



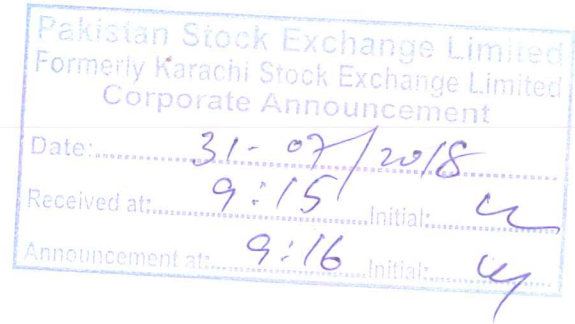
July 31, 2018

**The Chief Executive**  
**Fauji Foods Limited**  
3/F, Bahria Complex  
103 A/B, Shahrah-e-Quaid-e-Azam,  
Lahore

**Deputy General Manager**  
**Pakistan Stock Exchange Limited**  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**Commissioner – Securities Market Division**  
**Securities & Exchange Commission of Pakistan**  
State Life Building 7,  
Jinnah Avenue, Blue Area,  
Islamabad

**Executive Director – Corporate Supervision Division**  
**Securities & Exchange Commission of Pakistan**  
State Life Building 7,  
Jinnah Avenue, Blue Area,  
Islamabad



**Subject: Public Announcement of Intention to acquire up to 51% of voting shares and/or control of Fauji Foods Limited (the “Target”) by Inner Mongolia Yili Industrial Group Co., Ltd. (the “Acquirer”), under the Securities Act 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017**

Dear Sir,

We, Citibank N.A. Pakistan (“**Citibank**”) have been appointed as Manager to the Offer by the Acquirer pursuant to the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 in respect of the proposed acquisition.

On behalf of the Acquirer, we are submitting herewith a copy of the Public Announcement of Intention to acquire up to 51% voting shares and/or control in the Target. The Public Announcement of Intention is intended to be published on August 02, 2018 in one Urdu and one English newspaper in accordance with Securities Act 2015 read with the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017, in connection with the proposed acquisition mentioned above.

Yours sincerely,

For and on behalf of Citibank as Manager to the Public Offer

Authorized Signatory

**Enclosed:**  
Copy of Public Announcement of Intention



**Public Announcement of Intention  
to acquire up to 51% of voting shares and/or control of Fauji Foods Limited  
by Inner Mongolia Yili Industrial Group Co., Ltd.  
under the Securities Act 2015 and the Listed Companies  
(Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017**

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**Part A**

Brief description of the intended acquisition –

<b>Intended acquisition through</b>	<b>Number of Shares</b>	<b>Percentage</b>
<b>Agreement(s)</b>	<b>up to 269,487,668</b>	<b>up to 51.0%</b>
<b>Public Offer</b>	<b>up to 67,472,433</b>	<b>up to 12.8%</b>

**Part B**

**1. INFORMATION ABOUT THE ACQUIRER**

**a) Name(s) and Address(s) of acquirer along persons acting in concert, if any.**

**Inner Mongolia Yili Industrial Group Co., Ltd.** – 1 Jinshan Avenue, Jinshan Development Zone, Hohhot, Inner Mongolia, 010110 China.

The acquisition may be undertaken by the Acquirer directly and/or through a special purpose company or an existing subsidiary, the details of which shall be provided to the Pakistan Stock Exchange Limited and the Securities and Exchange Commission of Pakistan upon finalization.

**b) Name(s) of the ultimate acquirer or the ultimate controlling shareholder.**

N/A

**c) Name(s) and address(s) of manager to the offer of the acquirer.**

Citibank N.A. Pakistan - AWT Plaza, I.I. Chundrigar Road, P.O. Box 4889, Karachi 74200, Pakistan

**d) Principal areas of business of the acquirer and relevant experience**

The Acquirer is active in the dairy manufacturing industry. Its main business involves the processing, manufacturing and sales of milk and dairy products. It has several major product lines including liquid milk, milk beverage, milk powder, frozen drinks and yogurt.



e) **In case the acquirer is a fund/company(s):**

i. Names of the chief executive and directors of the company(s);

**Inner Mongolia Yili Industrial Group Co, Ltd.**

▪ **Chairman and Chief Executive:** Pan Gang

▪ **Name of Directors:**

- Liu Chunhai
- Zhao Chengxia
- Hu Liping
- Yan Junrong
- Zhang Junping
- Gao Debu
- Gao Hong
- Zhang Xinling
- Lv Gang
- Xiao Bin

ii. Names of substantial shareholders of the company:

