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**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)**



**China Shengmu Organic Milk Limited**

**中國聖牧有機奶業有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1432)**

### **JOINT ANNOUNCEMENT**

- (1) COMPLETION OF THE SALE AND PURCHASE OF THE SALE SHARES IN CHINA SHENGMU ORGANIC MILK LIMITED AND**  
**(2) MANDATORY CONDITIONAL CASH OFFER BY CLSA LIMITED FOR AND ON BEHALF OF CHINA MODERN DAIRY HOLDINGS LTD. TO ACQUIRE ALL THE ISSUED SHARES OF CHINA SHENGMU ORGANIC MILK LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY CHINA MODERN DAIRY HOLDINGS LTD. AND START GREAT)**

**Exclusive Financial Adviser to CMD**



**CITIC Securities (Hong Kong) Limited**

**Independent Financial Adviser to the CMD Independent Board Committee**



**CSM Independent Financial Adviser to the CSM Independent Board Committee**



Reference is made to (i) the announcement issued by China Modern Dairy Holdings Ltd. (“**CMD**”) on 30 October 2025 regarding, among others, the possible mandatory conditional cash offer by CLSA Limited, for and on behalf of CMD, to acquire all the issued shares of China Shengmu Organic Milk Limited (“**CSM**”) (other than those already owned or agreed to be acquired by CMD and Start Great Holdings Limited) (the “**Rule 3.5 Announcement**”), (ii) the announcement jointly issued by CMD and CSM on 20 November 2025 regarding the extension of the latest time for despatch of the Offer Document and (iii) the announcement jointly issued by CMD and CSM on 7 May 2026 regarding, among other things, satisfaction of a condition under the Share Purchase Agreements (the “**7 May Announcement**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Rule 3.5 Announcement.

## **COMPLETION OF THE SHARE PURCHASE AGREEMENTS**

As disclosed in the Rule 3.5 Announcement, on 30 October 2025 (after trading hours), each Selling Shareholder and CMD entered into a Share Purchase Agreement, pursuant to which the relevant Selling Shareholder conditionally agreed to sell, and CMD conditionally agreed to purchase, the respective Sale Shares held by such Selling Shareholder. The aggregate number of Sale Shares is 107,200,000 CSM Shares (representing approximately 1.28% of the total issued share capital of CSM as at the date of this joint announcement), and the total Consideration amounted to HK\$37,520,000 in cash.

CMD is pleased to announce that the SPA Completion under each Share Purchase Agreement took place on 22 May 2026 in accordance with the terms of each Share Purchase Agreement.

## SHAREHOLDING STRUCTURE OF CSM

The table below sets out the shareholding structure of CSM (i) immediately prior to SPA Completion; and (ii) immediately after SPA Completion and before the Offer:

CSM Shareholders	Immediately prior to the SPA Completion		Immediately after the SPA Completion and before the Offer	
	<i>Number of CSM Shares</i>	<i>Approximate % of the issued CSM Shares<sup>(Note 1)</sup></i>	<i>Number of CSM Shares</i>	<i>Approximate % of the issued CSM Shares<sup>(Note 1)</sup></i>
CMD	–	–	107,200,000	1.28
Start Great <sup>(Note 2)</sup>	<u>2,513,178,555</u>	<u>29.99</u>	<u>2,513,178,555</u>	<u>29.99</u>
<b><i>Subtotal of CMD and parties acting in concert with it</i></b>	<b><u>2,513,178,555</u></b>	<b><u>29.99</u></b>	<b><u>2,620,378,555</u></b>	<b><u>31.26</u></b>
Zhang Jiawang <sup>(Note 3)</sup>	171,427,580	2.05	171,427,580	2.05
Other Offer Shareholders (i.e. Offer Shareholders other than Zhang Jiawang) <sup>(Note 4)</sup>	<u>5,589,489,094</u>	<u>66.69</u>	<u>5,589,489,094</u>	<u>66.69</u>
<b>Total number of issued CSM Shares<sup>(Note 5)</sup></b>	<b><u>8,381,295,229</u></b>	<b><u>100.00</u></b>	<b><u>8,381,295,229</u></b>	<b><u>100.00</u></b>

Notes:

