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MODERN FARMING
现代牧业

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)

**(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE ACQUISITION OF ENTIRE EQUITY INTERESTS IN FUYUAN;
(2) ISSUE OF CONSIDERATION SHARES UNDER
SPECIFIC MANDATE;
AND
(3) APPLICATION FOR WHITEWASH WAIVER**

**POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING
HELD ON JUNE 2, 2021**

Reference is made to the circular (the “**Circular**”) and the notice (the “**Notice of EGM**”) of the extraordinary general meeting (the “**EGM**”) of China Modern Dairy Holdings Ltd. (the “**Company**”) both dated May 14, 2021 and the announcement of the Company dated March 22, 2021 in respect of, among others, (i) the major and connected transaction in relation to the acquisition of entire equity interests in Fuyuan, (ii) issue of Consideration Shares under Specific Mandate, and (iii) application for Whitewash Waiver. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless defined otherwise herein.

POLL RESULTS OF THE EGM

The Board is pleased to announce that all resolutions set out in the Notice of EGM were duly passed by the Independent Shareholders attending and voting by way of poll at the EGM held on June 2, 2021. The poll results in respect of the resolutions were as follows:

ORDINARY RESOLUTIONS		NUMBER OF VOTES (approximate %)	
		FOR	AGAINST
1.	<p>(i) the Sale and Purchase Agreement dated March 22, 2021 entered into among the Company, the Sellers and Fuyuan in relation the acquisition of the entire equity interests (both direct and indirect) in Fuyuan, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;</p> <p>(ii) the Directors be and are hereby granted the Specific Mandate to exercise the powers of the Company to allot and issue the Consideration Shares at the Issue Price of HK\$2.24 per Consideration Share to Mengniu SPV pursuant to the terms and conditions of the Sale and Purchase Agreement; and the Specific Mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and</p> <p>(iii) any one or more of the Directors be and is/are hereby authorized to do all such acts and things, to make, sign, execute and deliver such documents or agreements or deeds or instruments on behalf of the Company (and, where necessary, to affix the seal of the Company on them in accordance with the amended and restated articles of association of the Company) and to do such other things and to do and take all such actions, steps, deeds and things in such manner and to sign all documents as they may deem necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided in the Sale and Purchase Agreement) as are, in the opinion of such Director(s), in the interests of the Company and its shareholders as a whole.</p>	1,126,602,094 (100.00%)	100 (0.00%)

ORDINARY RESOLUTIONS		NUMBER OF VOTES (approximate %)	
		FOR	AGAINST
2.	<p>Subject to and conditional upon:</p> <p>(i) the passing of ordinary resolution no. 1 above;</p> <p>(ii) Mengniu Concert Group's interest in the Company decreases to 50% or below (but not less than 30%) at any time during the Relevant Period and the issue of the Consideration Shares pursuant to Settlement Scenario I has the effect of increasing Mengniu Concert Group's holding of voting rights in the Company by more than 2% from the lowest collective percentage holding of Mengniu Concert Group in the Company during the Relevant Period; and</p> <p>(iii) the granting of the waiver by the Executive of any obligation on the part of Mengniu to make a mandatory general offer to the Shareholders for all the issued Shares not already owned or agreed to be acquired by Mengniu and parties acting in concert with it which might otherwise arise pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code (the "Whitewash Waiver") as a result of Mengniu's subscription for the Consideration Shares through Mengniu SPV pursuant to Settlement Scenario I under the Sale and Purchase Agreement, and the satisfaction of any conditions that may be imposed thereon,</p> <p>the Whitewash Waiver be and is hereby approved, and that any one or more of the Directors be and is/are authorized to do all such acts and things and execute all such documents, agreements or deeds on behalf of the Company as such Director(s) consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to any of the matters relating to, or incidental to, the Whitewash Waiver.</p>	1,111,984,064 (98.70%)	14,618,130 (1.30%)

The Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer for the vote-taking at the EGM.

As at the date of the EGM, the Company had 7,108,565,947 Shares in issue.

As stated in the Circular, the Mengniu Concert Group, BOCI Financial Products, Jinmu, the Trustee, Ms. GAO Lina and Mr. SUN Yugang were required to and have abstained from voting in respect of the resolutions to approve (i) the Sale and Purchase Agreement, the Acquisition and the issue of Consideration Shares contemplated thereunder and (ii) the Whitewash Waiver at the EGM.