Top 10 shareholders as of Q1 2018

Hong Kong Central Clearing Limited (9.33%)

Hohhot Investment Co., Ltd. (8.86%)

China Securities Finance Corporation (4.85%)

Pan Gang (3.88%)

Sunshine Life Insurance Co., Ltd. - Dividend Insurance Products (1.79%)

Zhao Chengxia (1.38%)

Liu Chunhai (1.37%)

Hu Liping (1.31%)

Sunshine Life Insurance Co., Ltd. - Jili Liangquan Products (1.17%)

National Social Security Fund 104 Combination (1.12%)



内蒙古伊利实业集团股份有限公司

iii. Date of incorporation

4<sup>th</sup> June, 1993

iv. Jurisdiction of incorporation

China

v. Authorised and paid up capital

RMB 6,078,492,608

**f) Detail of companies, where the intended acquirer(s) hold more than thirty percent voting shares:**

The Acquirer has 74 subsidiaries based on its latest financial statements available on its website. The details of the subsidiaries of the Acquirer are as follows:

Company Name	Registration Number (Unified Social Credit Code)	Status (Listed / Unlisted / Private)	Nature of Business	Jurisdiction of Incorporation	Please indicate that the holding status is: (1) Control; (2) Shareholding > 30%; (3) Both
Baotou Yili Dairy Co., Ltd.	91150291701399333L	Unlisted	Milk procurement, processing and sales	Baotou Rare Earth High-tech Zone, China	Both
Duerbote Yili Dairy Co., Ltd.	91230624702733268A	Unlisted	Milk powder production	Daqing City, China	Both
Langfang Yili Dairy Co., Ltd.	911310007356070222	Unlisted	Liquid milk production	Langfang, China	Both
Inner Mongolia Lingxian Fresh Food Co., Ltd.	911501027013495122	Unlisted	Processing and sales of agricultural products	Hohhot, China	Both
Inner Mongolia Qingshan Dairy	91150100114169867M	Unlisted	Milk powder production	Hohhot, China	Both



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Co., Ltd.					
Tianjin Yili Kangye Frozen Food Co., Ltd.	9112011273038072X3	Unlisted	Cold beverage sales	Jinnan Economic Development Zone, China	Both
Inner Mongolia Yilifubeier Dairy Co., Ltd.	150100400000162	Unlisted	Milk powder production	Hohhot, China	Both
Zhalantun Yili Dairy Co., Ltd.	91150783701310554D	Unlisted	Milk powder production	Zhalantun, China	Both
Zhaodong Yili Dairy Co., Ltd.	91231282728972523M	Unlisted	Dairy production and sales	Zhaodong City, China	Both
Inner Mongolia Yili Enterprise Development Co., Ltd.	91150191114127077M	Unlisted	Consultation services	Hohhot, China	Both
Xi'an Yili Taipuke Drinks Co., Ltd.	91610000623101115T	Unlisted	Dairy production and sales	Xi'an City, China	Both
Shuozhou Yili Dairy Co., Ltd.	911406217460290458	Unlisted	Milk procurement, dairy production and sales	Shanxi Shanyin, China	Both
Lindian Yili Dairy Co., Ltd.	912306237523511889	Unlisted	Milk procurement, dairy production and sales	Lindian County, China	Both
Qiqihar Yili Dairy Co., Ltd.	91230208752360041Y	Unlisted	Milk procurement, dairy	Qiqihar, China	Both



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			production and sales		
Chifeng Yili Dairy Co., Ltd.	91150403747936712T	Unlisted	Milk procurement, dairy production and sales	Chifeng City, China	Both
Dingzhou Yili Dairy Co., Ltd.	91130682780844158J	Unlisted	Dairy production and sales	Dingzhou City, China	Both
Yili Suzhou Dairy Co., Ltd.	913205947802655190	Unlisted	Dairy production and sales	Suzhou Industrial Park, China	Both
Jinan Yili Dairy Co., Ltd.	913701247806130932	Unlisted	Dairy production and sales	Pingyin County, China	Both
Inner Mongolia Jinchuan Yili Dairy Co., Ltd.	911500007830126059	Unlisted	Dairy production and sales	Hohhot, China	Both
Inner Mongolia Jinshan Dairy Co., Ltd.	911501007830114261	Unlisted	Dairy production and sales	Hohhot, China	Both
Foshan Yili Dairy Co., Ltd.	9144060778204439XF	Unlisted	Cold beverage production and sales	Foshan City, China	Both
Hefei Yili Dairy Co., Ltd.	91340121779060372D	Unlisted	Dairy production and sales	Hefei City, China	Both
Liaoning Yili Dairy Co., Ltd.	91210113780068080M	Unlisted	Dairy production and sales	Shenyang city, China	Both
Hubei	91421100788	Unlisted	Dairy	Huanggang,	Both



