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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)

COMPLETION OF CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

References are made to (i) the announcement (the “**Announcement**”) of China Youran Dairy Group Limited (the “**Company**”) dated January 16, 2026; (ii) the circular (the “**Circular**”) and the notice of EGM (the “**Notice**”) both dated April 30, 2026 issued by the Company, in relation to, among other things, the Specific Mandate Subscription and the Whitewash Waiver; and (iii) the announcement of the Company dated May 22, 2026 in relation to the poll results of the EGM and the grant of the Whitewash Waiver. Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

COMPLETION OF THE SPECIFIC MANDATE SUBSCRIPTION

The Board is pleased to announce that all conditions precedent under the Specific Mandate Subscription Agreement as set out in the sub-section headed “Conditions Precedent” in the section headed “Letter from the Board” contained in the Circular have been satisfied and completion of the Specific Mandate Subscription took place on June 29, 2026 in accordance with the terms and conditions of the Specific Mandate Subscription Agreement.

Upon completion of the Specific Mandate Subscription, 299,250,000 new Shares were duly allotted and issued by the Company to Boyuan at the Specific Mandate Subscription Price of HK\$3.92 per Share pursuant to the Specific Mandate sought from the Independent Shareholders at the EGM. Such new Shares represent (i) approximately 7.14% of the issued share capital of the Company immediately before completion of the Specific Mandate Subscription; and (ii) approximately 6.66% of the issued share capital of the Company immediately after completion of the Specific Mandate Subscription.

The net proceeds from the Specific Mandate Subscription, after deducting all relevant fees, costs and expenses (including but not limited to professional advisors' fees and disbursements) incidental to the Specific Mandate Subscription, will be approximately HK\$1,169.51 million. The net proceeds from the Specific Mandate Subscription are intended to be used as to (i) approximately 35% for advancing technology enablement and digital transformation in enhancing operational efficiency; (ii) approximately 55% for repaying interest-bearing debt and optimizing capital structure to provide flexibility for potential acquisitions or investment opportunities; and (iii) approximately 10% for replenishing working capital and for general corporate purpose.

EFFECTS OF THE SPECIFIC MANDATE SUBSCRIPTION ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement and upon completion of the Specific Mandate Subscription, the Company has a total of 4,491,227,833 Shares in issue.

The shareholding structure of the Company (i) immediately before completion of the Specific Mandate Subscription; and (ii) immediately after completion of the Specific Mandate Subscription, is set out below:

	Immediately before completion of the Specific Mandate Subscription		Immediately after completion of the Specific Mandate Subscription	
	<i>Number of Shares</i>	<i>Approximate percentage</i>	<i>Number of Shares</i>	<i>Approximate percentage</i>
Yili and its parties acting in concert (Note 1)				
Boyuan (Note 1)	800,000,000	19.08%	1,099,250,000	24.48%
Jingang (Note 1)	520,800,000	12.42%	520,800,000	11.60%
Subtotal	1,320,800,000	31.51%	1,620,050,000	36.07%
Public Shareholders	2,871,177,833	68.49%	2,871,177,833	63.93%
Total	<u>4,191,977,833</u>	<u>100 %</u>	<u>4,491,227,833</u>	<u>100 %</u>

Notes:

1. As at the date of this announcement, Yili is indirectly interested in 1,620,050,000 Shares through its wholly-owned subsidiaries, Boyuan and Jingang.
2. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

By Order of the Board
China Youran Dairy Group Limited
Hao Haijun
Chairman and Executive Director

Hohhot, June 29, 2026

As at the date of this announcement, the executive Directors are Mr. Hao Haijun, Mr. Dong Jiping and Ms. Meng Yilan; the non-executive Directors are Mr. Bai Wenzhong, Ms. Li Lin and Mr. Xu, Zhan Kevin; and the independent non-executive Directors are Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, 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 statement in this announcement misleading.