

26 February 2021

COLOUR SPRING LIMITED

and

DANONE ASIA PTE LTD

and

COFCO DAIRY HOLDINGS LIMITED

and

COFCO DAIRY INVESTMENTS LIMITED

Share Repurchase Agreement

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THIS AGREEMENT is made on 26 February 2021

BETWEEN

- (1) **COLOUR SPRING LIMITED**, a company incorporated in the British Virgin Islands and whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (**CSL**);
- (2) **DANONE ASIA PTE LTD**, a company incorporated in Singapore and whose registered office is at 1 Wallich Street, Guoco Tower #18-01, Singapore 078881, Republic of Singapore (**DAPL**);
- (3) **COFCO DAIRY HOLDINGS LIMITED**, a company incorporated in the British Virgin Islands and whose registered office is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (**COFCO Dairy**); and
- (4) **COFCO DAIRY INVESTMENTS LIMITED**, a company incorporated in Hong Kong and whose registered office is at 33/F COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong (**CDI**),

(each a **Party** and together the **Parties**).

WHEREAS

- (A) DAPL, CSL and COFCO Dairy respectively own 387,526,454, 150,974,304 and 695,200,000 CDI Shares, representing approximately 31.4%, 12.2% and 56.4% respectively of the total issued share capital of CDI.
- (B) CDI owns: (i) directly 937,672,714 Mengniu Shares and, indirectly through its wholly owned subsidiary, 296,028,044 Mengniu Shares; and (ii) 30,000,000 CMD Shares.
- (C) CDI and DAPL have agreed that CDI will repurchase (the **Share Repurchase**) DAPL's entire shareholding of 387,526,454 CDI Shares (the **Repurchase Shares**) out of capital pursuant to sections 244 and 257(2)(c) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the **Companies Ordinance**), and in order to do so will conduct a reduction of its share capital pursuant to section 269(2)(a) of the Companies Ordinance (the **Reduction of Capital**). CDI and DAPL have agreed that the amount due to DAPL in respect of the Repurchase Shares will be settled by: (i) the transfer by CDI to DAPL of 387,526,454 Mengniu Shares; (ii) the transfer by CDI to DAPL of 9,423,512 CMD Shares; and (iii) the payment by CDI to DAPL of the CDI Cash Consideration.
- (D) On 26 February 2021, a board resolution of the Board and a written members' resolution of CDI (passed as a special resolution) (the **Special Resolution**) approved: (i) the repurchase of the Repurchase Shares; (ii) the Reduction of Capital; (iii) as the consideration for the Share Repurchase and the Reduction of Capital, the transfer of the Mengniu Conversion Shares and the CMD Conversion Shares and the payment of the CDI Cash Consideration to DAPL; and (iv) the entry into of this Agreement and the Transaction Documents.

- (E) In accordance with the requirements of the Companies Ordinance, a copy of this Agreement has been supplied to each member of CDI on or before the date on which the Special Resolution was approved.

IT IS AGREED AS FOLLOWS:

1. Definitions and interpretation

- 1.1 In this Agreement, the following words and expressions shall have the following meanings:

Board means the board of directors of CDI;

Business Day means a day other than a Saturday, Sunday or public holiday in Hong Kong, France, the PRC or Singapore;

CCASS means the Central Clearing and Settlement System of the Hong Kong Exchanges and Clearing Limited;

CDI Cash means cash or cash equivalents, net of all debts and liabilities on the balance sheet of CDI as at 30 November 2020;

CDI Cash Consideration means the cash amount of HK\$76,789,718.83 to be paid from the CDI Cash under this Agreement as part of the consideration to be paid by CDI to DAPL in respect of the Share Repurchase;

CDI Shareholders' Agreement means the shareholders' agreement dated 27 March 2014 in respect of CDI between CDI, CSL, DAPL and COFCO Dairy (as varied and supplemented by a deed of amendment to the shareholders' agreement dated 5 August 2017);

CDI Shares means ordinary shares in the share capital of CDI;

CDI Warranties has the meaning given to that term in Clause 6.1;

CMD means China Modern Dairy Holdings Ltd., a company incorporated in the Cayman Islands, and publicly listed on The Stock Exchange of Hong Kong Limited;

CMD Conversion Shares means the 9,423,512 CMD Shares to be transferred by CDI to DAPL pursuant to this Agreement as part of the consideration to be paid by CDI to DAPL in respect of the Share Repurchase;

CMD Shares means ordinary shares of HK\$0.10 each in the share capital of CMD;

Companies Ordinance has the meaning given to that term in the recitals to this Agreement;

Completion means completion of the Share Repurchase and the transfer by CDI to DAPL of the Mengniu Conversion Shares and the CMD Conversion Shares and the payment by CDI to DAPL of the CDI Cash Consideration, each in accordance with the terms and conditions of this Agreement;

Completion Date means:

- (a) if the Conditions have been fulfilled or (if capable of waiver) waived at any time before the penultimate Business Day of the Seven-Week Period, the Completion Date shall be: (i) if the SASAC Condition is fulfilled prior to the expiry of the Five-Week Period, the first Business Day after the Five-Week Period has expired; or (ii) if the SASAC Condition is fulfilled after the expiry of the Five-Week Period but before the expiry of the Seven-Week Period, the first Business Day immediately following the date on which the SASAC Condition is fulfilled; or
- (b) otherwise, on such other date as CDI and DAPL may agree in writing;

