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優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

CHARGE OF CONVERTIBLE NOTES BY CONTROLLING SHAREHOLDER

This announcement is made by China Youran Dairy Group Limited (the “**Company**”) pursuant to Note (3) to Rule 10.07(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company was informed by PAGAC Yogurt Holding III Limited (“**PAG III**”), a controlling shareholder (as defined under the Listing Rules) of the Company, that on April 8, 2022, it, as chargor, entered into a debenture with Madison Pacific Trust Limited (“**Madison Pacific**”), as security agent, pursuant to which, among other things, it charged by way of security to Madison Pacific all its present and future right, title and interest in and to the convertible notes issued by the Company on November 4, 2020 to it with an aggregate principal amount of US\$330,000,000 (the “**Convertible Notes**”), including all moneys payable to PAG III, and any claims, awards and judgments in favour of it, under or in connection with the Convertible Notes and the subscription agreement dated November 3, 2020 between the Company, as issuer, and PAG III, as purchaser. Based on a conversion price of US\$0.44605, the Convertible Notes would be convertible into 739,827,374 shares of the Company, which represents approximately 19.49% of the total issued share capital of the Company as at the date of this announcement. The Company was also informed by PAG III that, pursuant to the aforementioned debenture, Madison Pacific shall not exercise any right to convert the Convertible Notes at any time prior to the expiry of the lockup period applicable to PAG III (being 12 months after the listing of the Company).

To the best knowledge of the directors of the Company (the “**Directors**”), Madison Pacific is independent of the Company and its connected persons.

The aforementioned charge does not fall within the scope of Rule 13.17 of the Listing Rules.

By order of the Board
China Youran Dairy Group Limited
Zhang Yujun
Chairman and Non-executive Director

Hong Kong, May 30, 2022

As at the date of this announcement, the executive Directors are Mr. Zhang Xiaodong and Mr. Dong Jiping, the non-executive Directors are Mr. Zhang Yujun, Mr. Xu Jun, Mr. Xu, Zhan Kevin and Mr. Qiu Zhongwei, and the independent non-executive Directors are Ms. Xie Xiaoyan, Mr. Yao Feng and Mr. Shen Jianzhong.