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**優然牧業**  
**YOURAN DAIRY**

**China Youran Dairy Group Limited**

**中國優然牧業集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9858)**

## **ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE NOTES**

References are made to (i) the prospectus of China Youran Dairy Group Limited (the “**Company**”) dated June 7, 2021 (the “**Prospectus**”) in relation to, among other things, the Convertible Notes in the aggregate principal amount of US\$460 million to several pre-IPO investors with a conversion price of US\$0.44605 per Share, (ii) the announcement of the Company dated November 28, 2022 in relation to, among other things, the amendment to the terms and conditions of the Convertible Notes, (iii) the announcement of the Company dated March 30, 2023 in relation to the results of the Company for the year ended December 31, 2022 (the “**2022 Annual Results Announcement**”), (iv) the 2022 annual report of the Company despatched on April 25, 2023 in relation to, among other things, the partial redemption of the Convertible Notes, and (v) the announcement of the Company dated May 17, 2023 (the “**Poll Results Announcement**”) in relation to the poll results of the annual general meeting of the Company held on May 17, 2023 (the “**AGM**”). Capitalised terms used in this announcement shall have the same meaning as those defined in the Prospectus unless the context requires otherwise.

As announced in the 2022 Annual Results Announcement, the Board proposed to pay a final dividend for the year ended December 31, 2022 to Shareholders in cash at RMB0.022 per Share (equivalent to approximately US\$0.003154) (including tax) (the “**2022 Final Dividend**”) and as announced in the Poll Results Announcement, the 2022 Final Dividend was approved by the Shareholders at the AGM. Pursuant to the terms and conditions of the Convertible Notes, the conversion price (the “**Conversion Price**”) is subject to adjustment for, among other things, any capital distributions made to Shareholders. Accordingly, the payment of the 2022 Final Dividend shall result in an adjustment to the Conversion Price.

The Company therefore announces that the Conversion Price shall be adjusted from US\$0.44605 to US\$0.44290 per Share (the “**Adjusted Conversion Price**”) as a result of the payment of the 2022 Final Dividend to be made by the Company, and the Adjusted Conversion Price was computed in accordance with the terms and conditions of the Convertible Notes. The adjustment to the Adjusted Conversion Price will become effective from May 26, 2023, being the day immediately after the record date for the determination of the entitlement to the 2022 Final Dividend.

As at the date of this announcement, the aggregate principal amount of outstanding Convertible Notes is US\$174 million. Based on the Adjusted Conversion Price, the maximum number of Shares to be issued by the Company upon full conversion of the Convertible Notes will be increased from 390,090,796 Shares to 392,865,206 Shares. Save as disclosed in the Company's announcements, there is no change to the terms and conditions of the Convertible Notes.

By order of the Board  
**China Youran Dairy Group Limited**  
**Zhang Yujun**  
*Chairman and Non-executive Director*

Hong Kong, May 17, 2023

*As at the date of this announcement, the executive Directors are Mr. Yuan Jun and Mr. Dong Jiping; non-executive Directors are Mr. Zhang Yujun, Mr. Xu Jun, Mr. Xu, Zhan Kevin and Mr. Qiu Zhongwei; and independent non-executive Directors are Ms. Xie Xiaoyan, Mr. Yao Feng and Mr. Shen Jianzhong.*