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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 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) CLOSE OF THE OFFER;**
- (2) RESULTS OF THE OFFER;**
- (3) COMPULSORY ACQUISITION;**
- (4) CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY;**
- (5) CONTINUATION OF TRADING AND WITHDRAWAL OF LISTING; AND**
- (6) PUBLIC FLOAT**

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**”); (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**”); and (iv) the announcement jointly issued by the Offeror and the Company dated 26 January 2021 in relation to, among others, the update on the level of acceptance of the Offer. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

CLOSE OF THE OFFER

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

Pursuant to Rule 15.1 and Rule 15.3 of the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the date on which the offer document was posted and remain open for acceptance for at least 14 days after the Offer became or was declared unconditional (whether as to acceptances or in all respects). The Offeror and the Company jointly announce that the Offer was closed at 4:00 p.m. on Monday, 8 February 2021 and was not revised or extended by the Offeror.

RESULTS OF THE OFFER

As at 4:00 p.m. on 8 February 2021, being the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances in respect of 1,443,788,000 Shares (the “**Acceptance Shares**”), representing approximately 55.39% of the issued Shares as at the date of this joint announcement and approximately 98.47% of the Offer Shares.

Of the 1,443,788,000 Shares validly tendered for acceptance under the Offer:

- (1) 1,382,328,000 Shares were tendered for acceptance by the Independent Shareholders, representing approximately 98.40% of the Disinterested Shares and approximately 53.03% of the issued Shares as at the date of this joint announcement; and
- (2) 61,460,000 Shares were tendered for acceptance by the Offeror Concert Group, representing approximately 2.36% of the issued Shares as at the date of this joint announcement.

As such, as at 4:00 p.m. on 8 February 2021, taking into account the valid acceptances in respect of 1,443,788,000 Shares, the Offeror Concert Group were interested in an aggregate of 2,584,307,522 Shares, representing approximately 99.14% 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 16.60% 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, an executive Director) held 61,460,000 Shares, representing approximately 2.36% of the total issued share capital of the Company.

Save as disclosed above, neither the Offeror nor parties acting in concert with it held, controlled or directed any Shares or rights over Shares immediately before the commencement of the Offer Period.

Save for the total 2,584,307,522 Shares owned by the Offeror and parties acting in concert with it after receiving the Acceptance Shares, neither the Offeror nor parties acting in concert with it has acquired or agreed to acquire any Shares or rights over Shares during the Offer Period up to and including the date of this joint announcement. Neither the Offeror nor the parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period up to and including the date of this joint announcement.

COMPULSORY ACQUISITION

As at the date of this joint announcement and as detailed above, the Offeror had acquired not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares. As a result, the Offeror is entitled to, and will proceed with the privatisation of the Company by exercising its compulsory acquisition rights (the “**Compulsory Acquisition**”) subject to compliance with the Cayman Islands Companies Act and Rule 2.11 of the Takeovers Code. Upon completion of the Compulsory Acquisition, the Company will become a wholly-owned subsidiary of the Offeror. The Company will comply with the relevant requirements in the Listing Rules in this regard.

Pursuant to section 88(1) of the Cayman Islands Companies Act, in order to compulsorily acquire the Offer Shares which have not been acquired by the Offeror as at the date of the Notice (as defined below) (the “**Remaining Offer Shares**”), the Offeror must upon the expiry of four months after the date of the Composite Document give notice to all Shareholders (the “**Notice**”) holding the Remaining Offer Shares (the “**Remaining Offer Shareholders**”) that it desires to acquire the Remaining Offer Shares. Accordingly, pursuant to the Cayman Islands Companies Act, the Offeror will issue the Notice to the Remaining Offer Shareholders on 19 May 2021. Upon the giving of the Notice, the Offeror will be entitled to acquire the Remaining Offer Shares on the same terms as those of the Offer (i.e. at the same Offer Price of HK\$1.132 per Offer Share (the “**Compulsory Acquisition Consideration**”) upon expiration of the one-month’s period from the date of despatch of the Notice, unless the Grand Court of the Cayman Islands (the “**Cayman Court**”) makes an order to the contrary upon the application by any Remaining Offer Shareholders. Further announcement(s) will be made (i) to inform the Remaining Offer Shareholders on the despatch of the Notice and the details of the Compulsory Acquisition; and (ii) if any Remaining Offer Shareholders make such application to the Cayman Court.

