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**CHINA ZHONGDI DAIRY HOLDINGS COMPANY LIMITED**  
**中國中地乳業控股有限公司**

*(A company incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock code: 1492)**

**COMPLETION OF SUBSCRIPTION FOR  
NEW SHARES UNDER GENERAL MANDATE  
AND  
CHANGE OF CONTROLLING SHAREHOLDERS**

Reference is made to the announcement of China ZhongDi Dairy Holdings Company Limited (the “**Company**”) dated 31 July 2020 in relation to the subscription for new shares under general mandate and possible change of controlling shareholders (the “**Announcement**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

**COMPLETION OF THE SUBSCRIPTION**

The Company is pleased to announce that all the conditions precedent set out in the Subscription Agreement have been fulfilled and the Subscription under it has also been completed on 12 August 2020. The Company has allotted and issued a total of 432,641,522 Subscription Shares to the Subscriber at a Subscription Price of HK\$0.47 per Subscription Share under the general mandate.

The net proceeds from the Subscription (after deducting expenses arising from the Subscription) are approximately HK\$201,841,515.34. The Company intends to use approximately 70% of the net proceeds from the Subscription to supplement the general working capital, mainly for the purchase of production materials such as feeds and veterinary drugs necessary for farm operations, approximately 30% for repayment of bank loans that are falling due to support the operation of the Company’s existing business.

## THE SHAREHOLDING STRUCTURE OF THE COMPANY

432,641,522 Subscription Shares represent (i) approximately 19.9% of the issued share capital of the Company immediately before the Completion; and (ii) approximately 16.6% of the issued share capital of the Company as enlarged by the allotment and issue of 432,641,522 Subscription Shares.

The shareholding structure of the Company immediately before and immediately after the Completion is as follows:

Shareholder name	Immediately before the Completion		Immediately after the Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Zhang Jianshe <sup>(1)</sup>	769,338,000	35.39%	769,338,000	29.51%
Mr. Zhang Kaizhan <sup>(1)</sup>	769,338,000	35.39%	769,338,000	29.51%
YeGu Investment Company Limited <sup>(1)</sup>	769,338,000	35.39%	769,338,000	29.51%
Green Farmlands Group <sup>(1)</sup>	769,338,000	35.39%	769,338,000	29.51%
SiYuan Investment Company Limited <sup>(1)</sup>	769,338,000	35.39%	769,338,000	29.51%
Ms. Li Jingtao <sup>(2)</sup>	769,338,000	35.39%	769,338,000	29.51%
Ms. Zhang Fanghong <sup>(3)</sup>	769,338,000	35.39%	769,338,000	29.51%
Subscriber	–	–	432,641,522	16.60%
Yili Industrial <sup>(4)</sup>	–	–	432,641,522	16.60%
Other Shareholders	1,404,740,000	64.61%	1,404,740,000	53.89%
<b>Total</b>	<b><u>2,174,078,000</u></b>	<b><u>100%</u></b>	<b><u>2,606,719,522</u></b>	<b><u>100%</u></b>

Notes:

- (1) As at the date of this announcement, Mr. Zhang Jianshe was the sole shareholder of YeGu Investment Company Limited which directly held 392,088,000 Shares and indirectly held, through its shareholding in Green Farmlands Group, 315,790,000 Shares. Accordingly, under the Securities and Futures Ordinance, Mr. Zhang Jianshe was deemed to be interested in the 707,878,000 Shares held directly and indirectly by YeGu Investment Company Limited. In addition, as at the date of this announcement, Mr. Zhang Kaizhan, through his holding company (SiYuan Investment Company Limited), indirectly held 61,460,000 Shares.

Mr. Zhang Jianshe and Mr. Zhang Kaizhan are the controlling shareholders (as defined in the Listing Rules) of the Company and parties acting in concert under the Concert Parties Arrangement. Therefore, Mr. Zhang Jianshe and Mr. Zhang Kaizhan jointly held 769,338,000 Shares through their respective holding companies. Under the Securities and Futures Ordinance, because of the Concert Parties Arrangement, Mr. Zhang Jianshe and Mr. Zhang Kaizhan were each deemed to be interested in approximately 29.51% of the enlarged issued share capital of the Company immediately after the Completion.

- (2) Ms. Li Jingtao is the spouse of Mr. Zhang Jianshe and is therefore deemed to be interested in the Shares in which Mr. Zhang Jianshe is interested under the Securities and Futures Ordinance.
- (3) Ms. Zhang Fanghong is the spouse of Mr. Zhang Kaizhan and is therefore deemed to be interested in the Shares in which Mr. Zhang Kaizhan is interested under the Securities and Futures Ordinance.
- (4) The Subscriber is wholly-owned by Yili Industrial. Therefore, immediately after Completion, Yili Industrial indirectly holds 432,641,522 Shares through the Subscriber, representing approximately 16.6% of the enlarged issued share capital of the Company.

## **CHANGE OF CONTROLLING SHAREHOLDERS**

Immediately after Completion, the shareholding percentage of Mr. Zhang Jianshe and Mr. Zhang Kaizhan in the Company decreased to approximately 29.51% of the enlarged issued share capital of the Company. Therefore, Mr. Zhang Jianshe and Mr. Zhang Kaizhan ceased to be the controlling shareholders of the Company but remained as the substantial shareholders (as defined under the Listing Rules) of the Company; and the Subscriber and Yili Industrial become substantial shareholders of the Company. The change in the controlling shareholders does not affect the actual control of the Company. As a result of the Concert Parties Arrangement, Mr. Zhang Jianshe and Mr. Zhang Kaizhan remain as the largest single Shareholder of the Company.

On behalf of the Board  
**China ZhongDi Dairy Holdings Company Limited**  
**Zhang Jianshe**  
*Chairman*

Hong Kong, 12 August 2020

*As at the date of this 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.*