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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) UPDATE ON THE LEVEL OF ACCEPTANCE OF THE OFFER;**
- (2) COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING;**
- (3) OFFER TO REMAIN OPEN FOR ACCEPTANCE; AND**
- (4) SETTLEMENT OF THE OFFER**

Exclusive financial adviser to Wholesome Harvest Limited



Independent Financial Adviser to the Independent Board Committee



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); (ii) the composite offer and response document dated 18 January 2021 jointly issued by the Offeror and the Company (the “**Composite Document**”); and (iii) the announcement jointly issued by the Offeror and the Company dated 20 January 2021 in relation to, among others, the Offer being declared unconditional in all respects (the “**Unconditional Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

UPDATE ON THE LEVEL OF ACCEPTANCE OF THE OFFER

As disclosed in the Unconditional Announcement, the Offer was declared unconditional in all respects on 20 January 2021.

As at 4:00 p.m. on 26 January 2021, the Offeror had received valid acceptances in respect of an aggregate of 1,379,607,000 Offer Shares under the Offer (the “**Acceptance Shares**”), representing approximately 52.93% 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 interested in an aggregate of 2,520,126,522 Shares, representing approximately 96.68% of the issued Shares as at the date of this joint announcement.

Immediately prior to the commencement of the Offer Period: (i) the Offeror was not interested in any Shares; (ii) the sole shareholder of the Offeror, being Jingang Trade, held 432,641,522 Shares, representing approximately 16.6% of the total issued share capital of the Company; (iii) YeGu Investment (which is wholly-owned by Mr. Zhang Jianshe) held 392,088,000 Shares, representing approximately 15.04% of the total issued share capital of the Company; (iv) Green Farmlands (which is wholly-owned by YeGu Investment) held 315,790,000 Shares, representing approximately 12.11% of the total issued share capital of the Company; and (v) SiYuan Investment (which is wholly-owned by Mr. Zhang Kaizhan) held 61,460,000 Shares, representing approximately 2.36% of the total issued share capital of the Company.

Pursuant to the Share Subscription Agreement, 1,140,519,522 Shares were transferred from the Subscribers to the Offeror on 11 January 2021.

Save as disclosed above, neither the Offeror nor any of its concert parties (i) held, controlled or directed any Shares or rights over Shares; (ii) has acquired or agreed to acquire any Shares or rights over Shares from the commencement of 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 from the commencement of the Offer Period up to and including the date of this joint announcement.

COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

As of the date of this joint announcement, as the Offeror had received valid acceptances in respect of not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares during the Offer Period, the Offeror will be entitled to, and will proceed with the privatisation of the Company by exercising its rights to compulsorily acquire those Offer Shares not acquired by the Offeror under the Offer (the “**Remaining Offer Shares**”) after the Closing Date (the “**Compulsory Acquisition**”) subject to compliance with the Cayman Islands Companies Act and Rule 2.11 of the Takeovers Code.

Pursuant to section 88(1) of the Cayman Islands Companies Act, the process of compulsory acquisition may only commence four months after the date of the Composite Document. Accordingly, the Offeror will issue notices on or around 19 May 2021 in relation to the Compulsory Acquisition pursuant to section 88 of the Cayman Islands Companies Act (the “**Notices**”) to all Offer Shareholders holding the Remaining Offer Shares (the “**Remaining Offer Shareholders**”) that it desires to acquire the Remaining Offer Shares. Upon the giving of the Notices, the Offeror will be entitled to acquire the Remaining Offer Shares on the same terms as the Offer (i.e. at the same Offer Price of HK\$1.132 per Offer Share) upon expiration of the one-month period from the date of despatch of the Notice, unless the Grand Court of the Cayman Islands makes an order to the contrary upon the application by any Remaining Offer Shareholders.

On completion of the 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 despatch of the Notices, details of the Compulsory Acquisition and withdrawal of listing of the Shares from the Stock Exchange.

The Remaining Offer Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser. If they are in doubt as to their rights and obligations under the Cayman Islands Companies Act in respect of the Compulsory Acquisition of the Remaining Offer Shares, they should consult a solicitor or other professional adviser qualified to advise on matters of Cayman Islands Companies Act.

THE OFFER TO REMAIN OPEN FOR ACCEPTANCE

Pursuant to Rule 15.1 and Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptances for at least 14 days after the Offer became or was declared unconditional (whether as to acceptances or in all respects). Accordingly, the Offer will remain open for acceptance until 4:00 p.m. on 8 February 2021, being the final Closing Date, and the latest date for despatch of cheques for payment of the amounts due under the Offer in respect of valid acceptances received on the final Closing Date will be 19 February 2021, being the seventh (7th) business day after the final Closing Date.

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.

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.

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, 26 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.