The Remaining Offer Shares will be acquired by the Offeror at the date of completion of the Compulsory Acquisition (the “**Acquisition Completion Date**”) (which is expected to occur on or around 22 June 2021) free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and any other third party rights of any nature and together with all rights attached to them, including the right to receive in full all dividends and other distributions, if any, declared.

The Remaining Offer Shareholders whose Remaining Offer Shares are to be acquired by the Compulsory Acquisition should note that they will not receive the Compulsory Acquisition Consideration (less seller's ad valorem stamp duty) for the Remaining Offer Shares until after the completion of the Compulsory Acquisition which is currently expected to be on or around 22 June 2021. The Compulsory Acquisition Consideration (less seller's ad valorem stamp duty) for the Remaining Offer Shares will be required to be paid by the Offeror to the Company (rather than directly to those Remaining Offer Shareholders) which will, as required under the Cayman Islands Companies Act, hold the Compulsory Acquisition Consideration (less seller's ad valorem stamp duty) in a separate bank account on trust for those Remaining Offer Shareholders holding the Remaining Offer Shares. This may result in a further delay in settlement.

The Company will continue to hold such sum of Compulsory Acquisition Consideration in a separate bank account on trust for the Remaining Offer Shareholders until the earlier of (i) the Remaining Offer Shareholders are paid HK\$1.132 per Remaining Offer Share (less seller's ad valorem stamp duty) in accordance with the terms of the Offer; or (ii) the expiry of six years from the Acquisition Completion Date.

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.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

To facilitate the despatch of the Notice and determining the Compulsory Acquisition Consideration (less seller's ad valorem stamp duty) amounts payable to the Remaining Offer Shareholders, the register of members of the Company will be closed from 15 June 2021 to 21 June 2021 (both dates inclusive). The Remaining Offer Shareholders whose names appear on the register of members of the Company on 15 June 2021 (the "**Record Date**") will be entitled to receive the Compulsory Acquisition Consideration (less seller's ad valorem stamp duty).

Assuming that no dissenting Remaining Offer Shareholder has filed an application to object to the Compulsory Acquisition with the Cayman Court within one month from the date of the Notice, if your name appears on the register of members of the Company on the Record Date, the Company will on 17 June 2021 execute, as your agent, a consolidated transfer form and a sold note in respect of all the Remaining Offer Shares (which will include the Remaining Offer Shares registered in your name on the Record Date) for the purposes of stamping and payment of stamp duty in Hong Kong. Following the execution and stamping of the transfer documentation, on the Acquisition Completion Date, which is expected to be on or around 22 June 2021, the register of members of the Company will be reopened and updated to record the Offeror as the registered holder of all the Remaining Offer Shares (which will include the Remaining Offer Shares registered in your name on the Record Date), thereby transferring those Remaining Offer Shares. The share certificates for the Remaining Offer Shares registered in your name will be deemed cancelled and will no longer be the evidence of title to the Shares with effect from the Acquisition Completion Date. A cheque for the Compulsory Acquisition Consideration (less seller's ad valorem stamp duty) payable to you in respect of the Remaining Offer Shares registered in your name on the register of members of the Company on the Record Date will be despatched to you on or around 25 June 2021, by ordinary post and at your own risk.

SHAREHOLDING OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately after Completion which took place on 11 January 2021 and before the making of the Offer; and (ii) immediately upon the close of the Offer and as at the date of this joint announcement:

Shareholders	Immediately after Completion which took place on 11 January 2021 and before the making of the Offer		Immediately upon the close of the Offer and as at the date of this joint announcement	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
The Offeror and parties acting in concert with it	1,201,979,522	46.11%	2,584,307,522	99.14%
Public Shareholders	1,404,740,000	53.89%	22,412,000	0.86%
Total Shares in issue	2,606,719,522	100%	2,606,719,522	100%

CONTINUATION OF TRADING AND WITHDRAWAL OF LISTING

An application will be made to the Stock Exchange for the withdrawal of listing of the Shares from the Stock Exchange under Rule 6.15(1) of the Listing Rules, which is currently expected to be in around June 2021. The Company will continue the trading of the Shares listed on the Stock Exchange up to and until the date of withdrawal of listing of the Shares from the Stock Exchange. A further announcement will be made to inform the public about the timing and other details of the withdrawal of listing of the Shares from the Stock Exchange.

PUBLIC FLOAT

Immediately after the close of the Offer and as at the date of this joint announcement, 22,412,000 Shares, representing approximately 0.86% of the entire issued share capital of the Company, are held by the public (as defined in the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied.

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, 8 February 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.