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**CHINA MENGNIU DAIRY COMPANY LIMITED**

中國蒙牛乳業有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2319)



**Yashili International Holdings Ltd**

雅士利國際控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1230)

**Star Future Investment Company Limited**

星萊投資有限公司

*(Incorporated in Hong Kong with limited liability)*

## **JOINT ANNOUNCEMENT**

# **PROPOSED PRIVATIZATION OF YASHILI BY STAR FUTURE INVESTMENT COMPANY LIMITED BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION 86 OF THE COMPANIES ACT) AND PROPOSED WITHDRAWAL OF LISTING OF YASHILI**

## **DESPATCH OF THE SCHEME DOCUMENT**

**Financial Adviser to the Offeror and Mengniu**



**Independent Financial Adviser to the Yashili Independent Board Committee**



References are made to (i) the announcement dated May 6, 2022 jointly issued by China Mengniu Dairy Company Limited (“**Mengniu**”), Star Future Investment Company Limited (the “**Offeror**”) and Yashili International Holdings Ltd (“**Yashili**”), in relation to, among other things, the Privatization Proposal; (ii) the announcement dated May 27, 2022 jointly issued by Mengniu, the Offeror and Yashili in relation to the extension of time for despatch of the Scheme Document; (iii) the announcement dated March 9, 2023 jointly issued by

Mengniu, the Offeror and Yashili in relation to, among other things, the fulfillment of all Scheme Pre-Conditions; and (iv) the composite scheme document dated May 31, 2023 jointly issued by Mengniu, Yashili and the Offeror in relation to, among other things, the Privatization Proposal and the Scheme (the “**Scheme Document**”). Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Scheme Document.

## **DESPATCH OF THE SCHEME DOCUMENT**

The Scheme Document, together with the notices of the Court Meeting and the Scheme EGM to be held on Friday, June 23, 2023 and the related forms of proxy, will be despatched to the Yashili Shareholders on Wednesday, May 31, 2023.

The Scheme Document contains, among other things, further details of the Privatization Proposal and the Scheme, an explanatory memorandum as required under the Companies Act and the Grand Court Rules of the Cayman Islands, the expected timetable relating to the Privatization Proposal and the Scheme, the letter from the Yashili Board, the letter from the Yashili Independent Board Committee, the letter of advice from the Independent Financial Adviser to the Yashili Independent Board Committee, the property valuation report with respect to the Yashili Group and the notices of the Court Meeting and the Scheme EGM.

## **RECOMMENDATIONS OF THE YASHILI INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

The Yashili Independent Board Committee, which comprises all the independent non-executive Yashili Directors, namely Mr. Mok Wai Bun Ben, Mr. Cheng Shoutai and Mr. Lee Kong Wai Conway, has been established by the Yashili Board to make a recommendation to the Disinterested Scheme Shareholders as to whether the terms of the Privatization Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the Scheme EGM.

As of the date of this announcement, Mr. Jeffrey, Minfang Lu, an executive director and the chief executive officer of Mengniu, and Mr. Zhang Ping, an executive director and the chief financial officer of Mengniu, are non-executive Yashili Directors. In view of the aforementioned positions assumed by Mr. Jeffrey, Minfang Lu and Mr. Zhang Ping at Mengniu, all non-executive Yashili Directors are considered as Offeror Concert Parties. Therefore, they are not considered as independent for the purpose of giving advice or recommendations to the Disinterested Scheme Shareholders and have been precluded from the Yashili Independent Board Committee.

The Yashili Board, with the approval of the Yashili Independent Board Committee, has appointed Somerley Capital Limited as the Independent Financial Adviser to advise the Yashili Independent Board Committee in connection with the Privatization Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Yashili Independent Board Committee that it considers that the terms of the Privatization Proposal and the Scheme are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned, and accordingly, it advises the Yashili Independent Board Committee to recommend the Disinterested Scheme Shareholders to vote in favor of the relevant resolution to approve the Scheme at the Court Meeting and the resolutions necessary to implement the Privatization Proposal and the Scheme at the Scheme EGM.

The Yashili Independent Board Committee, having considered the terms of the Privatization Proposal, and having taken into account the advice of the Independent Financial Adviser, and in particular the factors, reasons and recommendations set out in its letter, considers that the terms of the Privatization Proposal and the Scheme are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned. Accordingly, the Yashili Independent Board Committee recommends the Disinterested Scheme Shareholders to vote in favor of the resolution to approve the Scheme at the Court Meeting and the resolutions necessary to implement the Privatization Proposal and the Scheme at the Scheme EGM.

Yashili Shareholders are urged to read and consider carefully the recommendations of the Yashili Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Privatization Proposal and the Scheme as set out in the letter from the Yashili Independent Board Committee and the letter from the Independent Financial Adviser as contained in the Scheme Document.

## **COURT MEETING AND SCHEME EGM**

The Court Meeting and the Scheme EGM are scheduled to be held at 10:00 a.m. and 11:00 a.m. (or, in the case of the Scheme EGM, as soon as practicable after the conclusion or adjournment of the Court Meeting), respectively, on Friday, June 23, 2023 at Salon 1–3 of JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong.

The Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification(s)).

The Scheme EGM will be held for the purpose of considering and, if thought fit, passing (a) a special resolution to approve and give effect to any reduction of the issued share capital of Yashili associated with the cancellation of the Scheme Shares; and (b) an ordinary resolution to simultaneously maintain the issued share capital of Yashili at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Yashili Shares as is equal to the number of Scheme Shares cancelled, for issuance to the Offeror.

Notices of the Court Meeting and the Scheme EGM are contained in the Scheme Document.

Mengniu, Yashili and the Offeror will make an announcement in relation to the results of the Court Meeting and the Scheme EGM on Friday, June 23, 2023 by no later than 7:00 p.m.

## **CLOSURE OF REGISTER OF MEMBERS OF YASHILI**

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Yashili Shareholders to attend and vote at the Scheme EGM, the register of members of Yashili will be closed from Monday, June 19, 2023 to Friday, June 23, 2023 (both days inclusive) and during such period, no transfer of Yashili Shares will be effected. In order to qualify to vote at the Court Meeting and the Scheme EGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of Yashili, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, June 16, 2023 (Hong Kong time).

## **CONDITIONS OF THE PRIVATIZATION PROPOSAL AND THE SCHEME**

Shareholders of Mengniu and Yashili and potential investors should be aware that the implementation of the Privatization Proposal and the Scheme is subject to the satisfaction or waiver (as applicable) of the Scheme Conditions set out in the section headed “5. Conditions to the Privatization Proposal and the Scheme” in the Explanatory Memorandum in Part VIII of the Scheme Document. All of the Scheme Conditions will have to be fulfilled or waived (as applicable) on or before the Scheme Long Stop Date, failing which the Privatization Proposal and the Scheme will lapse. When all of the Scheme Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on Mengniu, the Offeror, Yashili and all Scheme Shareholders.

If all the resolutions are passed at the Court Meeting and the Scheme EGM, further announcements will be made in relation to, among other things, the results of the Court hearing of the petition to sanction the Scheme, the Scheme Effective Date and the date of withdrawal of the listing of the Yashili Shares from the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

## EXPECTED TIMETABLE

The expected timetable set out below is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local dates and times.

**Hong Kong time  
(unless otherwise stated)**

Date of dispatch of the Scheme Document . . . . . Wednesday, May 31, 2023

Latest time for lodging transfers of  
Yashili Shares to qualify for the entitlement  
to attend and vote at the Court Meeting and  
the Scheme EGM . . . . . 4:30 p.m. on Friday,  
June 16, 2023

Closure of the register of members of Yashili  
for determining the entitlement to attend  
and vote at the Court Meeting and the  
Scheme EGM<sup>(1)</sup> . . . . . from Monday, June 19, 2023  
to Friday, June 23, 2023  
(both days inclusive)

Latest time for lodging forms of proxy in respect of:

- Court Meeting<sup>(2)</sup> . . . . . 10:00 a.m. on Wednesday,  
June 21, 2023  
(or alternatively to be handed  
to the chairman of the Court  
Meeting at the Court Meeting)
- Scheme EGM<sup>(2)</sup> . . . . . 11:00 a.m. on Wednesday,  
June 21, 2023

Meeting Record Date . . . . . Friday, June 23, 2023

Court Meeting<sup>(3)</sup> . . . . . 10:00 a.m. on Friday,  
June 23, 2023

Scheme EGM<sup>(3)</sup> . . . . . 11:00 a.m. on Friday,  
June 23, 2023  
(or as soon as practicable after  
the conclusion or adjournment  
of the Court Meeting)

**Hong Kong time  
(unless otherwise stated)**

Announcement of the results of the Court Meeting and the Scheme EGM. . . . .	no later than 7:00 p.m. on Friday, June 23, 2023
Expected latest time for trading of Yashili Shares on the Stock Exchange. . . . .	4:10 p.m. on Monday, June 26, 2023
Latest time for lodging transfers of Yashili Shares to qualify for entitlements under the Scheme . . . . .	4:30 p.m. on Thursday, June 29, 2023
Closure of the register of members of Yashili for determining the entitlements of the Scheme Shareholders under the Scheme <sup>(4)</sup> . . . . .	from Friday, June 30, 2023 onwards
Court hearing of the petition to sanction the Scheme . . . . .	Thursday, June 29, 2023 (Cayman Islands time)
Announcement of (1) the results of the Court hearing of the petition to sanction the Scheme, (2) the expected Scheme Effective Date and (3) the expected date of withdrawal of the listing of Yashili Shares on the Stock Exchange, published on the Stock Exchange's website. . . . .	no later than 8:30 a.m. on Friday, June 30, 2023
Scheme Record Date. . . . .	Tuesday, July 4, 2023
Scheme Effective Date <sup>(5)</sup> . . . . .	Tuesday, July 4, 2023 (Cayman Islands time)
Announcement of (1) the Scheme Effective Date and (2) the withdrawal of the listing of Yashili Shares on the Stock Exchange, published on the Stock Exchange's website . . . . .	no later than 8:30 a.m. on Wednesday, July 5, 2023