Concert Party Agreement means the amended and restated concert party agreement dated 27 March 2014 between COFCO (Hong Kong) Limited, DAPL and Arla Foods a/s;

Conditions means the conditions to Completion set out in Clause 4.1, and **Condition** means any of them;

Consideration means the Conversion Shares and the CDI Cash Consideration;

Conversion Shares refer collectively to Mengniu Conversion Shares and CMD Conversion Shares;

Danone S.A. means Danone S.A., a company incorporated in France, having its registered office at 17 Boulevard Haussmann, 75009 Paris, France, and publicly listed on Euronext Paris;

DAPL Bank Account means DAPL's bank account at Citibank N.A. (Hong Kong branch) (branch address, 50/F., Champion Tower, 3 Garden Road, Central, Hong Kong); account name "Danone Asia Pte Ltd"; account number 1824115016; SWIFT code CITIHKHX (and/or such other account(s) as DAPL may notify to CDI in writing);

DAPL Warranties has the meaning given to that term in Clause 7.1;

Declared Dividends has the meaning given to that term in Clause 9.1;

Encumbrance means any interest of any person (including any right to acquire, option or right of pre-emption or conversion) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement or encumbrance of any kind, or any agreement to create any of the above;

Five-Week Period means the five-week period immediately following the date of the Special Resolution (or of any Subsequent Special Resolution, as the case may be);

HK\$ means Hong Kong dollars, the lawful currency of Hong Kong;

Hong Kong means the Hong Kong Special Administrative Region of the PRC;

Mengniu means China Mengniu Dairy Company Limited, a company incorporated in the Cayman Islands, and publicly listed on The Stock Exchange of Hong Kong Limited;

Mengniu Conversion Shares means the 387,526,454 Mengniu Shares to be transferred by CDI to DAPL pursuant to this Agreement as part of the consideration to be paid by CDI to DAPL in respect of the Share Repurchase;

Mengniu Shares means ordinary shares of HK\$0.10 each in the share capital of Mengniu;

PRC means the People's Republic of China;

Reduction of Capital has the meaning given to that term in the recitals to this Agreement;

Repurchase Shares has the meaning given to that term in the recitals to this Agreement;

SASAC means the State-owned Assets Supervision and Administration Commission of the State Council of the PRC;

SASAC Approval has the meaning given to that term in Clause 4.1(b);

SASAC Condition means the Condition in Clause 4.1(b);

Seven-Week Period means the seven-week period immediately following the date of the Special Resolution (or of any Subsequent Special Resolution, as the case may be);

Share Repurchase has the meaning given to that term in the recitals to this Agreement;

Special Resolution has the meaning given to that term in the recitals to this Agreement;

Stamp Office means the Stamp Office of the Inland Revenue Department of Hong Kong;

Standalone Agreement means the agreement dated 27 March 2014 between COFCO (Hong Kong) Limited and DAPL in respect of DAPL's right through CDI to nominate a non-executive director to the board of Mengniu;

Subsequent Special Resolution has the meaning given to that term in Clause 8.1(c);

Tax means all forms of taxation and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, in each case anywhere in the world and all penalties, charges, costs and interest relating thereto and the costs, expenses and fees (including legal and advisor fees) in respect of any applications to any Tax Authority for relief, exemption, assessment or ruling;

Tax Authority means any taxing or other authority competent to impose or collect any Tax;

Trade Settlement Date means:

- (a) in relation to the Mengniu Conversion Shares, the date on which the delivery of the Mengniu Conversion Shares to the designated CCASS participant of DAPL is settled; and
- (b) in relation to the CMD Conversion Shares, the date on which the delivery of the CMD Conversion Shares to the designated CCASS participant of DAPL is settled;

Transaction Documents means this Agreement and each of the other documents to be executed, among others, by DAPL and the relevant Parties (or their affiliates) at or before Completion, including but not limited to: (i) the deed of termination in relation to the CDI Shareholders' Agreement; (ii) the deed of termination in relation to the Concert Party Agreement; (iii) the deed in relation to transfer costs and Tax arising from the Transactions; and (iv) the deed of termination in relation to the Standalone Agreement; and

Transactions means the Reduction of Capital, the Share Repurchase, the transfer by CDI to DAPL of the Conversion Shares and the payment by CDI to DAPL of the CDI Cash Consideration.

1.2 In this Agreement, unless the context otherwise requires:

- (a) headings do not affect the interpretation of this Agreement; the singular shall include the plural and *vice versa*; and references to one gender include all genders;
- (b) any phrase introduced by the term *including, include, in particular* or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (c) any express reference to an enactment (which includes any legislation in any jurisdiction) shall include references to that enactment as amended, consolidated or re-enacted by or under any other enactment before or after the date of this Agreement (except to the extent that it increases or alters the liability of any Party under this Agreement);
- (d) any reference to a *Party* shall include a reference to that Party's successors and permitted assigns;
- (e) any reference to a *person* shall include, without limitation, any individual, firm, company, corporation or other body corporate, joint venture, association or partnership;
- (f) any reference to a *subsidiary* shall have the same meaning as defined in the Companies Ordinance; and
- (g) any reference to a *Clause* is a reference to a clause of this Agreement.

