are advised to exercise caution in placing reliance on the Profit Alert in assessing the merits and demerits of the Offer (which may or may not become unconditional) and/or dealing in the securities of the Company.**

**If the Shareholders and potential investors of the Company are in any doubt about their position, they should consult their professional advisers.**

By order of the Board  
**China ZhongDi Dairy Holdings Company Limited**  
**Zhang Jianshe**  
*Chairman*

Beijing, the People's Republic of China  
14 January 2021

*As at the date of this announcement, the Board 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement 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 statements in this announcement misleading.*