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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 AND GRANT OF SHARE OPTIONS UNDER SHARE OPTION SCHEME**

#### **GRANT OF RESTRICTED SHARES**

On 7 May 2018, the Company approved a grant of Restricted Shares under the RSA Scheme, pursuant to which 6,693,084 Restricted Shares, representing approximately 0.2% (after adjustment of bonus issue) of the issued share capital of the Company as at the Adoption Date, were approved to be granted to the Selected Participants.

#### **GRANT OF SHARE OPTIONS**

On 7 May 2018, the Company offered to grant an aggregate of 9,593,689 Options to eligible grantees under its Share Option Scheme.

#### **INTRODUCTION**

The board of directors (the “**Board**”) of China Mengniu Dairy Company Limited (the “**Company**”) is pleased to announce that, in order to provide incentives to the core management team to devote to the future continuous growth of the Company with the aim to achieve an enhanced level of performance and lead the Company into a new era of development and to re-inforce the management team’s commitment to long term services for the Company, the Company has approved to make grants of a combination of restricted shares under its restricted share award scheme adopted on 26 March 2013 (the “**RSA Scheme**”) and share options under its share option scheme adopted on 3 June 2016 (the “**Share Option Scheme**”).

## GRANT OF RESTRICTED SHARES

Reference is made to (i) the announcement of the Company dated 26 March 2013 (the “**RSA Announcement**”) in relation to the adoption of the RSA Scheme; and (ii) the announcement of the Company dated 13 July 2017 in relation to the extension of the validity period of the RSA Scheme to 26 March 2023. Unless otherwise defined herein, capitalized terms used in this section of the announcement shall have the same meanings given to them in the RSA Announcement.

On 7 May 2018, the Company approved the grant of 6,693,084 Restricted Shares under the RSA Scheme, details of which are set out as follows:

1. Grant Date: 7 May 2018.
2. 6,693,084 Restricted Shares, representing approximately 0.2% (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 “**RSA Grant**”). The Selected Participants include the directors of the Company (the “**Directors**”), senior management, managers of departments and other employees of the Group, who contributed directly to the overall business performance and will contribute to the sustainable development of the Group.

Among the Restricted Shares granted above, 154,143 Restricted Shares were granted to Directors, details of which are as follows:

<b>Name of Director</b>	<b>Position(s) held with the Company</b>	<b>Number of Restricted Shares granted</b>
Mr. Jeffrey, Minfang LU	Chief Executive Officer and executive Director	88,143
Ms. WU Wenting	Executive Director	66,000

3. The Restricted Shares to be granted under the RSA Grant shall vest in two equal batches on the first and second anniversaries of the date of grant in accordance with other vesting conditions (including the Group’s performance targets) as specified under the relevant grant letters and the rules of the RSA Scheme.

The directors and the remuneration committee of the Company consider that the RSA 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 Rules (the “**Listing Rules**”) governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

## GRANT OF SHARE OPTIONS

This section of the announcement is made pursuant to Rule 17.06A of the Listing Rules.

On 7 May 2018, the Company offered to grant an aggregate of 9,593,689 share options (the “Options”) to eligible grantees (the “Option Grantees”), subject to acceptance by the Option Grantees, to subscribe for ordinary shares of HK\$0.10 each in the capital of the Company (the “Shares”) under its Share Option Scheme.

The following are the details of the Options granted:-

<b>Grant Date:</b>	7 May 2018
<b>Exercise price of the Options granted:</b>	HK\$26.05, which is the highest of (i) HK\$0.10, being the nominal value of the Shares; (ii) HK\$26.05, being the closing price per Share as stated in the Stock Exchange’s daily quotations sheet on the Grant Date; and (iii) HK\$25.88, being the average closing price per Share as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Grant Date.
<b>Number of Options granted:</b>	9,593,689
<b>Validity period of the Options:</b>	Five (5) years commencing from the Grant Date, subject to vesting.
<b>Vesting period of the Options:</b>	Subject to the fulfillment of the relevant vesting conditions, the Options will be vested in two equal batches on the first and second anniversaries of the Grant Date.

Among the Options granted above, 910,283 Options were granted to Directors, details of which are as follows:

<b>Name of Director</b>	<b>Position(s) held with the Company</b>	<b>Number of Options granted</b>
Mr. Jeffrey, Minfang LU	Chief Executive Officer and executive Director	690,199
Ms. WU Wenting	Executive Director	220,084

The grant of Options to the Directors was approved by the independent non-executive Directors in compliance with Rule 17.04(1) of the Listing Rules. Save as disclosed above, the Company confirms none of the Option Grantees is a Director, chief executive or a substantial

shareholder (as defined in the Listing Rules) of the Company, or an associate (as defined in the Listing Rules) of any of them.

By order of the Board  
**China Mengniu Dairy Company Limited**  
**Kwok Wai Cheong**  
*Company Secretary*

Hong Kong, 7 May 2018

*As at the date of this announcement, the Board comprises: Mr. Jeffrey, Minfang Lu, and Ms. Wu Wenting as executive directors, Mr. Ma Jianping, Mr. Niu Gensheng, Mr. Tim Ø rting Jørgensen and Mr. Pascal De Petrini as non-executive directors, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Zhang Xiaoya and Mr. Yau Ka Chi as independent non-executive directors.*

*\* For identification purpose only*