2. Share Repurchase

- 2.1 DAPL hereby agrees to sell the Repurchase Shares, and CDI hereby agrees to buy back the Repurchase Shares out of capital, in each case, together with all rights attaching thereto and free from all Encumbrances at Completion.
- 2.2 The purchase price for the sale and buy-back of the Repurchase Shares shall be HK\$15,491,122,921.23. CDI and DAPL have agreed that the purchase price for the Repurchase Shares shall be settled by the transfer by CDI to DAPL of the Mengniu Conversion Shares and the CMD Conversion Shares and the payment by CDI to DAPL of the CDI Cash Consideration. The Mengniu Conversion Shares and the CMD Conversion Shares shall be transferred together with all rights attaching thereto and free from all Encumbrances at Completion.

3. Pre-Completion Undertakings

- 3.1 As soon as reasonably practicable after the date of this Agreement, and in any event within the timeframe specified therefor in the Companies Ordinance, CDI shall:
- (a) deliver or procure to be delivered to the Companies Registry of Hong Kong all relevant corporate approvals of CDI required for the implementation of the Reduction of Capital and the Share Repurchase;
 - (b) publish or procure to be published a capital reduction notice in the Hong Kong Government Gazette in accordance with the Companies Ordinance; and
 - (c) comply with the requirements imposed on it by the Companies Ordinance in order to complete the Reduction of Capital and the Share Repurchase, in each case to give effect to the Special Resolution or any Subsequent Special Resolution.
- 3.2 To the extent any Mengniu Conversion Shares or any CMD Conversion Shares are not at the date hereof deposited into CCASS, CDI undertakes to procure the completion of the deposit of such Mengniu Conversion Shares and CMD Conversion Shares into CCASS at least five Business Days prior to the Completion Date.

4. Conditions to Completion

- 4.1 Completion shall be conditional on the following Conditions having been fulfilled or waived in accordance with the terms of this Agreement:
- (a) no application having been made to the courts of Hong Kong on or before the date that falls five weeks after the date of the Special Resolution (or any Subsequent Special Resolution, as the case may be) by a member or creditor of CDI seeking an order for the cancellation of the relevant special resolution pursuant to section 263 of the Companies Ordinance;
 - (b) to the extent such approvals are required by law, SASAC having approved the Transactions on the terms of this Agreement, with such approvals given either unconditionally or subject only to conditions which are

acceptable to both CDI and DAPL (each acting reasonably in the determination of whether any such conditions are acceptable) (the **SASAC Approval**);

- (c) there being no mandatory and suspensory applicable law restricting or prohibiting Completion (including any foreign investment restrictions limiting the ability of DAPL to hold the Conversion Shares upon or after Completion) which arises as a result of a change in applicable law at any time from the date of this Agreement and prior to Completion; and
 - (d) no capital reorganisation with respect to Mengniu or CMD, including any share splitting, consolidation or other restructuring of the capital structure of Mengniu or CMD, having taken place, been announced or been approved by the shareholders of Mengniu or CMD prior to Completion.
- 4.2 (a) Subject to Clause 4.2(b), the Condition in Clause 4.1(a) will be deemed to have been satisfied if, on the date that falls five weeks after the date of the Special Resolution, the courts of Hong Kong have not given any direction, or made any order, for cancelling the Special Resolution or for facilitating or carrying into effect any arrangement for the purchase of the interests of dissentient members or for the protection of dissentient creditors.
- (b) If the Condition in Clause 4.1(a) is deemed, in accordance with Clause 4.2(a), to have been satisfied, but the Condition in Clause 4.1(b) (if it is applicable) is not satisfied on or before the date that falls seven weeks after the Special Resolution, then Clause 8.1(c) and the provisions of this Clause 4.2 shall apply but on the basis that references in Clause 4.2(a) to “Special Resolution” shall be deemed to be references to “Subsequent Special Resolution”.
- 4.3 Provided that the Condition in Clause 4.1(b) has not been waived by CDI, CDI shall, upon becoming aware that the SASAC Condition has been fulfilled, promptly (and in any event within one Business Day after becoming aware of the same) deliver to DAPL a written confirmation (which may be in email format) issued by Fangda Partners (as CDI’s legal advisor as to PRC law) that the SASAC Approval has been obtained and setting out the conditions (if any) on which the SASAC Approval has been given.
- 4.4 The Conditions in Clauses 4.1(a) and 4.1(c) cannot be waived. The Condition in Clause 4.1(b) can be waived by notice in writing from CDI to the other Parties. The Condition in Clause 4.1(d) can be waived by notice in writing from DAPL to the other Parties, provided that DAPL acts reasonably in waiving the Condition, having regard to any material detriment to the interests of the other Parties that may result from any such waiver.

5. Completion

- 5.1 Completion shall take place at 12:00 noon (Hong Kong time) on the Completion Date or at such other time or place as CDI and DAPL may agree in writing.

5.2 At Completion, DAPL shall deliver or procure to be delivered to CDI:

- (a) a copy (certified as a true copy by a director or the company secretary of DAPL) of the resolutions of the board of directors of DAPL authorising the execution of, and performance by, DAPL of its obligations under the Transaction Documents to which it is a party;
- (b) the original instrument of transfer and sold note in respect of the Repurchase Shares duly executed by DAPL in favour of CDI;
- (c) the original share certificate(s) in respect of the Repurchase Shares issued in the name of DAPL;
- (d) the original instrument of transfer and bought note in respect of the Mengniu Conversion Shares duly executed by DAPL in favour of CDI; and
- (e) the original instrument of transfer and bought note in respect of the CMD Conversion Shares duly executed by DAPL in favour of CDI; and
- (f) a copy of the duly signed resignation letters or removal notices for each of the DAPL nominated directors on the Board and on the board of directors of Prominent Achiever Limited.