As at the date of the EGM, there was an aggregate of 4,071,443,391 Shares (representing 57.28% of the total issued Shares) of which the holders were required to and have abstained from voting at the EGM, consisting of:

- (i) 3,653,945,781 Shares held by the Mengniu Concert Group, representing approximately 51.40% of the total issued Shares (including 542,053,596 Shares lent to BOCI Financial Products pursuant to the Securities and Lending Agreement, representing approximately 7.63% of the total issued Shares);
- (ii) 122,751,915 Shares held by COFCO (Hong Kong) Limited (“COFCO”) via its subsidiaries, COFCO Finance Limited and COFCO Dairy Investments Limited, representing approximately 1.73% of the total issued Shares. COFCO is a substantial shareholder of Mengniu holding approximately 23.18% of Mengniu’s total issued share capital;
- (iii) 221,581,733 Shares held by Jinmu, representing approximately 3.12% of the total issued Shares;
- (iv) 32,646,179 Shares held by the Trustee, representing approximately 0.46% of the total issued Shares;
- (v) 39,752,089 Shares held by Ms. GAO Lina, representing approximately 0.56% of the total issued Shares; and
- (vi) 765,694 Shares held by Mr. SUN Yugang, representing approximately 0.01% of the total issued Shares.

Accordingly, the total number of Shares entitling the Independent Shareholders to attend and vote on the resolutions proposed at the EGM was 3,037,122,556 Shares.

Save as disclosed above, none of the Shareholders were required under the Listing Rules or the Takeovers Code to abstain from voting on the resolutions proposed at the EGM. There were no Shares entitling the Shareholders to attend and abstain from voting in favour of any resolutions at the EGM pursuant to Rule 13.40 of the Listing Rules. None of the Shareholders had stated their intention in the Circular to vote against any resolutions or to abstain from voting at the EGM.

As more than 50% and 75% of the valid votes were cast by the Independent Shareholders in favour of resolutions No. 1 and No. 2, respectively, all these resolutions were duly passed as ordinary resolutions of the Company.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Given that the Whitewash Waiver has been approved by at least 75% of the votes cast by the Independent Shareholders at the EGM and granted by the Executive, the Acquisition will proceed based on Settlement Scenario I in both cases where the Mengniu Concert Group's interest in the Company (i) continues to exceed 50% at all times during the Relevant Period and (ii) decreases to 50% or below (but not less than 30%) at any time during the Relevant Period.

Set out below is a summary of the shareholding structure of the Company as at the date of this announcement and immediately after the allotment and issuance of the Consideration Shares at Completion, in each case:

(i) assuming (A) none of the EB Holders have exchanged any Exchangeable Bonds into Shares subsequent to the date of this announcement and (B) no other change in the issued share capital of the Company prior to Completion

	As at the date of this announcement		Immediately after the allotment and issuance of the Consideration Shares at Completion	
	Number of Shares	%	Number of Shares	%
Shareholders				
Mengniu Concert Group ⁽¹⁾	3,653,945,781	51.40	4,461,041,882	56.36
GGG Holdings Limited ⁽³⁾	635,345,763	8.94	635,345,763	8.03
Jinmu ⁽⁴⁾	221,581,733	3.12	221,581,733	2.80
Ms. GAO Lina ⁽⁵⁾	39,752,089	0.56	39,752,089	0.50
Mr. SUN Yugang ⁽⁵⁾	765,694	0.01	765,694	0.01
Dairy Fortune (PTC) Limited ⁽⁶⁾	32,646,179	0.46	32,646,179	0.41
Public shareholders	2,524,528,708	35.51	2,524,528,708	31.89
– COFCO ⁽⁷⁾	122,751,915	1.73	122,751,915	1.55
– Other public shareholders	2,401,776,793	33.79	2,401,776,793	30.34
Total	<u>7,108,565,947</u>	<u>100.00</u>	<u>7,915,662,048</u>	<u>100.00</u>

(ii) assuming (A) the EB Holders have exchanged all the Exchangeable Bonds into Shares as at the date of this announcement and (B) no other change in the issued share capital of the Company prior to Completion

