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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 RESTRICTED SHARES TO AN EXECUTIVE DIRECTOR UNDER RESTRICTED SHARE AWARD SCHEME**

On 2 April 2015, the Company approved a grant of Restricted Shares under the Scheme, pursuant to which 8,725,000 Restricted Shares, representing approximately 0.49% of the issued share capital of the Company as at the Adoption Date, were resolved to be granted to the Selected Participants. Pursuant to the Grant, 1,854,500 Restricted Shares were granted to Mr. Bai, an executive Director and the Chief Operating Officer of the Company. The identities of the other Selected Participants and the exact number of Restricted Shares to which each of them is entitled under the Grant will be determined in due course, and the Company will comply with applicable disclosure requirements under the Listing Rules.

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 of the Company (the “**Scheme**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the meanings as those defined in the Announcement.

\* For identification purposes only

On 2 April 2015, the Company has approved the grant of 8,725,000 Restricted Shares under the Scheme, details of which are set out as follows:

1. Grant Date: 2 April 2015.
2. 8,725,000 Restricted Shares, representing approximately 0.49% of the issued share capital of the Company as at the Adoption Date, to be granted to the Selected Participants (the “**Grant**”). The Selected Participants included Directors, 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, 1,854,500 Restricted Shares were approved to be granted to Mr. Bai Ying (“**Mr. Bai**”), an executive Director and the Chief Operating Officer of the Company. The identities of the other Selected Participants and the exact number of Restricted Shares to which each of them is entitled under the Grant will be determined in due course, and the Company will comply with applicable disclosure requirements under the Listing Rules.
3. Among the Grant, 2,472,700 Restricted Shares (including the grant of Restricted Shares to Mr. Bai) shall be made in one go and shall vest in three (3) tranches 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 financial years ending 31 December 2015, 2016 and 2017, respectively. The remaining Restricted Shares granted to the other Selected Participants pursuant to the Grant shall vest in full 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 financial year ending 31 December 2015.
4. All the Restricted Shares to be granted to the Selected Participants who are Directors, senior management and heads of departments of the Group will be subject to, among other conditions as specified under the relevant grant letters and the Scheme Rules, 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, unless such sale (to the extent as absolutely necessary) is solely for the purpose of settling the individual income tax due to be paid by the relevant Selected Participants. For the avoidance of doubt, the remaining Restricted Shares to be granted to the remaining Selected Participants will not be subject to any lock-up restriction.

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 relevant grant letters and the Scheme Rules.

The closing price of the Shares on the Grant Date is HK\$40.1. The Board, the Administration Committee and the remuneration committee of the Company consider that the Grant (including the grant of Restricted Shares to Mr. Bai) is fair and reasonable, and is in the best interests of the Company and its shareholders as a whole.

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

The grant of Restricted Shares to the Directors (including Mr. Bai) 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 Rules 14A.73(6) and 14A.95 of the Listing Rules.

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

Hong Kong, 8 April 2015

*As at the date of this announcement, the Board comprises: Ms. Sun Yiping and Mr. Bai Ying as executive directors, Mr. Ning Gaoning, Mr. Yu Xubo, Mr. Niu Gensheng, Mr. Finn S. Hansen, Ms. Liu Ding and Mr. Christian Neu as non-executive directors, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Zhang Xiaoya, Mr. Wu Kwok Keung Andrew and Dr. Liao Jianwen as independent non-executive directors.*