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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

**UNCONDITIONAL MANDATORY CASH OFFERS BY UBS AG AND
DBS ASIA CAPITAL LIMITED FOR AND ON BEHALF OF
CHINA MENGNU 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 MENGNU DAIRY COMPANY LIMITED AND
PARTIES ACTING IN CONCERT WITH IT) AND FOR CANCELLATION OF
ALL OUTSTANDING OPTIONS IN CHINA MODERN DAIRY HOLDINGS LTD.**

**(1) CLOSE OF THE OFFERS
AND
(2) RESULTS OF THE OFFERS**

Financial adviser to China Mengniu Dairy Company Limited



Joint financial adviser to China Mengniu Dairy Company Limited



* For identification purpose only

CLOSE OF THE OFFERS

As disclosed in the First Closing Announcement, the Offers were declared unconditional in all respects on 7 March 2017. Mengniu hereby announces that the Offers closed at 4:00 p.m. on 21 March 2017, which is the final closing date of the Offers (the “**Final Closing Date**”), and were not revised or extended.

RESULTS OF THE OFFERS

As at 4:00 p.m. on the Final Closing Date, valid acceptances of the Share Offer have been received in respect of 1,442,400,662 CMD Shares (representing approximately 23.5% of the issued share capital of CMD as at the date of this joint announcement), and valid acceptances of the Option Offer have been received in respect of 264,320,873 CMD Options (representing approximately 83.8% of the total number of outstanding CMD Options as at the date of this joint announcement). As at 4:00 p.m. on the Final Closing Date, taking into account the valid acceptances in respect of 1,442,400,662 CMD Shares under the Share Offer during the Offer Period, Mengniu and its Concert Parties would hold an aggregate of 3,755,769,412 CMD Shares (representing approximately 61.3% of the issued share capital of CMD as at the date of this joint announcement).

PUBLIC FLOAT

Immediately following the close of the Offers, subject to the due registration by the Registrar of the transfer of the Offer Shares (in respect of which valid acceptances were received), 2,149,255,561 CMD Shares, representing approximately 35.1% of the entire issued share capital of CMD as at the date of this joint announcement, are held by the public (within the meanings of the Listing Rules). Accordingly, as at the date of this joint announcement, CMD continues to satisfy the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules.

1. INTRODUCTION

References are 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, (iii) the Composite Document jointly issued by Mengniu and CMD dated 14 February 2017 and (iv) the joint announcement issued by Mengniu and CMD dated 7 March 2017 (the “**First Closing Announcement**”). 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. CLOSE OF THE OFFERS AND RESULTS OF THE OFFERS

As disclosed in the First Closing Announcement, the Offers were declared unconditional in all respects on 7 March 2017. Mengniu hereby announces that the Offers closed at 4:00 p.m. on 21 March 2017 (being the Final Closing Date), and were not revised or extended.

As at 4:00 p.m. on the Final Closing Date, valid acceptances of the Share Offer have been received in respect of 1,442,400,662 CMD Shares (representing approximately 23.5% of the issued share capital of CMD as at the date of this joint announcement). As at 4:00 p.m. on the Final Closing Date, taking into account the valid acceptances in respect of 1,442,400,662 CMD Shares under the Share Offer during the Offer Period, Mengniu and its Concert Parties would hold an aggregate of 3,755,769,412 CMD Shares (representing approximately 61.3% of the issued share capital of CMD as at the date of this joint announcement).

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 the Final Closing Date, valid acceptances of the Option Offer have been received in respect of 264,320,873 CMD Options (representing approximately 83.8% of the total number of outstanding CMD Options as at the date of this joint announcement).

3. 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 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 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.

4. SHAREHOLDING STRUCTURE OF CMD

The following table sets out the shareholding structure of CMD (i) immediately prior to the Offer Period (i.e. immediately prior to 4 January 2017); (ii) immediately prior to the commencement of the Offers (i.e. immediately prior to 14 February 2017); and (iii) immediately following the close of the Offers and as at the date of this joint announcement:

	Immediately prior to the Offer Period		Immediately prior to the commencement of the Offers		Immediately following the close of the Offers and as at the date of this joint announcement	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholders						
Mengniu	1,347,903,000	25.4%	1,347,903,000	22.0%	1,347,903,000	22.0%
Future Discovery Limited	0	0.0%	965,465,750 (Note 3)	15.7%	2,407,866,412	39.3%
Sub-total (Mengniu and its Concert Parties)	1,347,903,000	25.4%	2,313,368,750	37.7%	3,755,769,412	61.3%
Success Dairy II	477,429,132	9.0%	0	0.0%	0	0.0%
Xinmu Holdings Co. Ltd	671,021,025	12.6%	671,021,025	10.9%	263,716,426 (Note 4)	4.3%
Yinmu Holdings Co. Ltd	446,465,419	8.4%	446,465,419	7.3%	263,703,294 (Note 4)	4.3%
Jinmu Holdings Co. Ltd	221,581,733 (Notes 1 & 2)	4.2%	221,581,733	3.6%	221,581,733	3.6%
Directors and Chief Executives						
Gao, Lina	4,800,000 (Notes 1 & 2)	0.1%	4,800,000	0.1%	4,800,000	0.1%
Other Public Shareholders	2,135,567,574	40.3%	2,474,169,779	40.4%	1,621,835,841 (Note 4)	26.5%
Total	5,304,767,883	100.0%	6,131,406,706 (Notes 2 & 3)	100.0%	6,131,406,706	100.0%

Notes:

1. Ms. Lina Gao is the legal and beneficial owner of 4,800,000 CMD Shares. In addition, Ms. Lina Gao holds approximately 49.12% of the interests in Jinmu.
2. On 25 January 2017, 338,602,205 new CMD Shares were issued to the wholly-owned entities of the Individuals by CMD pursuant to the terms of the June 16 SPA. The entirety of 338,602,205 CMD Shares are subject to the Lock-up and thus were not or were not in a position to be tendered for acceptance under the Share Offer. Ms. Lina Gao and Jinmu have also given unconditional and irrevocable confirmations and undertakings in writing to Mengniu and CMD that they would not or were not in a position to accept the Offers. For further details, please refer to the section headed “Non-Accepting Shareholders” in the Composite Document.
3. 488,036,618 CMD Shares, being the New CMD Shares, were issued on 6 February 2017 to Success Dairy II by CMD pursuant to the terms of the Investor Option, and were transferred to Future Discovery Limited upon SPA Completion on 7 February 2017. For further details, please refer to the joint announcement issued by Mengniu and CMD on 7 February 2017.
4. The 263,716,426 CMD Shares held by Xinmu Holdings Co. Ltd as at the date of this joint announcement, the 263,703,294 CMD Shares held by Yinmu Holdings Co. Ltd as at the date of this joint announcement and the 1,621,835,841 CMD Shares held by the “Other Public Shareholders” as at the date of this joint announcement are considered to be CMD Shares held by the public (within the meanings of the Listing Rules). Accordingly, 2,149,255,561 CMD Shares, representing approximately 35.1% of the entire issued share capital of CMD as at the date of this joint announcement, are held by the public (within the meanings of the Listing Rules).

5. PUBLIC FLOAT

Immediately following the close of the Offers, subject to the due registration by the Registrar of the transfer of the Offer Shares (in respect of which valid acceptances were received), 2,149,255,561 CMD Shares, representing approximately 35.1% of the entire issued share capital of CMD as at the date of this joint announcement, are held by the public (within the meanings of the Listing Rules). Accordingly, as at the date of this joint announcement, CMD continues to satisfy the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules.

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, 21 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.