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Huanggang Yili Dairy Co., Ltd.	194962E		production and sales	China	
Inner Mongolia Shengtai Investment Co., Ltd.	91150000790163882K	Unlisted	External Investments	Hohhot, China	Both
Chengdu Yili Dairy Co., Ltd.	915101837921743311	Unlisted	Dairy production and sales	Qionglai, Chengdu, China	Both
Urumqi Yili Food Co., Ltd.	916501007898939177	Unlisted	Dairy cattle breeding, agricultural products purchase and sales, etc.	Urumqi, China	Both
Henan Yili Dairy Co., Ltd.	91410421MA40415U6H	Unlisted	Dairy production and sales	Pingdingshan City, China	Both
Fuxin Yili Dairy Co., Ltd.	912109007816373960	Unlisted	Dairy production and sales	Fuxin City, China	Both
Duolun County Yili Dairy Co., Ltd.	91152531797179916C	Unlisted	Dairy production and sales	Duolun County, China	Both
Inner Mongolia Jinhai Yili Dairy Co., Ltd.	91150100660991647L	Unlisted	Dairy production and sales	Hohhot, China	Both
Xilinhot Yili Dairy Co., Ltd.	91152502667347301P	Unlisted	Dairy production and sales	Xilin Gol Economic and Technological Development Zone, China	Both
Luanxian Yili	91130223669	Unlisted	Dairy	Luan County,	Both



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Dairy Co., Ltd.	075506W		production and sales	Hebei Province, China	
Lanzhou Yili Dairy Co., Ltd.	91620111665 445872Y	Unlisted	Dairy production and sales	Lanzhou City, China	Both
Duerbote Jinshan Dairy Co., Ltd.	91230624669 0311758	Unlisted	Dairy production and sales	Daqing City, China	Both
Yili International Development Co., Ltd.	N/A	Unlisted	International trade	Hong Kong	Both
Tianjin Yili Dairy Co., Ltd.	91120118690 693069E	Unlisted	Dairy, infant formula milk powder production	Tianjin, China	Both
Shaanxi Yili Dairy Co., Ltd.	91610122693 8407068	Unlisted	Cold beverage production and sales	Lantian County, China	Both
Bayannaer Yili Dairy Co., Ltd.	91150826695 917017U	Unlisted	Production and sales of dairy products and milk drinks	Bayannaer, China	Both
Zhejiang Yili Dairy Co., Ltd.	91330701552 89556X1	Unlisted	Cold beverage production and sales	Jinhua City, China	Both
Tianjin Yili Dairy Co., Ltd.	91120222550 3620656	Unlisted	Dairy production and sales	Wuqing Development Zone, China	Both
Fuxin Yili	91210921555	Unlisted	Dairy	Fuxin City,	Both



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Dairy Co., Ltd.	357177N		production and sales	China	
Weifang Yili Dairy Co., Ltd.	91370724556 702817E	Unlisted	Dairy production and sales	Linqu County, China	Both
Ningxia Yili Dairy Co., Ltd.	91640300554 1654721	Unlisted	Dairy production and sales	Wuzhong City, China	Both
Heilongjiang Yili Dairy Co., Ltd.	91230624556 135584C	Unlisted	Dairy production and sales	Duerbote County, China	Both
Changji Shengxin Industrial Co., Ltd.	91652325673 439640X	Unlisted	Investment and development	Changji, China	Both
Hulunbeier Xianglong Mining Energy Co., Ltd.	91150726670 654855G	Unlisted	Mining product sales	Hulunbeier, China	Both
Xiwuqi Taiqin Water Affairs Co., Ltd.	91152526555 466867N	Unlisted	Water resources development, storage, sales, etc.	Xiwuqi, China	Both
Zhangbei Yili Dairy Co., Ltd.	91130722563 200807N	Unlisted	Dairy production and sales	Zhangbei Town, Zhangbei County, China	Both
Guangdong Yili Dairy Co., Ltd.	91441300572 406321A	Unlisted	Dairy production and sales	Huize Avenue, Huizhou City, China	Both
Xianyang Yili Dairy Co., Ltd.	91610422575 6435761	Unlisted	Business establishment in progress	Sanyuan County, Shaanxi Province, China	Both



