

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE IN RELATION TO
OUTBREAK OF COVID-19**

This is a voluntary announcement made by China Mengniu Dairy Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). The purpose of this announcement is to keep the shareholders of the Company and potential investors informed of the latest business developments of the Group in light of the outbreak of Coronavirus disease (COVID-19) (the “**Outbreak**”).

Since the Outbreak, authorities in the Peoples’ Republic of China (the “**PRC**”) have taken emergency public health measures including, among other things, extending the Chinese New Year holidays, and imposing travel and other work-related restrictions.

As of the date of this announcement, all production bases of the Group in China have resumed normal production and supply to the market except for the factories in Wuhan which are still gradually recovering from the Outbreak. However, since the Outbreak, the transportation of some of the Group’s products have been largely affected and this had adversely affected the operations of the Group’s sales outlets and product turnover, which had in turn affected the sales of the Group for February and March 2020 as well as its upstream and downstream supply chain. In addition, the costs of the Group for February and March 2020 have increased mainly due to the following reasons: (i) the Group had incurred additional expenses on epidemic prevention and control to safeguard the health and safety of the employees, and to ensure the resumption of work and production; (ii) the Group had incurred additional marketing expenses to accelerate the Group’s sales efforts, with a view to reducing inventories in its distribution channels; and (iii) the Group had actively fulfilled its corporate social responsibilities and had made cash and supply donations to those in need. In view of the above, the Board expects that the Outbreak may adversely impact the Group’s sales and financial performance for the first half of 2020. As the Outbreak is still affecting the market and the industry, it remains difficult for the Company to quantify the impact the Outbreak will have on the Group for the first half of 2020.

The Group has actively fulfilled its corporate social responsibilities since the Outbreak and made cash and supply donations to more than 10,000 hospitals and other epidemic prevention and control institutions in China, such as funding the construction of China Charity Federation

(Mengniu) Epidemic Prevention and Control Emergency Supplies Center in Wuhan. The Group had also compiled the Consumer's Guide to Milk and Dairy Products jointly with the National Association of Health Industry and Enterprise Management, Chinese Nutrition Society, Dairy Association of China and China Dairy Industry Association, and proposed "a glass of milk a day keeps you healthy" initiative jointly with the Food, Nutrition and Health Industry branch of the National Association of Health Industry and Enterprise Management. These actions of the Group had been well received and acclaimed by medical staff, the government, the media and the general public.

The Board is of the view that the impact of the Outbreak on the Group's business operations is temporary. It is confident that the Group's operations will recover quickly when the epidemic is under effective control.

The Company will keep monitoring closely the development of the situation and will continue to assess the impact of the Outbreak. The Group will take appropriate measures as necessary and make further announcement(s) as and when necessary. **Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board
China Mengniu Dairy Company Limited
Jeffrey, Minfang Lu
Chief Executive Officer and Executive Director

Hong Kong, 25 March 2020

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. Tim Ørting Jørgensen 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*