5.3 At Completion, CDI shall:

- (a) deliver or procure to be delivered to DAPL:
 - (i) a copy (certified as a true copy by a director or the company secretary of CDI) of the resolutions of the Board authorising the execution of, and performance by, CDI of its obligations under, (A) this Agreement, (B) the deed in relation to transfer costs and Tax arising from the Transactions, and (C) the deed of termination in relation to the CDI Shareholders' Agreement;
 - (ii) a copy (certified as a true copy by a director or the company secretary of COFCO Dairy) of the resolutions of the board of directors of COFCO Dairy authorising the execution of, and performance by, COFCO Dairy of its obligations under, (A) this Agreement, and (B) the deed of termination in relation to the CDI Shareholders' Agreement;
 - (iii) a copy (certified as a true copy by a director or the company secretary of CSL) of the resolutions of the board of directors of CSL authorising the execution of, and performance by, CSL of its obligations under, (A) this Agreement, and (B) the deed of termination in relation to the CDI Shareholders' Agreement;
 - (iv) the original instrument of transfer and bought note in respect of the Repurchase Shares duly executed by CDI in favour of DAPL;
 - (v) the original instrument of transfer and sold note in respect of the Mengniu Conversion Shares duly executed by CDI in favour of DAPL; and

- (vi) the original instrument of transfer and sold note in respect of the CMD Conversion Shares duly executed by CDI in favour of DAPL;
 - (b) procure that its designated CCASS participant gives an irrevocable delivery instruction to effect a Free of Payment book-entry settlement of the Mengniu Conversion Shares and the CMD Conversion Shares in accordance with the General Rules and Operational Procedures of CCASS to the credit of the stock account of the designated CCASS participant of DAPL (whose details will be provided by DAPL prior to Completion) and deliver to DAPL evidence of such irrevocable delivery instruction; and
 - (c) pay to DAPL the amount of the CDI Cash Consideration in accordance with Clause 11.
- 5.4 The sale and buy-back of the Repurchase Shares and the transfer of the Mengniu Conversion Shares and the CMD Conversion Shares shall take place as simultaneously as possible on the Completion Date.
- 5.5 CDI undertakes to execute or procure to be executed all such documents and do all such acts and things as may be reasonably requested in order to give effect to the Transactions and to enable the sale and buy-back of the Repurchase Shares, the transfer to DAPL of the Mengniu Conversion Shares and the CMD Conversion Shares, and the payment to DAPL of the CDI Cash Consideration to be carried out and given full force and effect.
- 5.6 If the provisions of Clauses 5.2 and 5.3 are not fully complied with by DAPL or by CDI before or on the date set for Completion, DAPL (in the case of non-compliance by CDI) or CDI (in the case of non-compliance by DAPL) shall be entitled (in addition to and without prejudice to all other rights and remedies available to the terminating Party, including the right to claim damages) by written notice to the other Parties:
- (a) to elect to terminate this Agreement (other than Clauses 1 and 10 to 22 (the *Surviving Provisions*)) without liability on the part of the terminating Party, except in respect of any rights and liabilities which have accrued prior to termination or under any of the Surviving Provisions;
 - (b) to effect Completion so far as practicable having regard to the defaults which have occurred; or
 - (c) to fix a new date for Completion (not being more than five Business Days after the agreed date for Completion), in which case the foregoing provisions of this Clause 5 shall apply to Completion as so deferred.
- 5.7 Subject to Completion having taken place, DAPL shall arrange for: (a) the lodging with the Stamp Office of the instrument(s) of transfer and bought and sold notes in respect of, (i) the sale and buy-back of the Repurchase Shares, and (ii) the transfer of the Conversion Shares; and (b) the payment of all stamp duty payable in respect of the sale and buy-back of the Repurchase Shares and the transfer of the Conversion Shares, in each case within the time prescribed by

applicable law. CDI and DAPL shall provide each other with such assistance and information as each may reasonably request of the other for the purposes of enabling DAPL to satisfy its obligations under this Clause 5.7. DAPL undertakes to CDI that it shall return to CDI the originals of:

- (a) a duplicate instrument of transfer and the bought note (in each case, duly stamped with the Stamp Office) and a certified copy of the sold note with evidence of payment of the stamp duty in respect of the Repurchase Shares;
- (b) a duplicate instrument of transfer and the sold note (in each case, duly stamped with the Stamp Office) and a certified copy of the bought note with evidence of payment of the stamp duty in respect of the Mengniu Conversion Shares; and
- (c) a duplicate instrument of transfer and the sold note (in each case, duly stamped with the Stamp Office) and a certified copy of the bought note with evidence of payment of the stamp duty in respect of the CMD Conversion Shares,

promptly after the above instruments of transfer and bought and sold notes are duly stamped by the Stamp Office and in any event by no later than 60 Business Days after the Completion Date.

- 5.8 Immediately following Completion, DAPL shall cease to be a shareholder of CDI and shall cease to retain any rights with regard to CDI and shall be relieved of all of its obligations with regard to CDI, save for any rights or obligations accrued prior to Completion or which thereafter may accrue in respect of any act or omission prior to Completion. For the avoidance of doubt, DAPL confirms and acknowledges that, subject to Clause 8.5, the Consideration represents the full and final amount due to DAPL in respect of the Repurchase Shares, and the Parties confirm and acknowledge that the Mengniu Conversion Shares and the CMD Conversion Shares represent the full and final number of Mengniu Shares and CMD Shares beneficially owned by CDI which, in each case, reflects DAPL's percentage holding of CDI Shares, provided that DAPL shall retain and be entitled to the benefit of any rights which at the time immediately prior to Completion have accrued to DAPL under Clause 9.