	As at the date of this announcement		Immediately after the allotment and issuance of the Consideration Shares at Completion	
	Number of Shares	%	Number of Shares	%
Shareholders				
Mengniu Concert Group ⁽¹⁾	3,111,892,185	43.78	3,918,988,286	49.51
GGG Holdings Limited ⁽²⁾	635,345,763	8.94	635,345,763	8.03
Jinmu ⁽³⁾	221,581,733	3.12	221,581,733	2.80
Ms. GAO Lina ⁽⁴⁾	39,752,089	0.56	39,752,089	0.50
Mr. SUN Yugang ⁽⁴⁾	765,694	0.01	765,694	0.01
Dairy Fortune (PTC) Limited ⁽⁶⁾	32,646,179	0.46	32,646,179	0.41
Public shareholders	3,066,582,304	43.14	3,066,582,304	38.74
– EB Holder(s)	542,053,596	7.63	542,053,596	6.85
– COFCO ⁽⁷⁾	122,751,915	1.73	122,751,915	1.55
– Other public shareholders	2,401,776,793	33.79	2,401,776,793	30.34
Total	<u>7,108,565,947</u>	<u>100.00</u>	<u>7,915,662,048</u>	<u>100.00</u>

Notes:

- Among which 704,025,773 Shares are directly held by Mengniu, 2,407,866,412 Shares are directly held by Future Discovery and 542,053,596 Shares are subject to the Securities and Lending Agreement and are presumed to be held by Mengniu for the purposes of note 21 to Rule 26.1 of the Takeovers Code.
- Among which 704,025,773 Shares are directly held by Mengniu, while the 2,407,866,412 Shares are directly held by Future Discovery.
- GGG Holdings Limited is a wholly-owned subsidiary of New Hope Dairy Co., Ltd. whose ultimate beneficial owner is Ms. LIU Chang who is independent of the Company and Mengniu and not acting in concert with the Mengniu Concert Group.

4. Ms. GAO Lina holds approximately 49.12% of the interests in Jinmu. Hence, the 221,581,733 Shares owned by Jinmu are not held by the public.
5. Both Ms. GAO Lina and Mr. SUN Yugang are executive directors of the Company.
6. Dairy Fortune (PTC) Limited is the trustee of the Company's share award scheme adopted on March 26, 2018.
7. Among which 92,751,915 Shares are directly held by COFCO Finance Limited and 30,000,000 Shares are directly held by COFCO Dairy Investments Limited.

GRANT OF THE WHITEWASH WAIVER

The Executive has granted the Whitewash Waiver on May 25, 2021, subject to (i) the Whitewash Waiver and the underlying transactions being separately approved by at least 75% and more than 50% respectively of the independent votes (as defined under the Takeovers Code) that are cast either in person or by proxy at the EGM, to be taken on a poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by Mengniu and its concert parties between the announcement of the proposed issue of the Consideration Shares and the Completion. The aforementioned condition (i) imposed by the Executive has been duly fulfilled as at the date of this announcement.

Accordingly, in the event that Mengniu Concert Group's interest in the Company decreases to 50% or below (but not less than 30%) at any time during the Relevant Period, no mandatory general offer under Rule 26 of the Takeovers Code will be required to be made by Mengniu Concert Group for all the securities of the Company not already owned or agreed to be acquired by them as a result of the issue of Consideration Shares pursuant to Settlement Scenario I.

As completion of the transactions contemplated under the Sale and Purchase Agreement is subject to the fulfillment of certain conditions precedent, the Acquisition may or may not proceed to Completion. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board of
China Modern Dairy Holdings Ltd.
LU Minfang
Chairman

Hong Kong, June 2, 2021

As of the date of this announcement, the executive Directors are Ms. GAO Lina and Mr. SUN Yugang, the non-executive Directors are Mr. LU Minfang (Chairman), Mr. ZHANG Ping, Mr. ZHAO Jiejun and Ms. GAN Lu, and the independent non-executive Directors are Mr. LI Shengli, Mr. LEE Kong Wai, Conway and Mr. WOLHARDT Julian Juul.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than those relating to Mengniu Concert Group) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

The directors of Mengniu (namely, Mr. Jeffrey, Minfang Lu and Mr. Meng Fanjie as executive directors; Mr. Chen Lang, Mr. Niu Gensheng and Mr. Simon Dominic Stevens as non-executive directors; and Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Zhang Xiaoya and Mr. Yau Ka Chi as independent non-executive directors) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to Mengniu Concert Group, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.