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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) ACCEPTANCES OF THE OFFERS AND THE OFFERS HAVING
BECOME UNCONDITIONAL IN ALL RESPECTS
AND
(2) OFFERS TO REMAIN OPEN FOR ACCEPTANCE**

Exclusive Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



ACCEPTANCES OF THE OFFERS

As at 4:00 p.m. on 18 November 2020, the Offeror had received valid acceptances in respect of (i) 2,398,232,222 Shares under the Share Offer representing approximately 51.13% of the issued Shares of the Company as at the date of this joint announcement; and (ii) 184,300,000 Options under the Option Offer representing approximately 96.54% of the outstanding Options of the Company as at the date of this joint announcement.

THE OFFERS HAVING BECOME UNCONDITIONAL IN ALL RESPECTS

As a result of such valid acceptances of the Share Offer that will result in the Offeror holding more than 50% of the voting rights of the Company, the Offeror announces that Condition (a) as set out in the section headed “Conditions of the Offers – The Share Offer” in the “Letter from CLSA Limited” in the Composite Document has accordingly been fulfilled. The Offeror and the Company are pleased to announce that following the fulfillment of Condition (a), all the Conditions for the Share Offer have been fulfilled and the Share Offer has become unconditional in all respects on 18 November 2020. As the Share Offer has become unconditional in all respects, the Option Offer has also become unconditional in all respects on 18 November 2020.

THE OFFERS TO REMAIN OPEN FOR ACCEPTANCE

As disclosed in the Composite Document and pursuant to Rule 15.3 of the Takeovers Code, the Offers must remain open for acceptance for at least fourteen (14) days after the Offers become unconditional in all respects, but in any case at least 21 days following 30 October 2020, the despatch date of the Composite Document. As such, the Offeror hereby announces that the Offers will remain open for acceptance until 4:00 p.m. on 2 December 2020 (or such other time and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code).

INTRODUCTION

References are made to the joint announcement dated 6 September 2020, the 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 and the composite document dated 30 October 2020 (the “**Composite Document**”) 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.

ACCEPTANCES OF THE OFFERS

As at 4:00 p.m. on 18 November 2020, the Offeror had received valid acceptances in respect of (i) 2,398,232,222 Shares under the Share Offer representing approximately 51.13% of the issued Shares of the Company as at the date of this joint announcement; and (ii) 184,300,000 Options under the Option Offer representing approximately 96.54% of the outstanding Options of the Company as at the date of this joint announcement.

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. As at the date of this joint announcement, Mr. Liu Gang, who is presumed to be the Offeror's Concert Party pursuant to the Takeovers Code, has tendered 5,621,000 Shares held by him for acceptance under the Share Offer, representing approximately 0.12% of the entire issued share capital of the Company. As such, as at 4:00 p.m. on 18 November 2020, taking into account the valid acceptances in respect of 2,398,232,222 Shares under the Share Offer, the Offeror and its Concert Parties would hold an aggregate of 2,398,732,222 Shares, representing approximately 51.14% 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.

THE OFFERS HAVING BECOME UNCONDITIONAL IN ALL RESPECTS

As a result of such valid acceptances of the Share Offer that will result in the Offeror and its Concert Parties holding more than 50% of the voting rights of the Company, the Offeror announces that Condition (a) as set out in the section headed "Conditions of the Offers – The Share Offer" in the "Letter from CLSA Limited" in the Composite Document has accordingly been fulfilled. The Offeror and the Company are pleased to announce that following the fulfillment of Condition (a), all the Conditions for the Share Offer have been fulfilled and the Share Offer has become unconditional in all respects on 18 November 2020.

The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. As the Share Offer has become unconditional in all respects, the Option Offer has also become unconditional in all respects on 18 November 2020.

THE OFFERS TO REMAIN OPEN FOR ACCEPTANCE

As disclosed in the Composite Document and pursuant to Rule 15.3 of the Takeovers Code, the Offers must remain open for acceptance for at least fourteen (14) days after the Offers become unconditional in all respects, but in any case at least 21 days following 30 October 2020, the despatch date of the Composite Document. As such, the Offeror hereby announces that the Offers will remain open for acceptance until 4:00 p.m. on 2 December 2020 (or such other time and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code).

Shareholders and Optionholders are advised that the Offers will remain open for acceptance until 4:00 p.m. on 2 December 2020.

Shareholders are advised to refer to the Composite Document and the **WHITE** Form of Share Offer Acceptance for details of acceptance procedures if they wish to accept the Share Offer. Optionholders are advised to refer to the Composite Document and the **PINK** Form of Option Offer Acceptance for details of acceptance procedures if they wish to accept the Option Offer.

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.

For Shareholders or Optionholders who accept the Share Offer or the Option Offer after the date of this joint announcement and before the Offers are closed, remittances in respect of valid acceptances of the Share Offer (after deducting the seller's ad valorem stamp duty arising therefrom) or the Option Offer will be posted to those Shareholders or Optionholders (to Ms. Lucy Cheng, the joint company secretary of the Company in Hong Kong at Boardroom Corporate Services (HK) Limited, 31/F., 148 Electric Road, North Point, Hong Kong) 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 receipt of a complete and valid acceptance in respect of the Share Offer or Option Offer.

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.

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, 18 November 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.