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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)

GRANT OF OPTIONS UNDER SHARE OPTION SCHEME

The Board announces that on 9 July 2009 the Company has granted an aggregate of 88,800,000 Options to subscribe for Shares, subject to acceptance by the Grantees under the Share Option Scheme.

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board (“Board”) of directors of China Mengniu Dairy Company Limited (the “Company”) announces that the Company has granted an aggregate of 88,800,000 share options (“Options”) to employee and directors of the Company (the “Grantees”), subject to acceptance by the Grantees, to subscribe for ordinary shares of HK\$0.10 each in the capital of the Company (“Shares”) under its share option scheme adopted on 28 June 2005 (the “Share Option Scheme”). The following are the details of the Options granted:-

Date of grant:	9 July 2009
Exercise price of the Options granted:	HK\$18.54
Number of Options granted:	88,800,000
Closing price of the Shares on the date of grant:	HK\$18.1

Validity period of the Options :

The Options are valid for a period of 6 years commencing from the date of grant of the Options.

The Options will be vested in three batches with 30%, 30% and 40% of the Options granted vesting on respectively, the first, second and third anniversaries of the date of grant. In addition, the Options will only be vested if and when the pre-set performance targets of the Group, the division of the Grantee and the individual Grantee are achieved. Unless all of these targets are met, the Options granted will lapse.

Amongst the 88,800,000 Options granted, 6,600,000 Options, 1,650,000 Options, 1,000,000 Options and 3,210,000 Options were granted to Mr. Yang Wenjun, Mr. Sun Yubin, Mr. Yao Tongshan and Mr. Bai Ying, respectively, all of whom are executive directors of the Company. The grant of such Options was approved by the independent non-executive directors of the Company in compliance with Rule 17.04(1) of the Listing Rules.

By Order of the Board
Kwok Wai Cheong, Chris
Company Secretary

Hong Kong, 9 July 2009

As at the date of this announcement, the Board comprises: Mr. Niu Gensheng, Mr. Yang Wenjun, Mr. Sun Yubin, Mr. Yao Tongshan and Mr. Bai Ying as executive directors, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt as non-executive directors Mr. Zhang Julin, Mr. Liu Fuchun and Mr. Zhang Xiaoya as independent non-executive directors.

* For identification purposes only