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**CHINA YURUN FOOD GROUP LIMITED**

**中國雨潤食品集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1068)**

**ISSUE OF DOMESTIC SHORT TERM FINANCING NOTES IN THE PRC  
BY NANJING YURUN FOOD CO., LTD.\*,  
A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

The Board is pleased to announce that Nanjing Yurun Food Co., Ltd.\* (南京雨潤食品有限公司), a wholly-owned subsidiary of the Company incorporated in the PRC, has obtained approval from the National Association of Financial Market Institutional Investors, a self-regulation organisation supervising issuance of corporate bonds/notes amongst the banks in the PRC, to issue Short Term Financing Notes of an aggregate principal amount of up to RMB1.8 billion to domestic institutional investors in the PRC. The Board is also pleased to announce that the Issuer has resolved to issue this Short Term Financing Notes of an aggregate principal amount of up to RMB1.8 billion with a term of 366 days from the date of issuance. The first tranche of the Short Term Financing Notes in a principal amount of RMB0.5 billion is proposed to be issued on or about 16 March 2015.

The net proceeds from the first tranche of the Short Term Financing Notes will be used for repayment of bank loans and as general working capital of the Issuer and its subsidiaries.

This announcement is issued by the Board of the Company on a voluntary basis.

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The Short Term Financing Notes will be issued to domestic institutional investors in the PRC (other than those which are restricted from participating in such offering in accordance with the laws and regulations of the PRC). China Construction Bank Corporation (中國建設銀行股份有限公司) is the lead underwriter and bookrunner for the issue of the first tranche of the Short Term Financing Notes and China Minsheng Banking Corp., Ltd.(中國民生銀行股份有限公司) is the joint lead underwriter for the issue of the first tranche of the Short Term Financing Notes.

The principal terms of the Short Term Financing Notes to be issued are as follows:

<b>Issuer:</b>	Nanjing Yurun Food Co., Ltd.* (南京雨潤食品有限公司)
<b>Aggregate principal amount of the Short Term Financing Notes:</b>	Up to RMB1.8 billion
<b>First tranche of the Short Term Financing Notes:</b>	RMB0.5 billion
<b>Place of issue:</b>	The domestic financial bond market in the PRC
<b>Maturity of the first tranche of the Short Term Financing Notes:</b>	366 days from the date of issuance
<b>Credit rating:</b>	As assessed by Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (上海新世纪资信评估投资服务有限公司), the first tranche of the Short Term Financing Notes have been given an A-1 rating and the Issuer has been given an AA rating.
<b>Interest rate:</b>	Interest rate of the first tranche of the Short Term Financing Notes will be fixed at the closing of the subscription period through bookbuilding and placing processes.
<b>Calculation and payment of interest:</b>	Interest of the first tranche of the Short Term Financing Notes is calculated at a fixed interest rate by way of simple interest from the date of issuance and to be paid upon maturity.
<b>Use of proceeds:</b>	The net proceeds from the first tranche of the Short Term Financing Notes will be used for repayment of bank loans and as general working capital of the Issuer and its subsidiaries.

**Listing and trading arrangements:**

The Issuer will apply for the first tranche of the Short Term Financing Notes to be listed and traded on the relevant domestic financial bond market in the PRC.

In accordance with the relevant laws and regulations of the PRC, the relevant documents in relation to the Issuer and the Short Term Financing Notes will be published on the websites of Shanghai Clearing House (<http://www.shclearing.com>) and China Foreign Exchange Trade System ([www.chinamoney.com.cn](http://www.chinamoney.com.cn)). Shareholders and potential investors are reminded that such documents were prepared in accordance with the requirements of the PRC and are limited solely to the Issuer, and the information contained therein does not provide a full picture of the operation status of the Group.

After the issuance of the first tranche of the Short Term Financing Notes, the Issuer may issue further tranche(s) of Short Term Financing Notes within a period of two years from the date of approval of the National Association of Financial Market Institutional Investors and not exceeding the maximum principal amount of the Short Term Financing Notes, subject to filing with the National Association of Financial Market Institutional Investors and publishing new issue documents for the Short Term Financing Notes.

The issue of the Short Term Financing Notes will provide the Group with an additional source of funding at a reasonable financial cost for its operation and business development. The Board considers that the issuance of the Short Term Financing Notes is in the interest of the Company and the Shareholders as a whole.

**DEFINITIONS**

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Board”	the board of directors of the Company;
“Company”	China Yurun Food Group Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuer”	Nanjing Yurun Food Co., Ltd*. (南京雨潤食品有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company;

“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company;
“Short Term Financing Notes”	the short term financing notes of an aggregate principal amount of up to RMB1.8 billion to be issued by the Issuer in the PRC; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**Yu Zhangli**  
*Chairman*

The People’s Republic of China, 5 March 2015

*As at the date of this announcement, the executive Directors of the Company are Yu Zhangli, Li Shibao, Ge Yuqi and Sun Tiexin; the independent non-executive Directors are Gao Hui, Chen Jianguo and Li Qing.*

*\* For identification purposes only*