- Certain percentage figures in the above table are subject to rounding adjustments.
- As at the date of this joint announcement, Start Great is a wholly-owned subsidiary of Mengniu. CMD is an associate of Mengniu under the applicable accounting standards and Start Great is an associated company (within the meaning of the Takeovers Code) of CMD and is presumed to be acting in concert with CMD in accordance with Class (1) of the definition of “acting in concert” under the Takeovers Code.
- As at the date of this joint announcement, Mr. Zhang Jiawang is a CSM Director. The 171,427,580 CSM Shares held by Mr. Zhang Jiawang as set out above include the 3,495,000 award shares vested to Mr. Zhang Jiawang under the CSM Share Award Scheme on 20 April 2026.
- For completeness, Mr. Zhang Jiawang is also an Offer Shareholder.
- Immediately prior to the SPA Completion, the Selling Shareholders collectively held approximately 1.28% of the total issued CSM Shares.

## **MANDATORY CONDITIONAL CASH OFFER ON CSM**

Immediately prior to SPA Completion, CMD and parties acting in concert with it owned 2,513,178,555 CSM Shares, representing approximately 29.99% of the total issued share capital of CSM. Immediately after the SPA Completion, CMD and parties acting in concert with it hold in aggregate 30% or more of the total issued share capital of CSM. Pursuant to Rule 26.1 of the Takeovers Code, CMD is required to make an Offer for all the Offer Shares, being all the issued CSM Shares not already owned or agreed to be acquired by CMD and Start Great.

Accordingly, CLSA Limited, on behalf of CMD and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code at the Offer Price for each Offer Share (being HK\$0.35 in cash).

## **DESPATCH OF THE COMPOSITE DOCUMENT**

As disclosed in the 7 May Announcement, the Composite Document containing, among other things, (i) the expected timetable and the terms of the Offer; (ii) the recommendation from the CSM Independent Board Committee to the Offer Shareholders; (iii) the letter of advice from the CSM Independent Financial Adviser to the CSM Independent Board Committee in respect of the Offer; and (iv) the procedures for acceptance of the Offer, together with the Form of Acceptance, will be despatched to the Offer Shareholders within seven days from the date of SPA Completion (i.e. on or before 29 May 2026).

Further announcement(s) will be jointly made by CMD and CSM on the despatch of the Composite Document as and when appropriate in compliance with the Takeovers Code.

**Offer Shareholders are encouraged to read the Composite Document and the Form of Acceptance carefully, including the advice from the CSM Independent Financial Adviser to the CSM Independent Board Committee and the recommendation from the CSM Independent Board Committee to the Offer Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.**

**Shareholders and potential investors of CMD and CSM are advised to exercise caution when dealing in the respective shares of CMD and CSM. If shareholders and potential investors of CMD and CSM are in any doubt about their position, they should consult their professional advisers.**

**CMD and CSM remind their respective associates of the dealing restrictions under the Takeovers Code and to disclose their permitted dealings, if any, in any securities of CSM in accordance with the applicable requirements under the Takeovers Code.**

By order of the board of  
**China Modern Dairy Holdings Ltd.**

**Sun Yugang**

*Chief executive officer and executive director*

By order of the board of  
**China Shengmu Organic Milk Limited**

**Chen Yiyi**

*Chairman*

Hong Kong, 22 May 2026

*As at the date of this joint announcement, the executive directors of CMD are Mr. Sun Yugang and Mr. Zhu Xiaohui, the non-executive directors of CMD are Mr. Chen Yiyi (Chairman), Mr. Shen Xinwen, Mr. Wen Yongping and Ms. Gan Lu, the independent non-executive directors of CMD are Mr. Li Shengli, Mr. Lee Kong Wai, Conway and Mr. Chow Ming Sang. The directors of CMD jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to CSM) 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 the directors of CSM in their capacity as such) 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 of the statements in this joint announcement misleading.*

*As at the date of this joint announcement, the board of directors of CSM comprises Mr. Zhang Jiawang, as executive director; Mr. Chen Yiyi, Mr. Zhang Ping, Mr. Bai Fengming, Mr. Sun Qian and Ms. Shao Lijun, as non-executive directors; Mr. Wang Liyan, Mr. Wu Liang and Mr. Sun Yansheng, as independent non-executive directors. The directors of CSM jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement relating to CSM and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of CMD in their capacity as such) 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 statement in this joint announcement misleading.*