6. CDI Warranties

- 6.1 CDI warrants to DAPL that each of the following statements (the *CDI Warranties*) is at the date of this Agreement true and accurate and not misleading:

- (a) CDI is the sole legal and beneficial owner of, and has good and valid title to, the Mengniu Conversion Shares, and the Mengniu Conversion Shares are free from all Encumbrances;
- (b) CDI is the sole legal and beneficial owner of, and has good and valid title to, the CMD Conversion Shares, and the CMD Conversion Shares are free from all Encumbrances;

- (c) the Mengniu Conversion Shares will, immediately following Completion, rank equally with all other ordinary shares in the share capital of Mengniu;
 - (d) the CMD Conversion Shares will, immediately following Completion, rank equally with all other ordinary shares in the share capital of CMD;
 - (e) CDI is entitled, or will be entitled at Completion, to transfer the Mengniu Conversion Shares and the CMD Conversion Shares on the terms of this Agreement;
 - (f) the Special Resolution has been validly passed and remains valid and binding on CDI;
 - (g) CDI has the corporate power and authority to execute, deliver and perform its obligations under each of the Transaction Documents to which it is a party;
 - (h) the execution, delivery and performance of the Transaction Documents to which CDI is a party has been duly authorised by the Board and no other corporate or shareholder action on the part of CDI is necessary to authorise the execution, delivery and performance of the Transaction Documents to which CDI is a party;
 - (i) each of the Transaction Documents to which CDI is a party has been duly executed and delivered by CDI and CDI's obligations under each of the Transaction Documents to which it is a party constitutes valid, legal and binding obligations of CDI enforceable in accordance with their respective terms;
 - (j) the execution, delivery and performance by CDI of each of the Transaction Documents to which it is a party: (i) will not breach any provision of its constitutional documents; (ii) will not contravene, conflict with or result in a breach of any law, rule or regulation applicable to it; and (iii) will not result in a breach of any material agreement or arrangement to which it is a party or by which it is otherwise bound; and
 - (k) CDI has obtained, or will obtain prior to Completion, all necessary approvals or consents from third parties required by CDI for the execution, delivery and performance of the Transaction Documents.
- 6.2 The CDI Warranties shall be true and accurate at the Completion Date as if repeated immediately before Completion by reference to the facts and circumstances subsisting at that date and on the basis that any reference in such CDI Warranties to the date of this Agreement is substituted by a reference to the Completion Date.
- 6.3 Each of CDI Warranties shall be separate and independent and shall not be limited by reference to any other CDI Warranty.
- 6.4 CDI shall notify DAPL in writing as soon as practicable upon becoming aware of any fact or circumstance which constitutes or may constitute a breach of, or

may be inconsistent with, any of CDI Warranties or which may render any of the CDI Warranties untrue, inaccurate or misleading.

7. DAPL Warranties

7.1 DAPL warrants to CDI that each of the following statements (the *DAPL Warranties*) is at the date of this Agreement true and accurate and not misleading:

- (a) DAPL is the sole legal and beneficial owner of, and has good and valid title to, the Repurchase Shares, and the Repurchase Shares will, at Completion, be free from all Encumbrances;
- (b) DAPL is entitled to transfer the Repurchase Shares on the terms of this Agreement;
- (c) DAPL has the corporate power and authority to execute, deliver and perform its obligations under each of the Transaction Documents to which it is a party;
- (d) the execution, delivery and performance of the Transaction Documents to which DAPL is a party has been duly authorised by the board of directors of DAPL and no other corporate or shareholder action on the part of DAPL is necessary to authorise the execution, delivery and performance of the Transaction Documents to which DAPL is a party;
- (e) each of the Transaction Documents to which DAPL is a party has been duly executed and delivered by DAPL and DAPL's obligations under each of the Transaction Documents to which it is a party constitutes valid, legal and binding obligations of DAPL enforceable in accordance with their respective terms;
- (f) the execution, delivery and performance by DAPL of each of the Transaction Documents to which it is a party: (i) will not breach any provision of its constitutional documents; (ii) will not contravene, conflict with or result in a breach of any law, rule or regulation applicable to it; and (iii) will not result in a breach of any material agreement or arrangement to which it is a party or by which it is otherwise bound; and
- (g) DAPL has obtained, or will obtain prior to Completion, all necessary approvals or consents from third parties required by DAPL for the execution, delivery and performance of the Transaction Documents.

7.2 The DAPL Warranties shall be true and accurate at the Completion Date as if repeated immediately before Completion by reference to the facts and circumstances subsisting at that date and on the basis that any reference in such DAPL Warranties to the date of this Agreement is substituted by a reference to the Completion Date.

7.3 Each of the DAPL Warranties shall be separate and independent and shall not be limited by reference to any other DAPL Warranty.

7.4 DAPL shall notify CDI in writing as soon as practicable upon becoming aware of any fact or circumstance which constitutes or may constitute a breach of, or may be inconsistent with, any of DAPL Warranties or which may render any of DAPL Warranties untrue, inaccurate or misleading.

