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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)

U.S.\$194,800,000 Zero Coupon Exchangeable Bonds Due 2022

(Stock Code: 5215)

REDEMPTION OF EXISTING EXCHANGEABLE BONDS

This announcement is made by China Mengniu Dairy Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2), Rule 37.47B(a) and Rule 37.48 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

REDEMPTION OF EXISTING EXCHANGEABLE BONDS

Reference is made to the announcement of the Company dated May 18, 2017 (the “**2017 Announcement**”) and the formal notice of the Company dated June 6, 2017 in relation to the issuance of exchangeable bonds by the Company exchangeable into CMD Shares. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings given to them in the 2017 Announcement.

Pursuant to the terms and conditions of the Bonds, on June 5, 2020 (the “**Put Option Date**”), the holder of each Bond has the right at such holder’s option, to require the Company to redeem all or some only of the Bonds of such holder on the Put Option Date at their Early Redemption Amount.

On June 5, 2020, put exercise notices were served on the Company requiring the Company to redeem US\$194,800,000 in aggregate principal amount of the Bonds pursuant to the terms and conditions of the Bonds. Accordingly, as of close of business on June 5, 2020 the Company has redeemed US\$194,800,000 in aggregate principal amount of the Bonds at an aggregate redemption price of US\$202,220,097.58 (the “**Redemption**”). The aforesaid redemption amount was satisfied by the Company’s internal resources. The redeemed Bonds have been cancelled pursuant to the terms and conditions of the Bonds. As at the date of this announcement, there is no outstanding Bond with the rights to exchange into CMD Shares. The Company has applied to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the Bonds. Such withdrawal of listing is expected to become effective upon the close of business on June 16, 2020. The Company continues to explore different forms of debt and other financing to improve its capital structure. Accordingly, it is considering other possible transactions and is in consultation with its advisers.

AMENDMENT OF THE SECURITIES LENDING AGREEMENT

The Company has entered into an amended agreement with BOCI Financial Products Limited on June 5, 2020 to, among other things, extend the duration of the loan to BOCI Financial Products Limited of up to 689,438,782 CMD Shares in aggregate (the “**Securities Loan**”) under a securities lending agreement between the parties and originally dated May 18, 2017 (the “**Securities Lending Agreement**”) for an interim period. As of the date of this announcement, the Company has lent to BOCI Financial Products Limited 689,438,782 CMD Shares in aggregate, representing approximately 10.76% of the issued share capital of CMD. Coupled with the other considerations of the Company, the Company’s current view is that it still has no control over CMD at this stage and could continue to treat CMD as an associate for now. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

The shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board
China Mengniu Dairy Company Limited
Kwok Wai Cheong
Company Secretary

Hong Kong, June 8, 2020

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

* *For identification purpose only*