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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)

CLARIFICATION ANNOUNCEMENT

China Mengniu Dairy Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) noticed certain recently published press articles in relation to excessive levels of flavacin M1 in a batch of 250ml carton-packed milk products produced by its factory in Meishan in the People’s Republic of China (the “**PRC**”) found in a random inspection by the state quality supervision authority of the PRC.

On 24 December 2011, the state quality supervision authority of the PRC announced the results of liquid milk products random inspection recently. The random inspection by the state quality supervision authority covered in aggregate 25 batches of products produced by various factories of the Group in the PRC. All the other 24 samples met all the relevant national standards. The Group believes that the incident was caused by mouldy and deteriorated fodder taken by milk cows in a dairy breeding farm in Meishan. Milk cows, after taking such fodder, produced raw milk containing excessive levels of flavacin M1.

In the random inspection, liquid milk samples were obtained and examined by the inspection supervision authority from our finished products warehouse in the Meishan factory and excessive levels of flavacin M1 were found in that batch of products. As the relevant batch of products had not been released to the market at the time of the inspection, the Company had immediately sealed and destroyed all such products without delay. None of such contaminated products were released to the market. At present, all products on shelf in the markets within and outside the PRC, including the Hong Kong market, have passed the relevant standards.

From the lesson learnt from this incident, the Group will reinforce its quality control procedures by closely monitoring products quality over each production process from raw milk collection to final products delivery to ensure product quality and food safety.

By order of the Board
China Mengniu Dairy Company Limited
Yang Wenjun
Chief Executive Officer

Hong Kong, 27 December 2011

As at the date of this announcement, the Board comprises: Mr. Yang Wenjun, Mr. Bai Ying, Mr. Wu Jingshui and Mr. Ding Sheng as executive directors, Mr. Ning Gaoning, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Niu Gensheng, Mr. Julian Juul Wolhardt, Mr. Yu Xubo, Mr. Ma Jianping, Mr. Fang Fenglei and Mr. Ma Wangjun as non-executive directors, Mr. Liu Fuchun, Mr. Zhang Xiaoya and Mr. Xie Tao as independent non-executive directors.

** For identification purpose only*