8. Undertakings and acknowledgments

8.1 Each of DAPL, CSL and COFCO Dairy confirms and undertakes to the other that it shall:

- (a) co-operate with the other Parties and execute and deliver to each of the other Parties such instruments and documents and shall take (and where applicable, shall procure its affiliates to take) such other actions as may reasonably be requested from time to time in order to carry out the intended purposes of the Transaction Documents. Without limiting the foregoing, none of DAPL, CSL nor COFCO Dairy shall make an application seeking an order from the courts of Hong Kong to cancel the Special Resolution (or any Subsequent Special Resolution);
- (b) vote its shares in CDI so as to give full effect to: (i) the Transaction Documents; (ii) the Reduction of Capital; (iii) the Share Repurchase; and (iv) the transfer to DAPL of the Mengniu Conversion Shares and the CMD Conversion Shares and the payment of the CDI Cash Consideration;
- (c) in the event that the Seven-Week Period for the Reduction of Capital has lapsed prior to the receipt of the SASAC Approval referred to in Clause 4.1(b), immediately co-operate with the other Parties and re-take the actions required under Clauses 8.1(a) and (b) to effect the Transaction, including: (i) any actions required for the Reduction of Capital and Share Repurchase; and (ii) voting its shares in CDI so as to give full effect to any further shareholders' resolutions re-approving the Reduction of Capital (each a ***Subsequent Special Resolution***); and
- (d) cause each director nominated by it to the Board to take all steps necessary to carry out the intended purposes of the Transaction Documents.

8.2 Each of CSL and COFCO Dairy acknowledges to DAPL that it shall not exercise any pre-emption rights in relation to the transfer of the Mengniu Conversion Shares, the CMD Conversion Shares or the purchase of the Repurchase Shares nor any rights to participate in the Share Repurchase under the CDI Shareholders' Agreement or otherwise.

8.3 To the extent permitted by law, the Parties agree to (a) cooperate in good faith in relation to the timely satisfaction of any compliance obligations in relation to Tax in respect of the Transactions; and (b) without prejudice to the generality of item (a) of this Clause 8.3, provide such information and assistance as any other Party may reasonably request for the purposes of (i) satisfying any Hong Kong, PRC or Singapore Tax regulations or requirements applicable in respect of the Transactions; or (ii) responding to any enquiry from any Hong Kong, PRC or Singapore Tax Authority relating to the Transactions.

- 8.4 Each of DAPL and CDI acknowledges to the other that as at the date of this Agreement: (i) it has the same inside information (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) in respect of Mengniu and CMD as the other; and (ii) it has entered into the Transactions knowing the other is a person connected to Mengniu or CMD.
- 8.5 Each of DAPL, CDI, CSL and COFCO Dairy acknowledges and agrees that, in the event of a capital reorganisation of Mengniu or CMD, including any share splitting, consolidation or other restructuring of the capital structure of Mengniu or CMD (but, for the avoidance of doubt, not including any issuances of shares under a share incentive scheme), with a record date falling prior to the relevant Trade Settlement Date, they shall each take all reasonable steps to execute such documents, and take such further action, as may reasonably be required for the purpose of ensuring DAPL receives, pursuant to the Transactions, the number of Mengniu Shares and CMD Shares beneficially owned by CDI that reflects DAPL's percentage holding of CDI Shares as at the date of this Agreement.

9. Distributions

- 9.1 Subject to the provisions set out in Clause 9.2, the Parties agree that in respect of any dividend (including any scrip dividends, or bonus issue of Mengniu Shares and/or CMD Shares) or other distribution declared by Mengniu and/or by CMD to its shareholders prior to the relevant Trade Settlement Date, whether paid or unpaid as at the relevant Trade Settlement Date, (the **Declared Dividends**), CDI shall, and shall procure its subsidiaries shall, in each case as soon as practicable after receipt thereof (whether or not before the relevant Trade Settlement Date), declare and pay the Declared Dividends such that DAPL receives the same in proportion to DAPL's percentage holding of CDI Shares as at the relevant record dates as declared by Mengniu and/or CMD for the payment of such Declared Dividends (in each case, the **Record Date**).
- 9.2 It is expressly agreed between the Parties that:
- (a) DAPL's entitlement to receive the pro rata amount of the Declared Dividends by DAPL arises only when CDI and/or, if applicable, its subsidiaries continue to hold the Mengniu Conversion Shares and/or the CMD Conversion Shares, as applicable, as at the relevant Record Date;
 - (b) if, as at the relevant Record Date, CDI and/or its subsidiaries continue to hold Mengniu Conversion Shares and/or the CMD Conversion Shares, as applicable, DAPL shall be entitled to receive its pro rata amount of the Declared Dividends (as the case may be) under Clause 9.1 from CDI notwithstanding it may no longer be a shareholder of CDI on the date of such payment; and
 - (c) any payment of the Declared Dividends shall be subject to actual receipt of the Declared Dividends and also the deduction of, (i) any applicable Tax, and (ii) any actual or anticipated expenses of CDI and/or, if applicable, its subsidiaries, to be determined by the Board and/or, if applicable, the board(s) of directors of the relevant subsidiaries, each acting reasonably.

9.3 For the avoidance of doubt, the Parties acknowledge that DAPL's rights under this Clause 9 to receive the pro rata amount of the Declared Dividends shall lapse automatically if the Trade Settlement Date falls on a date before the relevant Record Date.

