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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 6 December 2010 the Company has granted an aggregate of 4,470,000 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 4,470,000 share options (“Options”) to employee 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: | 6 December 2010 |
| Exercise price of the Options granted: | HK\$22.80 |
| Number of Options granted: | 4,470,000 |
| Closing price of the Shares on the date of grant: | HK\$22.80 |

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 Share Options will be vested in three batches with 20%, 40% and 40% of the Share Options granted vesting on, respectively, the second, third and fourth anniversaries of the date of grant of the Share Options. In addition, the Share 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 the said targets are met, the Share Options granted will lapse.

None of the Grantees is a director, chief executive or substantial shareholder of the Company, or any of these respective associates (as defined in the Listing Rules).

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

Hong Kong, 7 December 2010

As at the date of this announcement, the Board comprises: Mr. Yang Wenjun, Mr. Bai Ying, Mr. Wu Jingshui and Mr. Ding Sheng as executive directors, Mr. Niu Gensheng, Mr. Ning Gaoning, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Yu Xubo, Mr. Ma Jianping, Mr. Fang Fenglei and Mr. Ma Wangjun as non-executive directors, Mr. Zhang Julin, Mr. Liu Fuchun and Mr. Zhang Xiaoya as independent non-executive directors.

* For identification purposes only