**Hong Kong time  
(unless otherwise stated)**

Expected withdrawal of the listing of the  
Yashili Shares on the Stock Exchange  
becomes effective<sup>(6)</sup> .....4:00 p.m. on Wednesday,  
July 5, 2023

Latest time to dispatch cheques for payment  
of the Cancellation Price to the  
Scheme Shareholders<sup>(7)</sup>.....Thursday, July 13, 2023

*Notes:*

- (1) The register of members of Yashili will be closed during such period for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the Yashili Shareholders to attend and vote at the Scheme EGM. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
- (2) The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the Scheme EGM should be completed and signed in accordance with the instructions respectively printed on them and should be lodged with the branch share registrar and transfer office of Yashili in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than the relevant times and dates stated above. In the case of the **pink** form of proxy in respect of the Court Meeting, it may alternatively be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it). The **white** form of proxy in respect of the Scheme EGM will not be valid if it is not so lodged. Completion and return of a form of proxy for the Court Meeting or the Scheme EGM will not preclude a Scheme Shareholder or a Yashili Shareholder (as the case may be) from attending and voting in person at the relevant meeting if he, she or it so wishes. In such event, the returned form of proxy will be revoked by operation of law.
- (3) The Court Meeting and the Scheme EGM will be held at Salon 1–3 of JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong at the times and dates specified above. Please refer to the notices of the Court Meeting and the Scheme EGM set out in Appendices V and VI to the Scheme Document respectively for details.
- (4) The register of members of Yashili will be closed from Friday, June 30, 2023 onwards for the purpose of determining the Scheme Shareholders who are qualified for entitlements to the Cancellation Price under the Scheme.
- (5) The Scheme will become effective upon all the Scheme Conditions set out in “5. Conditions to the Privatization Proposal and the Scheme” in the Explanatory Memorandum in Part VIII of the Scheme Document having been fulfilled or (to the extent permitted) waived (as applicable). Yashili Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective.

- (6) The withdrawal of the listing of the Yashili Shares on the Stock Exchange will take place following the Scheme becoming effective on the Scheme Effective Date and it is expected that the listing of the Yashili Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Wednesday, July 5, 2023. All of the Scheme Conditions will have to be fulfilled or (to the extent permitted) waived (as applicable) on or before January 31, 2024 (or such other date as the Offeror and Yashili may agree or, to the extent applicable, as permitted by the Executive and/or as the Court may direct), failing which the Privatization Proposal and the Scheme will lapse.
- (7) Cheques for the payment of the Cancellation Price under the Scheme will be dispatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of Yashili as soon as possible following the Scheme Effective Date but in any event within seven (7) business days (as defined under the Takeovers Code) following the Scheme Effective Date (i.e. on or before Thursday, July 13, 2023).

**WARNING: The respective shareholders of Yashili and Mengniu and potential investors should be aware that the implementation of the Privatization Proposal and the Scheme is subject to the Scheme Conditions as set out in the Scheme Document being satisfied or (where applicable) waived, and thus the Privatization Proposal may or may not be implemented and the Scheme may or may not become effective. Therefore, the respective shareholders of Yashili and Mengniu and potential investors should exercise caution when dealing in the securities of Yashili and Mengniu. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

By order of the board of directors of  
**CHINA MENGNIU DAIRY COMPANY  
LIMITED**  
中國蒙牛乳業有限公司\*  
**Jeffrey, Minfang Lu**  
*Chief Executive Officer and  
Executive Director*

By order of the board of directors of  
**Yashili International Holdings Ltd**  
雅士利國際控股有限公司  
**Yan Zhiyuan**  
*Chief Executive Officer and  
Executive Director*

By order of the board of directors of  
**Star Future Investment Company Limited**  
星萊投資有限公司  
**Kwok Wai Cheong**  
*Director*

Hong Kong, May 31, 2023

*As at the date of this announcement, the board of directors of Mengniu comprises: Mr. Jeffrey, Minfang Lu, Ms. Wang Yan and Mr. Zhang Ping as executive directors; Mr. Chen Lang, Mr. Wang Xi and Mr. Simon Dominic Stevens as non-executive directors; and Mr. Yih Dieter (alias Yih Lai Tak, Dieter), Mr. Li Michael Hankin and Mr. Ge Jun as independent non-executive directors.*

*The Mengniu Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Yashili Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Yashili Directors) 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.*

*As at the date of this announcement, the board of directors of the Offeror comprises: Mr. Kwok Wai Cheong and Mr. So Ying Fat.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Mengniu Group, except for that relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Mengniu Directors and the Yashili Directors) 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.*

*As at the date of this announcement, the Yashili Board comprises: Mr. Jeffrey, Minfang Lu (Chairman of Yashili) and Mr. Zhang Ping as non-executive directors; Mr. Yan Zhiyuan as executive director; and Mr. Mok Wai Bun Ben, Mr. Cheng Shoutai and Mr. Lee Kong Wai Conway as independent non-executive directors.*

*The Yashili Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Mengniu Group, except for that relating to the Yashili Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Mengniu Directors and the directors of the Offeror) 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.*

*\* For identification purpose only*