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HONGKONG JINGANG TRADE HOLDING CO., LIMITED
香港金港商貿控股有限公司
(Incorporated in Hong Kong with limited liability)



AUSNUTRIA DAIRY CORPORATION LTD
澳優乳業股份有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1717)

JOINT ANNOUNCEMENT

COMPLETION OF THE PURCHASE OF SALE SHARES BY THE OFFEROR AND THE SHARE SUBSCRIPTION AND DELAY IN DESPATCH OF COMPOSITE DOCUMENT

**Exclusive financial adviser to
Hongkong Jingang Trade Holding Co., Limited**



**Sole financial adviser to
Ausnutria Dairy Corporation Ltd**



Reference is made to (i) the announcements jointly issued by Hongkong Jingang Trade Holding Co., Limited (the “Offeror”) and Ausnutria Dairy Corporation Ltd (the “Company”) dated 27 October 2021, 16 November 2021, 10 December 2021 and 10 January 2022; and (ii) the circular of the Company dated 15 December 2021 (the “Circular”) in relation to, among others, the Share Purchase Agreement and the Subscription Agreement. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF THE AGREEMENTS

The Board is pleased to announce that, with all the conditions precedent to the Share Purchase Agreement and the Subscription Agreement having been fulfilled, the Share Purchase Completion and the Subscription Completion took place simultaneously on 28 January 2022.

Pursuant to the terms of the Share Purchase Agreement, a total of 530,824,763 Sale Shares were transferred to the Offeror from the Vendors at an aggregate consideration of HK\$5,340,097,116 (representing HK\$10.06 per Sale Share). Pursuant to the terms of the Subscription Agreement, a total of 90,000,000 new Shares were allotted and issued to the Offeror at an aggregate of Subscription Price of HK\$905,400,000 (representing HK\$10.06 per Subscription Share).

Upon Completion and as at the date of this joint announcement, the Offeror is interested in 620,824,763 Shares, representing approximately 34.33% voting rights of the Company calculated based on the total issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares. Accordingly, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and the parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code, and to make a comparable offer to the Optionholders pursuant to Rule 13.5 of the Takeovers Code to cancel all the Options. CLSA Limited will, for and on behalf of the Offeror, make the Share Offer to the Shareholders at HK\$10.06 per Offer Share and the Option Offer to the Optionholders at HK\$0.06 per Option in compliance with the Takeovers Code. As stated in the Joint Announcement, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee in relation to the Offers; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offers, together with the Forms of Acceptance, will be issued and despatched by the Offeror and the Company jointly to the Offer Shareholders and Optionholders in accordance with the Takeovers Code.

DELAY IN DESPATCH OF COMPOSITE DOCUMENT

Pursuant to the consent granted by the Executive on 16 November 2021 under Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within seven (7) days after the date of Completion, or 4 March 2022, whichever is earlier. As the Completion has taken place on 28 January 2022, the Composite Document is required to be despatched no later than 4 February 2022.

The Offeror and the Company are unable to meet the deadline stated in the Rule 8.2 consent granted by the Executive. The Offeror and the Company, after having checked with no less than 5 financial printers in Hong Kong and the PRC on 28 January 2022, were not able to secure a financial printer to print and despatch the Composite Document as those financial printers are closed for business between 29 January 2022 to 7 February 2022. As a result, the Offeror and the Company jointly announce that the Composite Document could only be despatched by 10 February 2022.

The Offeror and the Company will make an application to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to extend the latest time for despatch of the Composite Document. The grant of a consent by the Executive pursuant to Rule 8.2 of the Takeovers Code is at the Executive's discretion and may or may not be granted. The Offeror and the Company will make further announcement(s) to update the Shareholders as appropriate.

CHANGE IN BOARD COMPOSITION

Mr. Shi Liang and Mr. Tsai Chang-Hai (both being nominated by the Vendors to the Board) have tendered resignation from their offices as a non-executive Director and a member of the Nomination Committee and Remuneration Committee of the Company to take effect from the day after the Closing Date. Mr. Shi Liang will also cease to be the Vice Chairman of the Board with effect from the day after the Closing Date. The Offeror intends to nominate Mr. Sun Donghong and Mr. Zhang Zhanqiang as new non-executive Directors, and such proposed appointment is subject to approval of the Board and expected to take effect from the day after the Closing Date.

The biographical details of Mr. Sun Donghong and Mr. Zhang Zhanqiang are set out below:

Mr. Sun Donghong, aged 49, graduated from Inner Mongolia University of Technology with a bachelor's degree in engineering in 1994. He has 27 years of experience in the dairy industry and has been successively engaged in production technology, production management, business operation management, strategic operations and etc. He joined Inner Mongolia Yili Industrial Group Co., Ltd. (a company established under Chinese laws and whose shares are listed on the Shanghai Stock Exchange (stock code: 600887)) in 1994. He has been the assistant president of the company since 2017 and is in charge of the group's milk powder business department, yogurt business department, cheese business department, dairy technology research institute and such other new businesses of the group.

Mr. Zhang Zhanqiang, aged 53, graduated from Inner Mongolia School of Finance and Economics in 1991 with a major in corporate finance, from Inner Mongolia University of Finance and Economics with a major in accounting in 1995, and from Central University of Finance and Economics with a bachelor's degree in management in 2007 respectively. He is a certified public accountant in the PRC, a certified tax agent in the PRC, and is qualified to practice accounting in the PRC. He joined Inner Mongolia Yili Industrial Group Co., Ltd. (a company established under Chinese laws and whose shares are listed on the Shanghai Stock Exchange (stock code: 600887)) in January 2007, and has been the assistant to the president of the group since 2019. Prior to that, he also served as the deputy general manager of the liquid milk business department and the general manager of the financial management department of the company. Prior to joining Inner Mongolia Yili Industrial Group Co., Ltd., he was primarily engaged in the accounting industry and served as a partner in Beijing Zhongtian Huazheng Accountancy Firm.

Besides, to the extent existing independent non-executive Directors resign from or cease to hold their respective positions, the Offeror intends to nominate new independent non-executive Directors to the Company in compliance with the Takeovers Code and/or the Listing Rules.

Save as disclosed above, as at the date of this joint announcement, none of the Directors intend to resign from his/her offices as a Director. Further announcement(s) will be made upon any changes to the composition to the Board in compliance with the Takeovers Code and/or the Listing Rules as and when appropriate.

By order of the Board
Hongkong Jingang Trade Holding Co., Limited
Wang Xiaogang
Director

By order of the Board
Ausnutria Dairy Corporation Ltd
Yan Weibin
Chairman

The PRC, 28 January 2022

As at the date of this joint announcement, the Board comprises three executive Directors, namely Mr. Yan Weibin (Chairman), Mr. Bartle van der Meer (Chief Executive Officer) and Ms. Ng Siu Hung; three non-executive Directors, namely Mr. Shi Liang (Vice-Chairman), Mr. Qiao Baijun and Mr. Tsai Chang-Hai; and three independent non-executive Directors, namely Mr. Jason Wan, Mr. Lau Chun Fai Douglas and Mr. Aidan Maurice Coleman.

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, any of its 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) 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 the Offeror 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 the Offeror 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 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) 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.