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WHOLESOME HARVEST LIMITED
(incorporated in the Cayman Islands with limited liability)

**CHINA ZHONGDI DAIRY HOLDINGS
COMPANY LIMITED**

中國中地乳業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1492)

JOINT ANNOUNCEMENT

**MANDATORY CONDITIONAL CASH OFFER
BY CLSA LIMITED FOR AND ON BEHALF OF
WHOLESOME HARVEST LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
CHINA ZHONGDI DAIRY HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED BY WHOLESOME HARVEST
LIMITED)**

- (1) ACCEPTANCE OF THE OFFER;**
- (2) THE OFFER HAS BECOME UNCONDITIONAL IN ALL RESPECTS;**
- (3) THE OFFER TO REMAIN OPEN FOR ACCEPTANCE; AND**
- (4) POSSIBLE COMPULSORY ACQUISITION
AND WITHDRAWAL OF LISTING**

Exclusive financial adviser to Wholesome Harvest Limited



Independent Financial Adviser to the Independent Board Committee



ACCEPTANCE OF THE OFFER

The Offeror and the Company jointly announce that as at 4:00 p.m. on 20 January 2021, valid acceptances have been received in respect of 593,550,000 Offer Shares under the Offer, representing approximately 22.77% of the issued Shares as at the date of this joint announcement.

THE OFFER HAS BECOME UNCONDITIONAL IN ALL RESPECTS

As set out in the section headed “Condition of the Offer” in the “Letter from CLSA Limited” in the Composite Document, the Offer is conditional on valid acceptance of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with Shares already owned by the Offeror Concert Group and acquired before or during the Offer, will result in the Offeror Concert Group holding more than 50% of the voting rights of the Company.

As at 4:00 p.m. on 20 January 2021, taking into account the Acceptance Shares, the Offeror and its concert parties were interested in an aggregate of 1,795,529,522 Shares, representing approximately 68.88% of the issued Shares as at the date of this joint announcement. As the aforementioned condition of the Offer has been satisfied, the Offer has become unconditional in all respects on 20 January 2021.

POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

Pursuant to Rule 2.11 of the Takeovers Code, the Offeror intends (but is not obliged) to exercise any right it may have under section 88 of the Cayman Islands Companies Act to compulsorily acquire those Shares not acquired by the Offeror under the Offer on the condition that the Offeror, within four (4) months of the posting of Composite Document, acquires not less than 90% of the Offer Shares pursuant to the Offer.

On completion of such compulsory acquisition, the Company will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15(1) of the Listing Rules.

Further announcement(s) will be made as and when appropriate to inform the Shareholders on the details and timing of the compulsory acquisition and withdrawal of listing of the Shares.

THE OFFER TO REMAIN OPEN FOR ACCEPTANCE

As disclosed in the Composite Document and pursuant to Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptance for at least 14 days after the Offer becomes or is declared unconditional in all respects, and pursuant to Rule 15.1 of the Takeovers Code, the Offer should remain open for acceptance for at least 21 days following the date on which the Composite Document is posted. Accordingly, the Offer will remain open for acceptance until 4:00 p.m. on 8 February 2021.

All other terms of the Offer as set out in the Composite Document and the Form of Acceptance remain unchanged.

Further announcement on the result of the Offer will be made on 8 February 2021 in accordance with Rule 19.1 of the Takeovers Code.

INTRODUCTION

References are made to (i) the announcement jointly issued by Wholesome Harvest Limited (the “**Offeror**”) and China ZhongDi Dairy Holdings Company Limited (the “**Company**”) dated 27 September 2020 in relation to, among others, the possible mandatory conditional cash offer by CLSA Limited on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned and/or agreed to be acquired by the Offeror); and (ii) the composite offer and response document dated 18 January 2021 jointly issued by the Offeror and the Company (the “**Composite Document**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

ACCEPTANCE OF THE OFFER

As at 4:00 p.m. on 20 January 2021, the Offeror had received valid acceptances in respect of an aggregate of 593,550,000 Offer Shares under the Offer (the “**Acceptance Shares**”), representing approximately 22.77% of the entire issued share capital of the Company as at the date of this joint announcement. Taking into account the Acceptance Shares, the Offeror and its concert parties are interested in an aggregate of 1,795,529,522 Shares, representing approximately 68.88% of the issued Shares as at the date of this joint announcement.

Save as the disclosed, neither the Offeror nor any of its concert parties (i) held, controlled or directed any Shares or rights over Shares immediately before the commencement date of the Offer Period; (ii) save for the Acceptance Shares and the Irrevocable Undertakings, has acquired or agreed to acquire any Shares or rights over Shares during the Offer Period up to and including the date of this joint announcement; or (iii) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period up to and including the date of this joint announcement.

