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China Mengniu Dairy Company Limited

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2319)

China Modern Dairy Holdings Ltd.

中國現代牧業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1117)

JOINT ANNOUNCEMENT

(1) LEVEL OF ACCEPTANCE OF THE CONDITIONAL MANDATORY CASH OFFERS BY UBS AG AND DBS ASIA CAPITAL LIMITED FOR AND ON BEHALF OF CHINA MENGNIU DAIRY COMPANY LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN CHINA MODERN DAIRY HOLDINGS LTD. (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY CHINA MENGNIU DAIRY COMPANY LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND FOR CANCELLATION OF ALL OUTSTANDING OPTIONS IN CHINA MODERN DAIRY HOLDINGS LTD.

(2) OFFERS HAVING BECOME UNCONDITIONAL IN ALL RESPECTS

AND

(3) FINAL CLOSING DATE

Financial adviser to China Mengniu Dairy Company Limited



Joint financial adviser to China Mengniu Dairy Company Limited



* *For identification purpose only*

OFFERS BECOMING UNCONDITIONAL IN ALL RESPECTS

As at 4:00 p.m. on 7 March 2017, valid acceptances of the Share Offer have been received in respect of 1,235,272,927 CMD Shares (representing approximately 20.1% of the issued share capital of CMD as at the date of this joint announcement). As at 4:00 p.m. on 7 March 2017, taking into account the valid acceptances in respect of 1,235,272,927 CMD Shares under the Share Offer, Mengniu and its Concert Parties would hold an aggregate of 3,548,641,677 CMD Shares (representing approximately 57.9% of the issued share capital of the CMD as at the date of this joint announcement). As the condition as to acceptance in respect of the Share Offer has now been satisfied, and the Option Offer is conditional only upon the Share Offer becoming or being declared unconditional, the conditions to the Offers set out in the Composite Document have now been satisfied. Mengniu hereby announces that as at 4:00 p.m. today the Offers are unconditional in all respects.

FINAL CLOSING DATE

Mengniu hereby announces that the Offers will remain open for acceptance until 4:00 p.m. on 21 March 2017, which shall be the final closing date of the Offers (the “**Final Closing Date**”).

1. INTRODUCTION

Reference is made to (i) the Joint Announcement issued by Mengniu and CMD dated 4 January 2017, (ii) the joint announcement issued by Mengniu and CMD dated 7 February 2017 in relation to SPA Completion, and (iii) the Composite Document jointly issued by Mengniu and CMD dated 14 February 2017. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Composite Document.

All time references contained in this joint announcement are to Hong Kong times.

2. ACCEPTANCE LEVEL

As at 4:00 p.m. on 7 March 2017, valid acceptances of the Share Offer have been received in respect of 1,235,272,927 CMD Shares (representing approximately 20.1% of the issued share capital of CMD as at the date of this joint announcement). As at 4:00 p.m. on 7 March 2017, taking into account the valid acceptances in respect of 1,235,272,927 CMD Shares under the Share Offer, Mengniu and its Concert Parties would hold an aggregate of 3,548,641,677 CMD Shares (representing approximately 57.9% of the issued share capital of the CMD as at the date of this joint announcement).

As such, Mengniu hereby announces that the condition to the Share Offer as set out under the section headed “Conditions to the Offers” in the “Letter from UBS and DBS”, the text of which is set out in the Composite Document, has been satisfied.

Immediately prior to the commencement of the Offer Period on 4 January 2017, Mengniu and its Concert Parties (excluding exempt principal traders) held, controlled or directed or had rights over 1,347,903,000 CMD Shares, which represents approximately 25.4% of the then issued share capital of CMD. Save for the acquisition of an aggregate of 965,465,750 CMD Shares from Success Dairy II immediately following the SPA Completion (which represents approximately 15.7% of the then issued share capital of CMD) and the acceptance of the Share Offer described above, Mengniu and its Concert Parties (excluding exempt principal traders) have not acquired or agreed to acquire any CMD Shares or rights over CMD Shares during the Offer Period. None of Mengniu nor any of its Concert Parties (excluding exempt principal traders) has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in CMD during the Offer Period.

As at 4:00 p.m. on 7 March 2017, no valid acceptance of the Option Offer has been received. As disclosed in the Composite Document, the Option Offer is conditional upon the Share Offer becoming or being declared unconditional.

