

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.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered, sold or delivered in the United States except pursuant to an exemption from or a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Bonds are being offered and sold only outside the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company making the offer and its management and, financial statements. The Company does not intend to make any public offering of securities in the United States. None of the Bonds will be offered to the public in Hong Kong and none of the Bonds will be placed to any connected persons of the Company.



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)

ISSUANCE OF US\$500,000,000 4.250% BONDS DUE 2023

Reference is made to the announcement of the Company dated 31 July 2018 in respect of the Bonds Issue.

On 31 July 2018 (after trading hours), the Company entered into the Subscription Agreement with the Joint Lead Managers and Joint Bookrunners in connection with the issue of US\$500,000,000 4.250% Bonds due 2023.

The Company intends to use the net proceeds of the Bonds Issue, after deduction of the underwriting discounts and commission and other estimated expenses, to repay the US\$500,000,000 principal amount of 3.5% bonds due 2018 issued by the Company in 2013.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issue to professional investors (as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)) only. Listing of the Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Bonds or the Company.

Although the Subscription Agreement has been entered into, the Bonds Issue may or may not materialise. The completion of the Bonds Issue is subject to the satisfaction, or waiver, of the conditions precedent set forth in the Subscription Agreement and is subject to, among other things, market conditions and investors’ interest. In addition, the Subscription Agreement may be terminated by the Joint Lead Managers and Joint Bookrunners under certain circumstances. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

* For identification purpose only

THE SUBSCRIPTION AGREEMENT

Date

31 July 2018 (after trading hours)

Parties

- (i) the Company as the issuer; and
- (ii) the Joint Lead Managers and Joint Bookrunners, as joint lead managers and joint bookrunners of the Bonds Issue

The Bonds Issue will only be offered outside the United States, in compliance with Regulation S under the Securities Act. None of the Bonds will be offered to the public in Hong Kong and none of the Bonds will be placed to any connected persons of the Company.

PRINCIPAL TERMS OF THE BONDS

Bonds Offered

Subject to certain conditions to completion, the Company will issue the Bonds in the aggregate principal amount of US\$500,000,000 which will mature on 2023, unless earlier redeemed pursuant to the terms thereof.

Offer Price

The Offer Price of the Bonds will be 99.653% of the principal amount of the Bonds.

Interest

The Bonds will bear interest from and including 7 August 2018 at the rate of 4.250% per annum, payable semi-annually in arrear.

Ranking of the Bonds

The Bonds are direct, unconditional, unsubordinated and unsecured obligations of the Company which will at all times rank at least pari passu without preference among themselves and rank at least equally with the other present and future unsecured and unsubordinated obligations of the Company.

Events of Default

The events of default under the Bonds include, among other things:

(a) non-payment: the Company fails to pay (i) the principal of or any premium on any of the Bonds when due or (ii) any interest on any of the Bonds within 21 days of the due date; (b) breach of other obligations: the Company does not perform or comply with any one or more of its other obligations under the Bonds which default is incapable of remedy or if capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the fiscal agent; (c) cross default: (i) any other present or future indebtedness of the Company or any of its subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity, (ii) any such indebtedness is not paid when due or, as the case may be, within the applicable grace period, or (iii) the Company or any of its subsidiaries fails to pay when due, unless payment is made within the applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in (c) have occurred equals or exceeds US\$50,000,000; (d) enforcement proceedings: a distress, attachment, execution after final judgment by a court of competent jurisdiction or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Company or certain of its subsidiaries and is not discharged or stayed within 30 days; (e) security enforced: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or certain of its subsidiaries over a substantial part of the assets of the Company or the relevant subsidiaries, as the case may be becomes enforceable pursuant to a final judgment by a court of competent jurisdiction and any step is taken to enforce it and such judgment is not discharged within 45 days provided that the aggregate amount of the relevant assets in respect of which the events mentioned above have occurred equals or exceeds US\$50,000,000; (f) insolvency: the Company or certain of its subsidiaries is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a substantial part of the debts of the Company or certain of its subsidiaries; (g) winding-up: an order is made by any court of competent jurisdiction or an effective resolution passed for the winding-up or dissolution of the Company or certain of its subsidiaries, or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an extraordinary resolution of the bondholders, or (ii) in the case certain of its subsidiaries, whereby the undertaking and assets of such subsidiaries are transferred to or otherwise vested in the Company or another of such subsidiaries on a pro rata basis in accordance with such subsidiary's shareholding; (h) authorisation and consents: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company to lawfully to enter into, exercise their respective rights and perform and comply with its obligations under the Bonds, the fiscal agency agreement and the deed of covenant, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the fiscal agency agreement and the deed of covenant admissible in evidence in the courts of England is not taken, fulfilled or done; (i) illegality: it is or will become unlawful for any of the Company to perform or comply with any one or more of its material obligations under any of the Bonds, the fiscal agency agreement or the deed of covenant; or (j) analogous events: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs (f) and (g).

Negative Pledge

The Bonds will limit the Company's ability and the ability of certain of its subsidiaries to create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any relevant indebtedness or to secure any guarantee or indemnity in respect of any relevant indebtedness, guarantee or indemnity, without at the same time or prior thereto according to the Bonds.

Redemption

The Bonds are subject to redemption, in whole but not in part, at their principal amount, together with interest accrued to the date of redemption, at the option of the Company at any time in the event of certain changes affecting taxes of the Cayman Islands or the PRC. At any time following the occurrence of a change of control of the Company, the holder of any Bonds will have the right, at such holder's option, to require the Company to redeem all but not some only of that holder's Bonds on the put settlement date at 101% of their principal amount, together with accrued but unpaid interest. The Bonds are also subject to redemption, in whole but not in part, at the make whole price, together with accrued and unpaid interest, at the option of the Company.

USE OF PROCEEDS OF THE BONDS

The net proceeds of the Bonds Issue will be used by the Company to repay the US\$500,000,000 principal amount of 3.5% bonds due 2018 issued by the Company in 2013.

LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issue to professional investors (as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)) only. Listing of the Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Bonds or the Company.

RATING

The Bonds are expected to be assigned a rating of "Baa1" by Moody's Investors Service, Inc.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Board"	the board of directors of the Company
"Bonds"	the 4.250% Bonds due 2023 in the principal amount of US\$500,000,000 to be issued by the Company
"Bonds Issue"	the issue of the Bonds by the Company
"China" or "PRC"	the People's Republic of China excluding except where the context otherwise requires, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of China and Taiwan

“Company”	China Mengniu Dairy Company Limited (中國蒙牛乳業有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Lead Managers and Joint Bookrunners”	Citigroup Global Markets Limited, Australia and New Zealand Banking Group Limited, Merrill Lynch (Asia Pacific) Limited, BOCI Asia Limited, J.P. Morgan Securities plc, DBS Bank Ltd. and Coöperatieve Rabobank U.A., Hong Kong Branch
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	99.653% of the principal amount of the Bonds, the price at which the Bonds will be sold
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 31 July 2018 entered into among the Company and the Joint Lead Managers and Joint Bookrunners in relation to the Bonds Issue
“US\$”	United States dollars
“%”	per cent

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

Hong Kong, 31 July 2018

As at the date of this announcement, the Board comprises: Mr. Jeffrey, Minfang Lu, and Ms. Wu Wenting as executive directors, Mr. Ma Jianping, Mr. Niu Gensheng, Mr. Tim Ørting Jørgensen and Mr. Pascal De Petrini as non-executive directors, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Zhang Xiaoya and Mr. Yau Ka Chi as independent non-executive directors.