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CHINA MENGNIU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2319)

INSIDE INFORMATION

CERTAIN ARRANGEMENTS WITH RESPECT TO DANONE'S INTEREST IN THE COMPANY

This is an announcement made by China Mengniu Dairy Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). The purpose of this announcement is to keep the shareholders of the Company and potential investors informed of certain arrangements between Danone Asia Pte Ltd (“**Danone**”), an indirect wholly owned subsidiary of Danone S.A., and COFCO Dairy Investments Limited (“**CDI**”), in respect of Danone’s shareholding in CDI.

The board of directors of the Company (the “**Board**”) has been informed that as part of its ongoing portfolio review, Danone has reached an agreement with CDI to convert its indirect stake in the Company held through CDI into a direct shareholding in the Company. As of the date of this announcement, CDI is deemed to have a shareholding interest of approximately 31.25% in the Company. The conversion process remains subject to regulatory approval and once completed, it is expected that Danone will hold a direct shareholding interest of approximately 9.82% in the Company and CDI’s shareholding interest in the Company will be reduced to approximately 21.43%. The Board has also been informed that as a next step, Danone is considering a divestment of its stake in the Company.

The Board would like to make the following observations:

- The Board understands and respects the arrangements and plans of Danone in respect of its shareholding based on its own needs.

- CDI, which is controlled by COFCO Corporation (“**COFCO**”) and invested by Arla Foods amla (“**Arla**”) will continue to be the Company’s single largest shareholder. The Board believes that COFCO and Arla will continue to trust and support the Board and the Group’s management, fully recognize the accomplishment of the Group, and are confident in the Group’s future development.
- The Directors are of the view that the above arrangements will not affect the business strategies and plans of the Group and the Group will further effectively implement the five-year development strategies to achieve the Group’s 2025 strategic target of “*Creating A New Mengniu In Five Years*”.

Other than the above, the Board is not aware of any other agreements or arrangements entered into by Danone which might have a material impact on the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Mengniu Dairy Company Limited
中國蒙牛乳業有限公司*
Jeffrey, Minfang Lu
Chief Executive Officer and Executive Director

Hong Kong, March 1, 2021

As at the date of this announcement, the Board comprises: Mr. Jeffrey, Minfang Lu and Mr. Meng Fanjie as executive directors; Mr. Chen Lang, Mr. Niu Gensheng, Mr. Simon Dominic Stevens and Mr. Pascal De Petrini 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.

** For identification purposes only*