MODERN FARMING
现代牧业

中国圣牧
CHINA SHENGMU

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 UNCONDITIONAL 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)

(1) CLOSE OF THE OFFER
(2) RESULTS OF THE OFFER
AND
(3) PUBLIC FLOAT OF CSM

Exclusive Financial Adviser to CMD

CITIC SECURITIES

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**"), (iii) the supplemental announcement issued by CSM in relation to the Composite Document on 3 July 2026, (iv) the announcement jointly issued by CMD and CSM in relation to the Offer becoming unconditional in all respects on 20 July 2026, and (v) the announcement jointly issued by CMD and CSM in relation to, among other things, level of acceptance of the Offer on the First Closing Date on 21 July 2026. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

CLOSE OF THE OFFER

CMD is pleased to announce that the Offer was closed at 4:00 p.m. on Monday, 3 August 2026, being the final Closing Date, and was not revised or extended by CMD.

LEVEL OF ACCEPTANCE OF THE OFFER ON THE FINAL CLOSING DATE

As at 4:00 p.m. on Monday, 3 August 2026, CMD had received valid acceptance in respect of an aggregate of 4,379,519,346 CSM Shares under the Offer (the "**Acceptance Shares**"), representing approximately 52.25% 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 are interested in an aggregate of 6,999,897,901 CSM Shares, representing approximately 83.52% of all the issued CSM Shares as at 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.

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.

SHAREHOLDING STRUCTURE OF CSM

Set out below is the shareholding structure of CSM immediately after the close of the Offer (assuming that the transfer procedures of the Acceptance Shares to CMD have been completed) and as at the date of this joint announcement:

CSM Shareholders	**Immediately after the close of the Offer (assuming that the transfer procedures of the Acceptance Shares to CMD have been completed) and as at the date of this joint announcement**	
	Number of CSM Shares	*Approximate % of the issued CSM Shares (Note 1)*
CMD	4,486,719,346	53.53
Start Great *(Note 2)*	2,513,178,555	29.99
CMD and parties acting in concert with it	**6,999,897,901**	**83.52**
Zhang Jiawang *(Notes 3 and 4)*	171,427,580	2.05
Other CSM Shareholders *(Note 4)*	1,209,969,748	14.44
Total	**8,381,295,229**	**100**

Notes:

1. Certain percentage figures in the above table are subject to rounding adjustments.

2. 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 pursuant to Class (1) of the definition of "acting in concert" under the Takeovers Code.

3. 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 in Mr. Zhang Jiawang under the CSM Share Award Scheme on 20 April 2026 but do not include 14,340,000 award shares which have been granted, but not yet vested, to Mr. Zhang Jiawang under the CSM Share Award Scheme. The unvested award shares have been excluded as Mr. Zhang Jiawang is not entitled to exercise any rights of a shareholder until the CSM Shares have been transferred to him.

4. For completeness, the number of CSM Shares held by the other CSM Shareholders includes 14,340,000 award shares which have been granted, but not yet vested, to Mr. Zhang Jiawang under the CSM Share Award Scheme, even though Mr. Zhang Jiawang is deemed to be interested in such unvested award shares under Part XV of the SFO.

PUBLIC FLOAT

Subject to the completion of the transfer procedures of the Acceptance Shares to CMD, 1,079,017,353 CSM Shares, representing approximately 12.87% of the total issued CSM Shares as at the date of this joint announcement, will be held by the public (within the meaning of the Listing Rules). Accordingly, as at the date of this joint announcement, CSM does not satisfy the minimum public float requirement of 25% as set out in Rule 8.08(1) of the Listing Rules.

As disclosed in the Composite Document, the CMD Directors have jointly and severally undertaken to the Stock Exchange they will take appropriate steps to ensure CSM's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment.

CMD will take appropriate steps to restore the required public float in the CSM Shares as soon as possible following the close of the Offer. Further announcement(s) will be made by CSM regarding restoration of the public float as and when appropriate in accordance with the Listing Rules.

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, 3 August 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.