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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 SHARES UNDER RESTRICTED SHARE AWARD SCHEME**

On 26 April 2013, the Company approved a grant of restricted shares under the Restricted Share Award Scheme of the Company, pursuant to which 17,569,400 Restricted Shares, representing approximately 0.99% of the issued share capital of the Company as at the Adoption Date, were resolved to be granted to the Selected Participants.

Reference is made to the announcement of China Mengniu Dairy Company Limited (the “**Company**”) dated 26 March 2013 (the “**Announcement**”), in relation to the adoption of the Restricted Share Award Scheme (the “**Scheme**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the meanings as those defined in the Announcement.

Pursuant to the Scheme, the Restricted Shares shall be awarded on the basis of specific pre-defined criteria that links to the Company’s operating performance and the grant to the Selected Participants shall be made pursuant to the Scheme Rules.

On 26 April 2013, the Company has approved the grant of Restricted Shares under the Scheme, details of which are set out as follows:

1. 17,569,400 Restricted Shares, representing approximately 0.99% of the issued share capital of the Company as at the Adoption Date, be granted to the Selected Participants (the “**Grant**”). The Selected Participants included the Directors (including the Chief Executive Officer and executive Director of the Company), senior management, heads of departments, other employees and distributors of the Group who, in the opinion of the Administration Committee, contributed directly to the overall business performance and will contribute to the sustainable development of the Group. Under the Grant, 8,425,800 Restricted Shares were approved to be granted to Ms. Sun Yiping (“**Ms. Sun**”), the Chief Executive Officer and executive

Director of the Company. The grant of Restricted Shares to Ms. Sun shall be made in one go and shall vest in five (5) tranches each on the first, second, third, fourth and fifth anniversaries of the Grant Date in accordance with the vesting conditions (including the Group's performance targets) as specified under the relevant grant letter and the Scheme Rules, subject to the publication of the full-year results of the Company for the relevant financial year. The grant of Restricted Shares to other Directors, senior management, heads of departments, other employees and distributors of the Group shall vest in full on 31 March 2014 in accordance with the vesting conditions (including the Group's performance targets) as specified under the relevant grant letter and the Scheme Rules, subject to the publication of the full-year results of the Company for the relevant financial year.

2. Grant Date: 26 April 2013.
3. All the Restricted Shares granted to the Directors (including Ms. Sun), senior management and heads of departments of the Group are subject to a lock-up period of two years from the date(s) on which the relevant Restricted Shares are vested, during which they may not sell such Restricted Shares, as well as other conditions as specified under the relevant grant letters and the Scheme Rules.

The closing price of the Shares on the Grant Date is HK\$21.65. The Board, the Administration Committee and the remuneration committee of the Company consider that the Grant (including the grant of Restricted Shares to Ms. Sun) is fair and reasonable, and is in the interests of the Company and its shareholders as a whole.

Pursuant to the Scheme, the Trustee shall purchase and, subject to the satisfaction of the relevant vesting conditions, allocate the relevant Restricted Shares to those eligible Selected Participants in accordance with the Scheme.

As Ms. Sun was one of the Selected Participants, she was considered to have a material interest in the Grant in relation to the portion of Restricted Shares to be granted to her. Ms. Sun has accordingly abstained from voting in the relevant resolutions of the Board and the Administration Committee.

The identities of the other Selected Participants and the exact number of Restricted Shares to which they are entitled under this Grant will be determined in due course and the Company will comply with applicable disclosure requirements under the Listing Rules.

The grant of Restricted Shares to the Directors (including Ms. Sun) forms part of the remuneration packages of the Directors under their respective letters of appointment with the Group and accordingly, is exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.31(6) of the Listing Rules.

By Order of the Board  
**China Mengniu Dairy Company Limited**  
**Sun Yiping**  
*Chief Executive Officer and Executive Director*

Hong Kong, 29 April 2013

*As at the date of this announcement, the Board comprises: Ms. Sun Yiping, Mr. Bai Ying, Mr. Wu Jingshui and Mr. Ding Sheng as executive directors, Mr. Ning Gaoning, Mr. Yu Xubo, Mr. Niu Gensheng, Mr. Ma Jianping, Mr. Tim Ørting Jørgensen, Mr. Finn S. Hansen and Ms. Liu Ding as non-executive directors, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Liu Fuchun, Mr. Zhang Xiaoya, Mr. Andrew Y. Yan and Mr. Wu Kwok Keung Andrew as independent non-executive directors.*

*\* For identification purposes only*