10. Termination

10.1 If: (i) Completion has not occurred on or before the date falling six months after the date of this Agreement (or such later date as CDI and DAPL may agree in writing), or (ii) SASAC issues a written decision or order rejecting or refusing to approve the Transactions or imposes any condition in respect of the Transactions which in the opinion of either CDI or DAPL (acting reasonably) is unacceptable, CDI or DAPL may (in addition to and without prejudice to all other rights and remedies, including the right to claim damages) by written notice to the other Parties elect to terminate this Agreement (other than the Surviving Provisions) without liability on the part of CDI or DAPL, except in respect of any rights and liabilities which have accrued prior to termination or under any of the Surviving Provisions.

10.2 For the avoidance of doubt, nothing in this Agreement shall prejudice the rights of DAPL under clause 19.3 of the CDI Shareholders' Agreement in the event this Agreement is terminated pursuant to Clause 5.6 or Clause 10.1.

11. Payments

11.1 Any payment to be made pursuant to this Agreement by CDI to DAPL shall be made to the DAPL Bank Account.

11.2 Payments under Clause 11.1 shall be in immediately available funds by electronic transfer on the due date for payment. Receipt of the amount due shall be an effective discharge of the relevant payment obligation.

12. Announcements and Confidentiality

12.1 No public announcement or communication of any kind shall be made by the Parties or their affiliates in respect of the subject matter of the Transaction Documents unless specifically agreed among the Parties or unless:

- (a) such announcement is required by law, any court or competent authority (including the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited);
- (b) such information becomes publicly known other than through the fault of a Party or any of its directors, officers, employees or professional advisers;
- (c) such disclosure is made by a Party to its or any of its affiliates' directors, officers or employees on a need to know basis;
- (d) such disclosure is made by a Party to its professional advisers or third parties (including any potential purchasers of any Mengniu Shares) who shall be under a duty of confidentiality in respect of the information disclosed to them; or

- (e) such disclosure is required for the purpose of any judicial proceedings arising out of any of the Transaction Documents,

provided that DAPL or Danone S.A. shall be entitled to make a voluntary announcement in respect of the subject matter of the Transaction Documents.

- 12.2 To the extent permitted by applicable law, rule or regulation, any announcement or communication by any Party required to be made pursuant to Clause 12.1(a) or Clause 12.1(e) shall be issued only after such prior consultation with the other Parties as is reasonably practicable in the circumstances and taking into account the reasonable comments of the other Parties.

13. Whole Agreement

- 13.1 This Agreement and the other Transaction Documents together set out the whole agreement among the Parties in respect of the Transactions and supersede any previous draft agreement, arrangement or understanding, whether in writing or not, relating to the Transactions. The Parties agree that:

- (a) no Party has relied on or shall have any claim or remedy arising under or in connection with any statement, representation, warranty or undertaking made by or on behalf of the other Parties that is not expressly set out in this Agreement or any other Transaction Document;
- (b) the only right or remedy of a Party in relation to any provision of this Agreement or any other Transaction Document shall be for breach of this Agreement or the relevant Transaction Document; and
- (c) except for any liability in respect of a breach of this Agreement, any other Transaction Document or any other contract by which two or more Parties are bound, no Party shall owe any duty of care or have any liability in tort or otherwise to the other Parties.

- 13.2 Nothing in this Clause 13 shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.

14. Waivers, Rights and Remedies

Except as expressly provided in this Agreement, no failure or delay by any Party in exercising any right or remedy relating to this Agreement or any of the Transaction Documents shall affect or operate as a waiver or variation of that right or remedy or preclude its exercise at any subsequent time. No single or partial exercise of any such right or remedy shall preclude any further exercise of it or the exercise of any other remedy.

15. Assignment

Unless the Parties specifically agree in writing, no person shall assign, transfer, hold on trust or encumber all or any of its rights under this Agreement or any other Transaction Document nor grant, declare, create or dispose of any right or interest in any of them. Any purported assignment in contravention of this Clause 15 shall be void.

Attention: Chen Lang
And
Address: 33rd Floor, COFCO Tower, 262
Gloucester Road, Causeway Bay,
Hong Kong
Email: gongqi@cofco.com
Attention: Legal Department

COFCO Dairy

Address 中国北京朝阳区朝阳门外南大街8号中
粮福临门大厦18层中粮集团战略部
Email: longchen@cofco.com
Attention: Chen Lang
And
Address: 33rd Floor, COFCO Tower, 262
Gloucester Road, Causeway Bay,
Hong Kong
Email: gongqi@cofco.com
Attention: Legal Department

CDI

Address 中国北京朝阳区朝阳门外南大街8号中
粮福临门大厦18层中粮集团战略部
Email: longchen@cofco.com
Attention: Chen Lang
And
Address: 33rd Floor, COFCO Tower, 262
Gloucester Road, Causeway Bay,
Hong Kong

Email: gongqi@cofco.com

Attention: Legal Department

DAPL

Address: 1 Wallich St., #18-01 Guoco Tower,
Singapore 078881

Email: aspamelegal@danone.com and
Samantha.loh@danone.com

Attention: Legal Department

With copy to Danone S.A. (which shall not constitute notice):

Address: 17 boulevard Haussmann, Paris, France

Attention: General Counsel

21.4 Each Party shall notify the other Parties in writing of a change to its details in Clause 21.3 from time to time.

22. Governing Law and Arbitration

22.1 This Agreement shall be governed by, and interpreted in accordance with, Hong Kong laws.

22.2 Any Party may give notice of any dispute, controversy, difference or claim arising out of or relating to this Agreement (a **Dispute**), including the existence, validity, interpretation, performance, breach or termination thereof, or any dispute regarding non-contractual obligations arising out of or relating to such Agreement to all of the other Parties (a **Dispute Notice**). The Dispute Notice shall include a detailed description of the Dispute, the Parties involved in the Dispute (the **Dispute Parties**) and any steps taken by the Dispute Parties to resolve it.