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Hong Kong Jingang Trade Holding Co., Limited	N/A	Unlisted	Commercial trade	Hong Kong	Both
Jiyuan Yili Dairy Co., Ltd.	91419001581 712363Q	Unlisted	Dairy production and sales	Jiyuan City, Henan Province, China	Both
Guangxi Yili Frozen Food Co., Ltd.	91450100581 972843E	Unlisted	Cold beverage production and sales	Nanning City, China	Both
Inner Mongolia Jinderui Trade Co., Ltd.	91150100585 183593H	Unlisted	Dairy sales	Hohhot, China	Both
Yunnan Yili Dairy Co., Ltd.	91530127587 393009E	Unlisted	Dairy production and sales	Kunming City, China	Both
Meizhou Yili Frozen Food Co., Ltd.	91441400053 712482A	Unlisted	Frozen product production and sales	Shejiang Town, Mei County, Guangdong, China	Both
Changchun Yili Frozen Food Co., Ltd.	91220181050 539143B	Unlisted	Frozen product production and sales	Changchun Jiutai Economic Development Zone, China	Both
Longyou Yili Dairy Co., Ltd.	91330825080 5760330	Unlisted	Dairy production and sales	Zhejiang Longyou Industrial Park, China	Both
Jinzhong Yili Dairy Co., Ltd.	91140727073 056494J	Unlisted	Dairy production and sales	Qixian County, Shanxi Province, China	Both
Inner Mongolia	91150100078	Unlisted	Dairy	Hohhot Jinshan	Both



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Dairy Technology Research Institute Co., Ltd.	374993L		technology	Development Zone, China	
SILVER HARBOR LLC.	N/A	Unlisted	Dairy market research	United States	Both
Yili Innovation Center Europe B.V.	N/A	Unlisted	Dairy technology	Netherlands	Both
Yili Finance Co., Ltd.	911500000895784816	Unlisted	Financial industry	Hohhot, China	Both
Inner Mongolia Huishang Finance Guarantee Co., Ltd.	91150100397474940Q	Unlisted	Provision of guaranty	Hohhot, China	Both
Shanghai Yili Aibeifood Co., Ltd.	913100006072885142	Unlisted	Cold beverage sales	Shanghai Minhang Economic and Technological Development Zone, China	Both
Oceania Dairy Limited	N/A	Unlisted	Dairy processing	New Zealand	Both
PT.Green Asia Food Indonesia	N/A	Unlisted	Commercial trade	Indonesia	Both
Huishang Commercial Factoring Co., Ltd.	91440300342931833L	Unlisted	Guarantee agent	Shenzhen, China	Both
Lizhimei (Shanghai)	91310115MA1K398T66	Unlisted	Industry investments	Shanghai Free Trade Zone,	Both



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Investment Co., Ltd.			and food logistics	China	
Shenyang Yili Dairy Co., Ltd.	91210113MA0P5DYP3K	Unlisted	Dairy production and sales	Shenyang Shenbei New District, China	Both
Inner Mongolia Yili Management Consulting Co., Ltd.	91150100MA0N1JCQ43	Unlisted	Consultation services	Hohhot, China	Both
Inner Mongolia Huishang Internet Small Loan Co., Ltd.	91150100MA0NJ9MP0B	Unlisted	Provision of small loans	Hohhot, China	Both
China Youran Dairy Holding Limited	N/A	Unlisted	Animal and by-product sales	Cayman Islands	Shareholding>30%

**g) Information about ultimate beneficial owner of the intended acquirer(s):**

In case of Fund/Company etc.

