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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 UNDER RESTRICTED SHARE AWARD SCHEME

On 21 September 2016, the Company approved a grant of Restricted Shares under the Scheme, pursuant to which 10,653,825 Restricted Shares, representing approximately 0.3% (after adjustment of bonus issue) of the issued share capital of the Company as at the Adoption Date, were resolved to be granted to the Selected Participants. The identities of the Selected Participants and the exact number of Restricted Shares to which each of them is entitled under this 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 (the “**Scheme**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the meanings as those defined in the Announcement.

On 21 September 2016, the Company has approved the grant of 10,653,825 Restricted Shares under the Scheme, details of which are set out as follows:

1. Grant Date: 21 September 2016.
2. 10,653,825 Restricted Shares, representing approximately 0.3% (after adjustment of bonus issue) 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 will include the Directors, senior management and 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.

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

\* For identification purposes only

3. The Restricted Shares to be granted under the Grant shall vest in full in accordance with the vesting conditions (including the Group's performance targets) as specified under the relevant grant letters and the Scheme Rules, subject to the publication of the full-year results of the Company for the financial year ending 31 December 2016.

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\$13.96. The Board, the Administration Committee and the remuneration committee of the Company consider that the Grant is fair and reasonable, and is in the best interests of the Company and its shareholders as a whole.

The grant of Restricted Shares to the Directors 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**  
**Kwok Wai Cheong**  
*Company Secretary*

Hong Kong, 22 September 2016

*As at the date of this announcement, the Board comprises: Mr. Jeffrey, Minfang Lu, Mr. Bai Ying and Ms. Wu Wenting as executive directors, Mr. Ma Jianping, Mr. Niu Gensheng, Mr. Tim Ørting Jørgensen and Mr. Filip Kegels as non-executive directors, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Zhang Xiaoya and Mr. Wu Kwok Keung Andrew as independent non-executive directors.*