22.3 The Dispute Parties shall within 30 days after the date that the Dispute Notice was received (the **Resolution Period**) take steps to attempt to resolve the Dispute in good faith through face-to-face meeting(s) or telephone conference call(s).

22.4 If the Dispute Parties for any reason do not resolve the Dispute within the Resolution Period, such Dispute shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre under the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the notice of arbitration is submitted (**HKIIAC Rules**). The law of this arbitration clause shall be Hong Kong law. The seat of the arbitration shall be Hong Kong. The number of arbitrators shall be three. The arbitration proceedings shall be conducted in the English language. Unless otherwise specified in the arbitral award, the expenses of the arbitration (including witness fees and reasonable legal expenses) shall be borne by the losing Dispute Party.

Where there are two or more arbitrations commenced pursuant to this Clause 22.4, the Parties agree to consolidate such arbitrations pursuant to the HKIAC Rules.

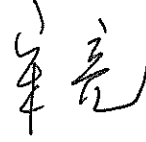
- 22.5 Any arbitral award issued in accordance with this Clause 22 shall be final and binding on the Dispute Parties thereto and shall be enforceable on its terms. None of the Dispute Parties shall seek to commence any judicial proceeding with a view to appealing or reviewing any such arbitral award. All such rights of appeal or judicial review of any such arbitral award as would otherwise be exercisable by the Dispute Parties are hereby excluded to the fullest extent permitted under applicable law.
- 22.6 Any arbitral award issued in accordance with this Clause 22 may be enforced by filing as a judgment in any court of competent jurisdiction or by any competent application or proceeding in any such court for the enforcement of the arbitral award, as the case may be.
- 22.7 DAPL shall at all times maintain an agent for service of process and any other documents in proceedings in Hong Kong or any other proceedings in connection with this Agreement. Such agent shall be Danone Nutricia Early Life Nutrition (Hong Kong) Limited and any claim form, judgment or other notice of legal process shall be sufficiently served on DAPL if delivered to such agent at its registered address for the time being (which, as at the date of this Agreement is 26/F, Lee & Man Commercial Centre, 169 Electric Road, North Point, Hong Kong). DAPL waives any objection to such service.
- 22.8 CSL shall at all times maintain an agent for service of process and any other documents in proceedings in Hong Kong or any other proceedings in connection with this Agreement. Such agent shall be Top Glory Secretaries Limited and any claim form, judgment or other notice of legal process shall be sufficiently served on CSL if delivered to such agent at its registered address for the time being (which, as at the date of this Deed is 33/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong). CSL waives any objection to such service.
- 22.9 COFCO Dairy shall at all times maintain an agent for service of process and any other documents in proceedings in Hong Kong or any other proceedings in connection with this Agreement. Such agent shall be Top Glory Secretaries Limited and any claim form, judgment or other notice of legal process shall be sufficiently served on COFCO Dairy if delivered to such agent at its registered address for the time being (which, as at the date of this Deed is 33/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong). COFCO Dairy waives any objection to such service.


IN WITNESS WHEREOF this Agreement has been duly executed on the date first above written.

[Signature Pages to Follow]

Signatures

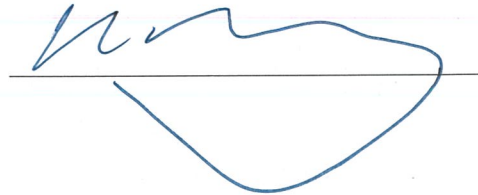
SIGNED by Mr. SONG Liang, director,)
for and on behalf of)
COLOUR SPRING LIMITED)
in the presence of:)



Signature of witness: 
Name of witness: CAI Xiao
Address: Rm 1803, 18th FL, COFCO Fortune Plaza No.8
Occupation: Chao yang Men South Ave., Beijing
Place of signing: staff
Beijing

SIGNED by)
Michael Buckley)
as attorney for and on behalf of)
DANONE ASIA PTE LTD)
under a power of attorney dated)
25 January 2021)
in the presence of:)





Signature of witness:

Name of witness: Loh Shiao Mien

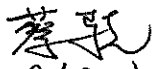
Address: 1 Wallich Street, #18-01, Guoco Tower, Singapore 078881

Occupation: General Counsel

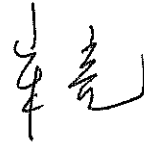
Place of signing: Singapore

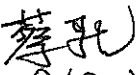
SIGNED by Mr. SONG Liang, director,)
for and on behalf of)
COFCO DAIRY HOLDINGS LIMITED)
in the presence of:)



Signature of witness: 
Name of witness: CAI Xiao
Address: Rm 1803, 18th FL, COFCO Fortune Plaza.
Occupation: No. 8 Chao Yang Man South Ave., Beijing
Place of signing: Staff
Beijing

SIGNED by Mr. SONG Liang, director,)
for and on behalf of)
COFCO DAIRY INVESTMENTS)
LIMITED)



Signature of witness: 
Name of witness: CAI Xiao
Address: Rm 1503, 15th FL, COFCO Fortune Plaza,
Occupation: No. 8 Chao Yang Men South Ave., Beijing
Place of signing: Staff
Beijing