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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)

PROFIT WARNING

This announcement is made by Yashili International Holdings Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “**SFO**”).

The Company would like to update the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the four months ended 30 April 2022, which have not been confirmed, reviewed or audited by the Company’s auditors or audit committee and may be subject to adjustment, and other information currently available to the Group’s management, the Group expects to record a loss of not more than RMB195 million for the first six months of 2022, which is mainly attributable to: (a) the COVID-19 pandemic situations in the People’s Republic of China which adversely affected the market; and (b) the increase in production costs as a result of the rising costs of milk powder as raw materials (the “**Statement**”).

Detailed financial information and performance of the Group for the six months ending 30 June 2022 will be disclosed in the Company’s interim results announcement for the same period which is expected to be published by the end of August 2022 in accordance with the Listing Rules.

Reference is made to the joint announcement of China Mengniu Dairy Company Limited, Star Future Investment Company Limited (the “**Offeror**”) and the Company dated 6 May 2022 (the “**Rule 3.5 Announcement**”) in relation to, amongst others, the proposal for the privatization of the Company by the Offeror (the “**Privatization Proposal**”).

The Company is currently in the offer period (as defined in the Code on Takeovers and Mergers of Hong Kong, the “**Takeovers Code**”) with respect to the Privatization Proposal. Pursuant to the Takeovers Code, the Statement is considered to constitute a profit forecast under Rule 10 of the Takeovers Code. As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to the Statement which has to be reported on by the Company’s auditors or accountants and financial advisers and repeated in full, together with the aforementioned reports, in the next document in connection with the Privatization Proposal to be despatched to the Shareholders (the “**Shareholders’ Document**”). Taking into account (i) the practical difficulties in terms of the additional time required for the preparation of the reports by the Company’s auditors and financial advisers; and (ii) the requirements for timely disclosures of inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the Statement does not meet the standard required by Rule 10 of the Takeovers Code. The Company has arranged for the Statement to be reported on in accordance with Rule 10 of the Takeovers Code in the Shareholders’ Document.

Shareholders and potential investors should note that the Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Accordingly, Shareholders and potential investors are advised to exercise caution when placing reliance on the Statement in assessing the merits and demerits of the Privatization Proposal and the 25% Yashili Acquisition (as defined in the Rule 3.5 Announcement), and when dealing in the securities of the Company.

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

Hong Kong, 24 May 2022

As at the date of this announcement, the board of directors of the Company comprises: Mr. Jeffrey, Minfang Lu (Chairman), Mr. Qin Peng, Mr. Zhang Ping and Mr. Gu Peiji (alias Philip Gu) 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 directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, 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.