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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 SHARE OPTIONS UNDER SHARE OPTION SCHEME

On 24 December 2018, the Company offered to grant an aggregate of 37,248,880 Options to eligible grantees under its Share Option Scheme.

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

#### 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 competitiveness and growth of the Company leveraging on the current market trends of consumer confidence recovery on domestic dairy, consumption upgrade and the booming of new retail model in the PRC, as well as to re-inforce the management team’s commitment to long term services for the Company, the Company has approved to make grants of share options under its share option scheme adopted on 3 June 2016 (the “**Share Option Scheme**”).

#### GRANT OF SHARE OPTIONS

On 24 December 2018, the Company offered to grant an aggregate of 37,248,880 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>	24 December 2018
<b>Exercise price of the Options granted:</b>	HK\$23.93, which is the highest of (i) HK\$0.10, being the nominal value of the Shares; (ii)

HK\$23.80, being the closing price per Share as stated in the Stock Exchange's daily quotations sheet on the Grant Date; and (iii) HK\$23.93, 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>	37,248,880
<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, approximately 70% of the Options granted (being an aggregate of 26,167,590 Options) will be vested in three equal batches on 1 April of 2019, 2020 and 2021, and the remaining approximately 30% of the Options granted (being an aggregate of 11,081,290 Options) will be vested in their entirety on 1 April 2021, each subject to publication of the Company's annual results announcement for the immediately preceding financial year in respect of each vesting date in accordance with the Listing Rules.

Among the Options granted above, 9,312,210 Options were granted to a Director, 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	9,312,210

The grant of Options to the Director 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, 24 December 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 Ørting Jørgensen and Mr. Pascal De Petrini as non-executive directors; and 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*