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China Feihe Limited
中國飛鶴有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6186)



YuanShengTai Dairy Farm Limited
原生態牧業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1431)

**JOINT ANNOUNCEMENT
CONDITIONAL VOLUNTARY GENERAL OFFER BY
CLSA LIMITED ON BEHALF OF
CHINA FEIHE LIMITED
FOR ALL OF THE OUTSTANDING SHARES OF
YUANSHENGTAI DAIRY FARM LIMITED
AND FOR THE CANCELLATION OF ALL OF THE
OUTSTANDING OPTIONS OF
YUANSHENGTAI DAIRY FARM LIMITED
(1) CLOSE OF THE OFFERS
(2) RESULTS OF THE OFFERS
AND
(3) PUBLIC FLOAT**

Exclusive Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



References are made to the joint announcement made pursuant to Rule 3.5 of the Takeovers Code dated 6 September 2020, the joint announcements in relation to delay in despatch of the Composite Document dated 28 September 2020 and 12 October 2020, the update announcement dated 28 October 2020, the composite document dated 30 October 2020 (the “**Composite Document**”) and the joint announcement in relation to the Offers having become unconditional in all respects dated 18 November 2020 jointly issued by China Feihe Limited (the “**Offeror**”) and YuanShengTai Dairy Farm Limited (the “**Company**”). Capitalized terms used herein shall have the same meanings as those defined in the Composite Document, unless the context herein requires otherwise.

CLOSE OF THE OFFERS AND RESULTS OF THE OFFERS

The Offers became unconditional in all respects on 18 November 2020. The Offeror hereby announces that the Offers closed at 4:00 p.m. on 2 December 2020, and was not revised or extended.

As at 4:00 p.m. on the date of this joint announcement, the Offeror had received valid acceptances in respect of:

- (i) 3,342,320,920 Shares under the Share Offer (representing approximately 71.26% of the issued Shares as at the date of this joint announcement); and
- (ii) 184,300,000 Options under the Option Offer (including 22,800,000 Options with the exercise price of HK\$0.59 and 161,500,000 Options with the exercise price of HK\$0.24, representing 96.54% of all outstanding Options).

Immediately before 6 September 2020 (being the commencement date of the Offer Period), the Offeror and its Concert Parties were interested in an aggregate of 6,121,000 Shares, representing approximately 0.13% of the entire issued share capital of the Company. Of the 3,342,320,920 Shares validly tendered for acceptance under the Share Offer, 5,621,000 Shares were tendered for acceptance by Mr. Liu Gang, who is presumed to be the Offeror’s Concert Party pursuant to the Takeovers Code, representing approximately 0.12% of the issued Shares as at the date of this joint announcement. As such, as at 4:00 p.m. on the date of this joint announcement, taking into account the valid acceptances in respect of 3,342,320,920 Shares under the Share Offer, the Offeror and its Concert Parties would hold an aggregate of 3,342,820,920 Shares, representing approximately 71.27% of the entire issued share capital of the Company as at the date of this joint announcement.

Save as disclosed above, none of the Offeror and its Concert Parties (i) held, controlled or directed any Shares and rights over Shares before the Offer Period; (ii) has acquired or agreed to acquire any Shares or the rights over Shares during the Offer Period; or (iii) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

SETTLEMENT OF THE OFFERS

Remittances in respect of valid acceptances of the Share Offer (after deducting the seller's ad valorem stamp duty) or the Option Offer received as at the date of this joint announcement will be posted to the accepting Shareholder(s) (to the address specified on the relevant Shareholder's **WHITE** Form of Share Offer Acceptance) or the accepting Optionholder(s) (to the address specified on the relevant Optionholder's **PINK** Form of Option Offer Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days from the date of this joint announcement.

No fraction of a cent will be payable and the amount of cash consideration payable to a Shareholder or Optionholder (as the case may be) who accepts the Share Offer or the Option Offer (as applicable) will be rounded up to the nearest cent.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before 6 September 2020 (being the commencement date of the Offer Period); and (ii) immediately after the close of the Offers and as at the date of this joint announcement:

| | Immediately before 6 September 2020 (being the commencement date of the Offer Period) | | Immediately after the close of the Offers and as at the date of this joint announcement | |
|---|--|------------------|---|------------------|
| | Shares | Approximate % | Shares | Approximate % |
| Offeror | 0 | 0.00 | 3,342,320,920 | 71.26 |
| Offeror's Concert Parties | | | | |
| Mr. Gao Yu ⁽¹⁾ | 500,000 | 0.01 | 500,000 | 0.01 |
| Mr. Liu Gang ⁽²⁾ | 5,621,000 | 0.12 | 0 | 0.00 |
| Aggregate number of Shares held by Offeror and its Concert Parties | 6,121,000 | 0.13 | 3,342,820,920 | 71.27 |
| Mr. Zhao Hongliang ⁽³⁾ | 1,321,100,000 | 28.17 | 0 | 0.00 |
| Mr. Chen Xiangqing ⁽³⁾ | 3,165,000 | 0.06 | 0 | 0.00 |
| Public Shareholders | 3,360,110,400 | 71.64 | 1,347,675,480 | 28.73 |
| Total | <u>4,690,496,400</u> | <u>100.00</u> | <u>4,690,496,400</u> | <u>100.00</u> |

Notes:

- 1) Mr. Gao Yu is a non-executive director of the Offeror. Therefore, Mr. Gao Yu is presumed to be the Offeror's Concert Party pursuant to the Takeovers Code.
- 2) Mr. Liu Gang, being a brother of Mr. Liu Hua who is an executive director of the Offeror, is presumed to be the Offeror's Concert Party pursuant to the Takeovers Code.

- 3) As at the date of this joint announcement, Mr. Zhao Hongliang and Mr. Chen Xiangqing are both executive Directors of the Company.

PUBLIC FLOAT

Upon the close of the Offers, 1,347,675,480 Shares, representing approximately 28.73% of the entire issued share capital of the Company, are held by the public (as defined in the Listing Rules). Accordingly, the Company 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
China Feihe Limited
Leng Youbin
Chairman

By Order of the Board
YuanShengTai Dairy Farm Limited
Zhao Hongliang
Chairman

Hong Kong, 2 December 2020

As at the date of this joint announcement, the executive directors of the Offeror are Mr. LENG Youbin, Mr. LIU Hua, Mr. CAI Fangliang, Ms. Judy Fong-Yee TU and Mr. CHEUNG Kwok Wah; the non-executive directors of the Offeror are Mr. GAO Yu and Mr. Kingsley Kwok King CHAN; and the independent non-executive directors of the Offeror are Ms. LIU Jinping, Mr. SONG Jianwu, Mr. FAN Yonghong and Mr. Jacques Maurice LAFORGE.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information in relation to the Company) 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) 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.

As at the date of this joint announcement, the executive Directors of the Company are Mr. Zhao Hongliang, Mr. Fu Wenguo, Mr. Chen Xiangqing and Mr. Liu Gang; and the independent non-executive Directors of the Company are Mr. Meng Jingzong (alias Owens Meng), Mr. Zhang Yuezhou and Mr. Zhu Zhanbo.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information in relation to the Offeror) 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 the Offeror) 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.