3. SHARE OFFER HAS BECOME UNCONDITIONAL IN ALL RESPECTS

As the condition as to acceptance as set out in the Composite Document have now been satisfied, Mengniu announces that the Share Offer is unconditional in all respects as at 4:00 p.m. today.

4. OPTION OFFER HAS BECOME UNCONDITIONAL IN ALL RESPECTS

As the Share Offer has become unconditional in all respects, Mengniu also announces that the Option Offer is unconditional in all respects as at 4:00 p.m. today.

5. OFFERS REMAIN OPEN FOR ACCEPTANCES

As disclosed in the Composite Document, at least fourteen (14) days' notice in writing will be given before the Offers are closed to those CMD Shareholders and Optionholders who have not accepted the Share Offer and the Option Offer, respectively. Mengniu hereby announces that the Offers will remain open for acceptance until 4:00 p.m. on 21 March 2017, which shall also be the Final Closing Date. The Share Offer and the Option Offer will be closed to those CMD Shareholders and Optionholders who have not accepted the Share Offer and the Option Offer, respectively by 4:00 p.m. on 21 March 2017.

CMD Shareholders and Optionholders are advised that the Offers will remain open for acceptance until 4:00 p.m. on 21 March 2017, which shall also be the Final Closing Date.

CMD Shareholders are advised to refer to the Composite Document and the WHITE Form of Share Offer Acceptance for details of acceptance procedures if they wish to accept the Share Offer. Optionholders are advised to refer to the Composite Document and the PINK Form of Option Offer Acceptance for details of acceptance procedures if they wish to accept the Option Offer.

6. SETTLEMENT OF THE OFFERS

Remittances in respect of cash consideration (after deducting the seller's ad valorem stamp duty) payable for the CMD Shares tendered under the Share Offer will be posted by ordinary post to such CMD Shareholders accepting the Share Offer at their own risk as soon as possible, but in any event within seven (7) Business Days of the later of the date of this joint announcement, and the date of receipt by the Registrar of duly completed WHITE Form(s) of Share Offer Acceptance and all the relevant documents of title to render the acceptance by such CMD Shareholders under the Share Offer complete and valid.

Remittances in respect of cash consideration payable for cancellation of the CMD Options tendered under the Option Offer will be posted by ordinary post at the own risk of the relevant Optionholders to the office of CMD in Hong Kong at Unit 2402, 24/F, Alliance Building, 130-136 Connaught Road Central, Sheung Wan, Hong Kong for collection as soon as possible, but in any event within seven (7) Business Days of the later of the date of this joint announcement, and the date of receipt by the company secretary of CMD of duly completed PINK Form(s) of Option Offer Acceptance and all relevant documents of title to render the acceptance under the Option Offer complete and valid.

7. BOARD COMPOSITION

It was disclosed in the Composite Document that it is expected that Mr. Wolhardt Julian Juul and Mr. Hui Chi Kin Max will resign as CMD Directors with effect from the First Closing Date or such date as permitted by the Executive. Having regard to the positive contributions that they have made during their tenure as CMD Directors and after further discussions with Mr. Wolhardt and Mr. Hui, the CMD Board is pleased to announce that both of them have agreed to remain as non-executive directors of CMD. Further announcements will be made in accordance with the Listing Rules as and when appropriate.

By order of the board of directors of
China Mengniu Dairy Company Limited
Jeffrey, Minfang Lu
*Chief Executive Officer
and Executive Director*

By order of the board of directors of
China Modern Dairy Holdings Ltd.
Gao Lina
*Deputy Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 7 March 2017

As at the date of this joint announcement, the Mengniu Directors are Mr. Jeffrey, Minfang Lu, Mr. Bai Ying and Ms. Wu Wenting as executive directors, Mr. Ma Jianping, Mr. Niu Gensheng, Mr. Tim Ørting Jørgensen and Mr. Filip Kegels as non-executive directors, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Zhang Xiaoya and Mr. Yau Ka Chi as independent non-executive directors.

As at the date of this joint announcement, the CMD Directors are Ms. GAO Lina and Mr. HAN Chunlin as executive directors, Mr. YU Xubo, Mr. WOLHARDT Julian Juul, Mr. HUI Chi Kin Max, Mr. ZHANG Ping and Mr. SUN Yugang as non-executive directors, Mr. LI Shengli, Mr. LEE Kong Wai Conway, Mr. KANG Yan and Mr. ZOU Fei as independent non-executive directors.

The Mengniu Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the CMD Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by CMD Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

The CMD Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Mengniu Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Mengniu Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.