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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: 01230)

ANNOUNCEMENT

PROPOSED ESTABLISHMENT OF MANUFACTURING FACILITY IN NEW ZEALAND

This announcement is made by Yashili International Holdings Ltd (the “**Company**”) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

The board of directors (the “**Board**”) of the Company is pleased to announce that the Board has approved the project plan for establishing a manufacturing facility for production of finished products and semi-finished products, including base milk powder in New Zealand (the “**New Zealand Facility**”). The annual production capacity of the plant is expected to about 52,000 tons. The total investment involved in the establishment of the New Zealand Facility by the Company is estimated to be RMB1.1 billion, out of which RMB950 million will be for acquisition of land and cost of construction, and RMB150 million will be utilized as working capital of Yashili New Zealand Dairy Co., Limited (“**Yashili New Zealand**”), a wholly-owned subsidiary of the Company which will establish and operate the New Zealand Facility expected to be completed and put into operation in the second half of 2014. Yashili New Zealand has submitted an application for consent to an investment in significant business assets to the Overseas Investment Office of New Zealand (“**OIONZ**”) in relation to the proposed investment in the New Zealand Facility in accordance with the relevant laws and regulations of New Zealand.

Yashili New Zealand has entered into a conditional purchase agreement to acquire the land (the “**Land**”) where the New Zealand Facility will be operated. The acquisition of the Land is subject to various conditions provided in the conditional purchase agreement, including Yashili New Zealand obtaining an investment approval from OIONZ. The proposed investment is subject to relevant government approvals and further announcement in respect of the Company’s investment in the New Zealand Facility will be made with the approval of government authorities.

By Order of the Board
Yashili International Holdings Ltd
Zhang Lidian
Chairman

Hong Kong, 10 January 2013

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Lidian (Chairman), Mr. Zhang Likun, Mr. Zhang Liming, Mr. Zhang Libo and Mr. Zhang Yanpeng; the non-executive directors of the Company are Mr. Chang Herman Hsiu-Guo and Mr. Zhang Chi; and the independent non-executive directors of the Company are Mr. Yu Shimao, Mr. Chen Yongquan, Mr. Samuel King On Wong and Mr. Liu Jinting.