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Yili as Largest Shareholder of Ausnutria, move into the infant formula & nutrition product business

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Yili the largest and most valuable dairy producer in Asia, announced that it took a stake in goat milk formula giant Ausnutria Dairy Co. Ltd. (“Ausnutria Dairy” or “Ausnutria”) and became its largest shareholder. This marked the largest M&A deal of China’s dairy industry in recent years.



Yili joins hands with Ausnutria, marking the largest M&A deal of Chinaâ??s dairy industry in recent years. The new parterhsip will enable the two sides to complement each other in terms of supply chains, channels, product portfolio

and R&D.

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According to the announcement made by Yili Group, the company will team up with Ausnutria Dairy through its wholly-owned subsidiary Hong Kong Jingang Trade Holding Co., Ltd. (“Jingang”), as a step to move into the infant formula and nutrition product business.

As detailed in the announcement, Jingang will acquire a total of 531 million shares from other shareholders at a price of HK$10.06 per share, which represents approximately 30.89% of the total issued shares of Ausnutria. In addition, Ausnutria will issue 90 million new shares to Jingang at the price of HK$10.06 per share. If the above two transactions can be successfully completed, Jingang will hold a total of 621 million shares of Ausnutria, or 34.33% of the total, making Yili the largest single shareholder of the company.

Dairy giant joins hands with leader of goat milk formula, forging a strong new alliance

Pan Gang, Chairman of Yili Group, said at the signing ceremony that as the two enterprises have much in common, Yili recognizes the values, strategic layout, and the core team of Ausnutria. In the years to come, Yili will bring into full play its strengths in terms of company size, brand building, channels and industrial chain to enable Ausnutria’s sound development over the long term.The cooperation is expected to form synergy and blaze new trails in the fields of milk powder, dairy products, and other health food.

Yan Weibin, Chairman of Ausnutria, said that Yili is the first Chinese enterprise to become a top player in the global dairy industry. For Ausnutria, a strategic investor like Yili will not only create synergy along the industrial chain but also empower Ausnutria in terms of management and strategic planning. He emphasized that the strategic cooperation will have a profound impact on both companies and drive the development of the world’s dairy and nutrition industries.

Strategically, as noted by analysts, the partnership between the two companies will produce win-win results. On the one hand, as a dairy leader covering all categories with a complete industrial chain, Yili is unparalleled in Asia as the only Asian company in the Global Dairy Top 5, and it has made inroads into the healthy food industry. On the other hand, Ausnutria Dairy is a rapidly growing international company offering infant formula and other nutrition and health products, with the world’s best-known goat milk brand. Therefore, the two companies are highly complementary in terms of their supply chains, channels, and product portfolio, and their partnership will form strong synergy.

The partnership will strengthen Yili’s leadership in milk formula and facilitate the company’s entry into the nutrition products market.