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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**

**DESPATCH OF THE COMPOSITE DOCUMENT RELATING TO 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.**

**Financial adviser to China Mengniu Dairy Company Limited**



**Joint financial adviser to China Mengniu Dairy Company Limited**



\* For identification purpose only

## INTRODUCTION

Reference is made to the joint announcements issued by Mengniu and CMD dated 4 January 2017, 25 January 2017 and 7 February 2017, and the composite offer document and offeree board circular dated 14 February 2017 (the “**Composite Document**”) jointly issued by Mengniu and CMD in relation to, among other things, the conditional mandatory cash offers by UBS and DBS for and on behalf of Mengniu to acquire all the issued shares in CMD (other than those already owned or agreed to be acquired by Mengniu and its Concert Parties) and for cancellation of all outstanding options in CMD. Capitalised terms used and not otherwise defined herein shall have the same meanings as ascribed to them in the Composite Document.

## DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, (i) the expected timetable and the terms and conditions in respect of the Offers; (ii) a letter from UBS and DBS; (iii) a letter from the CMD Board; (iv) a letter from the Independent Board Committee; and (v) a letter from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, together with the Forms of Acceptance, have been despatched to the CMD Shareholders and Optionholders on Tuesday, 14 February 2017. The Offers are open for acceptance on and from Tuesday, 14 February 2017, and the latest time and date for acceptance of the Offers is 4:00 p.m. on Tuesday, 7 March 2017 unless the Offers become unconditional. The expected timetable is set out below.

## EXPECTED TIMETABLE

Set out below is the expected timetable of the Offers as reproduced from the Composite Document, which is indicative only and may be subject to change. Any changes to the timetable will be jointly announced by Mengniu and CMD as and when appropriate. All the time and date references contained herein refer to Hong Kong times and dates.

Despatch date of the Composite Document and the accompanying Form(s) of Acceptance ( <i>Note 1</i> ) . . . . .	Tuesday, 14 February, 2017
Commencement date of the Offers . . . . .	Tuesday, 14 February, 2017
Latest time and date for acceptance of the Offers on the First Closing Date ( <i>Note 2</i> ) . . . . .	By 4:00 p.m. on Tuesday, 7 March, 2017
First Closing Date ( <i>Notes 3 and 4</i> ) . . . . .	Tuesday, 7 March, 2017
Announcement of the results of the Offers as at the First Closing Date on the website of the Stock Exchange ( <i>Notes 3 and 5</i> ) . . . . .	By 7:00 p.m. on Tuesday, 7 March, 2017
Latest date of posting of remittances in respect of valid acceptances received under the Offers on or before the First Closing Date (assuming the Offers become or are declared unconditional on the First Closing Date) ( <i>Note 6</i> ) . . . . .	Thursday, 16 March, 2017

*Notes:*

- (1) The Offers, which are conditional, are made on 14 February, 2017, the date of the Composite Document, and are capable of acceptance on and from that date until 4:00 p.m. on the First Closing Date, unless the Offers become or are declared unconditional.
- (2) Beneficial owners of Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to the Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptances of the Offers are irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the section headed “7. Right of Withdrawal” in Appendix I to the Composite Document for further information on the circumstances where acceptances may be withdrawn.
- (3) In accordance with the Takeovers Code, the Offers must initially be open for acceptance for at least 21 days following the date on which the Composite Document is posted. The Offers will be closed at 4:00 p.m. on the First Closing Date unless the Offers become or are declared unconditional. An announcement will be jointly issued by CMD and Mengniu through the website of the Stock Exchange by 7:00 p.m. on the First Closing Date, stating the results of the Offers and whether the Offers have become or are declared unconditional. The Option Offer is conditional on the Share Offer becoming or being declared unconditional and will remain open for acceptance so long as the Share Offer remains open for acceptance. Unless the Offers become unconditional on or before the First Closing Date, the Offers will not be extended beyond the First Closing Date. The last possible day on which the Offers can become unconditional is the First Closing Date. If the Offers have become or been declared unconditional as to acceptances, the announcement will state the next closing date of the Offers or that the Offers will remain open until further notice. In the latter case, at least 14 days’ notice in writing will be given, before the Offers are closed, to those CMD Shareholders and Optionholders who have not accepted the Offers.
- (4) If there is a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal in force on the Offer Closing Date and it is (i) not cancelled in time for trading on the Stock Exchange to resume in the afternoon on the Offer Closing Date, the time and date of the close of the Offers will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve; or (ii) cancelled in time for trading on the Stock Exchange to resume in the afternoon on the Offer Closing Date, the time and date of the close of the Offers will be the same day, i.e., 4:00 p.m. on the Offer Closing Date.
- (5) In accordance with the Takeovers Code, if the Offers become or are declared unconditional, the Offers should remain open for acceptance for not less than 14 days thereafter. When the Offers become or are declared unconditional in all respects, at least 14 days’ notice in writing must be given before the Offers are closed to those CMD Shareholders and Optionholders who have not accepted the Offers. Mengniu has the right, subject to the Takeovers Code, to extend the Offers until such date as it may determine or as permitted by the Executive.
- (6) Remittances in respect of the cash consideration for the Offer Shares (after deducting the sellers’ ad valorem stamp duty) or the CMD Options tendered under the Offers will be despatched to the accepting CMD Shareholder(s) (to the address specified on the relevant Shareholder’s WHITE Form of Share Offer Acceptance) or the accepting Optionholder(s) (to the company secretary of CMD for collection by the relevant Optionholder(s)) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the later of the date on which the Offers become or are declared unconditional and the date on which the duly completed Forms of Acceptance and the relevant documents of title of the CMD Shares or the CMD Options (as the case may be) are received by the Registrar (in the case of the Share Offer) or the company secretary of CMD (in the case of the Option Offer) to render each of such acceptance of any of the Share Offer or the Option Offer complete and valid. Please refer to the section headed “1. Procedure for Acceptance” and “2. Settlement of the Offers” in Appendix I to the Composite Document and the accompanying Form(s) of Acceptance for further information.

An acceptor of the Offers shall be entitled to withdraw its/his/her acceptance after 21 days from the First Closing Date if the Offers have not by then become unconditional as to acceptances. However, this entitlement to withdraw shall only be exercisable until such time as the Offers become or are declared unconditional as to acceptances. For further details, please refer to Appendix I to the Composite Document.

## IMPORTANT

**CMD Shareholders and Optionholders are strongly advised to read the Composite Document and the Forms of Acceptance carefully, including the recommendation from the Independent Board Committee to CMD Shareholders and Optionholders, and the advice from the Independent Financial Adviser to the Independent Board Committee, in respect of the Offers, before deciding whether or not to accept the Offers.**

**CMD Shareholders, Optionholders and potential investors are strongly recommended to exercise caution when dealing in CMD Shares, CMD Options or other rights in respect of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

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, 14 February 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.*