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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)

PROFIT WARNING

This announcement is made by the board (the “**Board**”) of directors of 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 on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Based on information currently available to the Group’s management, the Company wishes to inform its shareholders (the “**Shareholders**”) and potential investors that:

- (i) As a result of the imbalance between supply and demand in raw milk and the lower-than-expected consumer demand, the Group is expected to record a year-on-year decrease in its total revenue for the year ended 31 December 2024; nonetheless, benefiting from a decline in raw milk prices and various efforts in effective expenses management and operational efficiency improvement, for the year ended 31 December 2024, the Group is expected to record a substantial year-on-year increase in its gross profit margin and operating profit margin;
- (ii) Bellamy’s Australia Limited (“**Bellamy’s**”), a subsidiary of the Group, is expected to record a loss for the year ended 31 December 2024; after giving due consideration to the operating condition and financial performance of Bellamy’s in recent years and the future market outlook, the Group is expected to recognize an impairment provision against the goodwill and relevant intangible assets recorded in the related cash-generating units in this year; taking into account the aforementioned impairment provisions and the impact of the relevant deferred tax, the impact on the financial performance of the Group is approximately RMB3,800 million to RMB4,000 million; and

- (iii) China Modern Dairy Holdings Ltd., an associated company of the Company, is expected to recognize an additional loss arising from changes in fair value less costs to sell of dairy cows and an impairment loss on goodwill, totaling approximately RMB1,900 million to RMB2,300 million, and thus record a net loss of approximately RMB1,350 million to RMB1,550 million for the year ended 31 December 2024; accordingly, the Company is expected to correspondingly record a share of losses of approximately RMB790 million to RMB900 million from such associated company.

Taking into account the aforementioned factors, it is expected that the Group will record a profit attributable to owners of the Company of approximately RMB50 million to RMB250 million for the year ended 31 December 2024 (2023: RMB4,809 million). If disregarding the impact of such impairments expected to be recognized, the profit attributable to owners of the Company remains stable year-on-year.

The Company would like to note that the aforementioned impairments expected to be recognized are accounting items which are non-cash in nature, thus are not expected to have any material adverse effect on the current and future operations or cash flow of the Company. The Company also expects to record a stable year-on-year operating cash flow performance for the year ended 31 December 2024, accordingly, the Company does not expect to take into account such impairments in considering its declaration of dividend pursuant to its dividend policy. The Company continues to strive to maximise returns to the Shareholders.

The information contained in this announcement is only based on a preliminary assessment by the Company based on information currently available to it, including the latest unaudited consolidated management accounts of the Group, which have not yet been confirmed or reviewed by the Company's auditors or the audit committee of the Company or finalized as at the date of this announcement. Shareholders and potential investors are advised to refer to the details of the audited consolidated financial information of the Group for the year ending 31 December 2024, which is expected to be released before the end of March 2025 in accordance with the Listing Rules.

Shareholders 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
Kwok Wai Cheong, Chris
Company Secretary

Hong Kong, 18 February 2025

As at the date of this announcement, the Board comprises: Mr. Gao Fei and Ms. Wang Yan as executive directors; Mr. Qing Lijun, Mr. Meng Fanjie, Mr. Wang Xi and Mr. Simon Dominic Stevens as non-executive directors; and Mr. Yih Dieter Lai Tak, Mr. Li Michael Hankin and Mr. Ge Jun as independent non-executive directors.

** For identification purpose only*