- (i) Date of incorporation,  
N/A
- (ii) Jurisdiction of Incorporation,  
N/A
- (iii) Authorised and paid up capital,  
N/A
- (iv) Detail of companies located in and outside Pakistan, where the ultimate acquirer or the ultimate controlling shareholder held control and/or more than thirty percent voting shares:  
N/A

**h) Details of any existing holding of voting rights in the target company –**



- (i) Which the acquirer owns or over which it has control or direction;  
The Acquirer does not own any shareholding in the target company.
- (ii) Which is owned or controlled or directed by any person acting in concert with the of acquirer;  
None.
- (iii) In respect of which the acquirer or any person acting in concert with him has received an irrevocable commitment to accept the takeover offer; and in respect of which the acquirer or any person acting in concert with him holds an option to purchase or warrants or other convertible securities.  
None.

- i) **All conditions (including normal conditions relating to acceptance, listing and increase of capital) to which the public offer or the posting of its subject.**

N/A

## Part C

### 2. INFORMATION ABOUT THE TARGET COMPANY

- a) **Name of the target company, its directors or major shareholders along with number of shares and percentages of paid-up capital.**

▪ **Name:**

Fauji Foods Limited

▪ **Names of Directors:**

- Lt Gen Syed Tariq Nadeem Gilani, HI(M), (Retd)
- Lt. Gen Javed Iqbal, HI(M), (Retd)
- Lt Gen Tariq Khan, HI(M), (Retd)
- Syed Aamir Ahsan
- Mr Salman Hayat Noon
- Mr. Qaiser Javed
- Dr. Nadeem Inayat



- Lt Col Abdul Khaliq Khan (Retd)
- Mr. Iltifat Rasul Khan
- Dr. Rashid Bajwa
- Brig. Raashid Wali Janjua (Retd)
- Mr. Par Soderlund
- **Major Shareholders:**
  - Fauji Fertilizer Bin Qasim Limited (holding 267,314,886 Ordinary shares representing 50.6% of the issued share capital of the Company)
  - Fauji Foundation (holding 67,371,916 Ordinary shares representing 12.8% of the issued share capital of the Company)

**b) Total number of issued shares of the company,**

528,407,192 Ordinary Shares of Rs. 10 each

**c) Date of listing and offer price at the time of initial public offering.**

N/A

**d) Opening price at securities exchange at the time of listing**

N/A

**e) Share price quoted on the securities exchange one day before the public announcement of intention.**

The share price of the Target Company at the close of market hours on 30 July 2018 was PKR 34.40 per share.

**f) The weighted average share price as quoted on the securities exchange during four weeks preceding the date of public announcement of intention.**

Weighted average share price of the Target Company for the period 3 July 2018 to 30 July 2018 was PKR33.12 per share.

**g) Financial position/performance of the company for the last five years, including profit/loss after tax, earning per share, payouts.**



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	Jun-13	Jun-14	Jun-15	Dec-15 (6 months)	Dec-16	Dec-17
<b>(in PKR millions)</b>						
<b>Sales</b>	2,926.23	2,194.03	1,866.02	689.04	3,370.50	7,000.96
<b>Gross Profit</b>	291.79	204.25	153.53	(1.26)	105.51	187.22
<b>Loss Before Tax</b>	(144.68)	(120.86)	(420.60)	(176.93)	(1,517.90)	(3,016.29)
<b>Loss After Tax</b>	(127.94)	(142.06)	(349.76)	(106.07)	(966.92)	(2,288.26)
<b>Earnings Per Share</b>	(9.18)	(10.19)	(11.75)	(1.07)	(8.75)	(9.22)
<b>Dividend Paid</b>	-	-	-	-	-	-
<b>Dividend Payout</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Equity</b>	231.58	89.61	335.31	233.17	2,241.54	4,945.39
<b>Total Liabilities</b>	1,144.76	1,329.89	1,247.79	1,675.57	5,439.11	6,961.88
<b>Current Liabilities</b>	932.79	962.24	1,234.95	1,605.11	5,276.37	2,353.21
<b>Non-Current Liabilities</b>	211.97	367.65	12.84	70.46	162.74	4,608.67
<b>Total Assets</b>	1,376.34	1,419.50	1,583.10	1,908.73	7,680.65	11,907.27
<b>Current Assets</b>	728.58	838.28	541.69	552.70	2,108.97	4,005.42
<b>Non-Current Assets</b>	647.77	581.22	1,041.41	1,356.03	5,571.68	7,901.84



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For and on behalf of Inner Mongolia Yili Industrial Group Co., Ltd.

A handwritten signature in black ink, appearing to be "潘刚" (Pan Gang), written over a horizontal line.

Pan Gang

Chairman