THE OFFER HAS BECOME UNCONDITIONAL IN ALL RESPECTS

As set out in the section headed “Condition of the Offer” in the “Letter from CLSA Limited” in the Composite Document, the Offer is conditional on valid acceptance of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with Shares already owned by the Offeror Concert Group and acquired before or during the Offer, will result in the Offeror Concert Group holding more than 50% of the voting rights of the Company.

As at 4:00 p.m. on 20 January 2021, taking into account the Acceptance Shares, the Offeror and its concert parties were interested in an aggregate of 1,795,529,522 Shares, representing approximately 68.88% of the issued Shares as at the date of this joint announcement. As the aforementioned condition of the Offer has been satisfied, the Offer has become unconditional in all respects on 20 January 2021.

POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

Pursuant to Rule 2.11 of the Takeovers Code, the Offeror intends (but is not obliged) to exercise any right it may have under section 88 of the Cayman Islands Companies Act to compulsorily acquire those Shares not acquired by the Offeror under the Offer on the condition that the Offeror, within four (4) months of the posting of Composite Document, acquires not less than 90% of the Offer Shares pursuant to the Offer.

On completion of such compulsory acquisition, the Company will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15(1) of the Listing Rules.

Further announcement(s) will be made as and when appropriate to inform the Shareholders on the details and timing of the compulsory acquisition and withdrawal of listing of the Shares.

THE OFFER TO REMAIN OPEN FOR ACCEPTANCE

As disclosed in the Composite Document and pursuant to Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptance for at least 14 days after the Offer becomes or is declared unconditional in all respects, and pursuant to Rule 15.1 of the Takeovers Code, the Offer should remain open for acceptance for at least 21 days following the date on which the Composite Document is posted. Accordingly, the Offer will remain open for acceptance until 4:00 p.m. on 8 February 2021.

All other terms of the Offer as set out in the Composite Document and the Form of Acceptance remain unchanged.

Further announcement on the result of the Offer will be made on 8 February 2021 in accordance with Rule 19.1 of the Takeovers Code.

NO PRICE INCREASE STATEMENT

As set out in the Composite Document, the Offeror will not increase the Offer Price for the Offer Shares.

Shareholders and potential investors of the Company should be aware that the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

SETTLEMENT OF THE OFFER

A cheque or a banker's cashier order for the amount (rounding up to the nearest cent) due to each of the Shareholders who accept the Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her under the Offer will be despatched to such Shareholder by ordinary post at his/her own risk as soon as possible but in any event within seven (7) business days following later of the date on which the Offer becomes, or is declared, unconditional and the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid.

GENERAL

Independent Shareholders are strongly advised to read the Composite Document and the Form of Acceptance carefully, including the recommendation in respect of the Offer from the Independent Board Committee and the Independent Financial Adviser, and other information of the Group, before deciding whether or not to accept the Offer.

All references to times and dates contained in this joint announcement refer to Hong Kong times and dates.

By order of the board of
Wholesome Harvest Limited
Wang Xiaogang
Sole Director

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

Hong Kong, 20 January 2021

As at the date of this joint 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 joint announcement (other than those relating to the Offeror, the Subscribers or any of their associates or parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the respective director(s) of the Offeror and the Subscribers) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of Offeror is Mr. Wang Xiaogang.

Mr. Wang Xiaogang accepts full responsibility for the accuracy of information contained in this joint announcement (other than those relating to the Group, the Subscribers, or any of their associates or any parties acting in concert with them) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the respective directors of the Group, and the Subscribers) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of YeGu Investment and Green Farmlands is Mr. Zhang Jianshe.

Mr. Zhang Jianshe accepts full responsibility for the accuracy of information contained in this joint announcement (other than those relating to the Group, the Offeror and Jingang Trade) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the respective directors of the Group, the Offeror and Jingang Trade) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the board of Jingang Trade comprises Mr. Pan Gang, Mr. Wang Xiaogang, Ms. Yuan Ping and Ms. Jiang Yuanzi; and the board of Yili Industrial comprises Mr. Pan Gang, Ms. Zhao Chengxia, Mr. Wang Xiaogang, Ms. Zhao Ying, Ms. Wang Aiqing, Mr. Zhang Junping, Mr. Lv Gang, Mr. Peng Heping, Ms. Ji Shao, Mr. Cai Yuanming, and Ms. Shi Fang.

The directors of Jingang Trade and Yili Industrial jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Group and Zhang Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the respective directors of the Group and Zhang Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.