Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of CMD or CSM, nor does it constitute any solicitation of any vote or approval in any jurisdiction. This joint announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

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

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)

OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS

AND

OFFER REMAINING OPEN FOR ACCEPTANCE

Exclusive Financial Adviser to CMD

CITIC Securities (Hong Kong) Limited

CSM Independent Financial Adviser to the CSM Independent Board Committee

Gram Capital Limited
嘉林資本有限公司

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), (ii) the composite document jointly issued by CMD and CSM in relation to the Offer on 30 June 2026 (the "**Composite Document**") and (iii) the supplemental announcement issued by CSM in relation to the Composite Document on 3 July 2026. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS

As set out in the Composite Document, the Offer is conditional only upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) on or before 4:00 p.m. on the Closing Date (or such later time or date as CMD may, subject to the Takeovers Code, decide) in respect of such number of Offer Shares which, together with the CSM Shares already acquired or held by CMD and the parties acting in concert with it, would result in CMD and the parties acting in concert with it holding more than 50% of the voting rights of CSM as at the Closing Date.

As at the date of this joint announcement, CMD has received valid acceptance in respect of 3,371,008,653 CSM Shares under the Offer (the "**Acceptance Shares**"), representing approximately 40.22% of all the issued CSM Shares as at the date of this joint announcement. Taking into account: (i) the 2,620,378,555 CSM Shares held by CMD and the parties acting in concert with it immediately after the SPA Completion under all the Share Purchase Agreements; and (ii) the Acceptance Shares, CMD and the parties acting in concert with it will hold an aggregate of 5,991,387,208 CSM Shares, representing approximately 71.49% of all the issued CSM Shares as at the date of this joint announcement. Accordingly, the condition to the Offer as set out in the Composite Document has been satisfied, and the Offer has become unconditional in all respects on the date of this joint announcement.

Immediately prior to the commencement of the Offer Period, CMD and the parties acting in concert with it held, controlled or directed 2,513,178,555 CSM Shares, representing approximately 29.99% of all the issued CSM Shares. Save for the Acceptance Shares, the aggregate of 107,200,000 CSM Shares acquired under the Share Purchase Agreements and the arrangements under the Voting Rights Agreement, CMD and the parties acting in concert with it did not acquire or agree to acquire any CSM Shares or rights over CSM Shares during the Offer Period. CMD and the parties acting in concert with it did not borrow or lend any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of CSM during the Offer Period.

OFFER REMAINING OPEN FOR ACCEPTANCE

Pursuant to Rule 15.3 of the Takeovers Code, the Offer must remain open for acceptance for at least fourteen (14) days after the Offer becomes or is declared unconditional. Accordingly, the Offer will remain open for acceptance until 4:00 p.m. on 3 August 2026 (or such later time and/or date as CMD may decide in accordance with the Takeovers Code).

Save as set out in this joint announcement, all other terms of the Offer as set out in the Composite Document and the Form of Acceptance remain unchanged. Further announcement on the results of the Offer will be made in accordance with Rule 19.1 of the Takeovers Code.

SETTLEMENT OF CONSIDERATION UNDER THE OFFER

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the later of: (i) the date on which the Offer becomes, or is declared unconditional; and (ii) the date of receipt of a duly completed acceptance of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptance to render such acceptance of the Offer complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

Offer Shareholders are encouraged to read the Composite Document and Form of Acceptance carefully 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.

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, 20 July 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 those in relation to the CSM 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 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 the CSM 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 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.