

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 AND GRANT OF RESTRICTED SHARES UNDER RESTRICTED SHARE AWARD SCHEME

GRANT OF SHARE OPTIONS

On 11 May 2022, the Company offered to grant an aggregate of 31,782,688 Options to eligible grantees under its Share Option Scheme.

GRANT OF RESTRICTED SHARES

On 11 May 2022, the Company approved the grant of 5,533,245 Restricted Shares under the RSA Scheme. The Company also approved to extend the validity period of the RSA Scheme for approximately another three (3) years to 26 March 2026.

BACKGROUND

The board (the “**Board**”) of directors (the “**Directors**”) of China Mengniu Dairy Company Limited (the “**Company**”) is pleased to announce that the Company has approved to make grants of share options under its share option scheme adopted on 3 June 2016 (the “**Share Option Scheme**”) and grants of restricted shares under its restricted share award scheme adopted on 26 March 2013 (the “**RSA Scheme**”).

GRANT OF SHARE OPTIONS

This section of this announcement is made pursuant to Rule 17.06A of the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 11 May 2022, the Company offered to grant an aggregate of 31,782,688 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 the Share Option Scheme.

The Option Grantees include the core management team of the Group who contributed directly to the overall business performance and sustainable development of the Group. The Board believes the grant of the Options could align the interests of the Option Grantees and that of the Company and the Shareholders, provide incentives to the core management team to devote to the future continuous competitiveness and growth of the Company during the period from 2022 to 2025, and re-inforce the core management team’s commitment to long term services of the Company.

The following are the details of the Options granted:

Grant Date:	11 May 2022 (the “ Grant Date ”)
Exercise price of the Options granted:	HK\$40.58, which is the highest of (i) HK\$0.10, being the nominal value of the Shares; (ii) HK\$38.85, being the closing price per Share as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the “ Stock Exchange ”) on the Grant Date; and (iii) HK\$40.58, 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.
Number of Options granted:	31,782,688
Validity period of the Options:	Five (5) years commencing from the Grant Date, subject to vesting.
Vesting period of the Options:	Subject to the fulfillment of the relevant vesting conditions (including performance targets of the Group, the division(s) of the Option Grantee and the individual Option Grantee), the Options will be vested in four equal batches on the first, second, third and fourth anniversaries of the Grant Date, 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.

Restriction on disposal of Shares allotted upon exercise of the Options: Subject to terms and conditions specified in the offer letter, the Option Grantee shall not dispose of, nor enter into any agreement to dispose of, any of the Shares allotted and issued upon exercise of the Options in the period of two years commencing from the date of allotment.

Among the Options granted above, 10,633,750 Options were granted to two Directors, details of which are as follows:

Name of Director	Position(s) held with the Company	Number of Options granted
Mr. Jeffrey, Minfang Lu	Chief Executive Officer and executive Director	9,534,806
Mr. Zhang Ping	Chief Financial Officer and executive Director	1,098,944

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.

GRANT OF RESTRICTED SHARES

Reference is made to the announcements (the “**RSA Announcements**”) of the Company dated 26 March 2013 and 13 July 2017 in relation to the adoption of the restricted share award scheme (the “**RSA Scheme**”) and, among others, the extension of the validity period of the RSA Scheme, respectively. Unless otherwise defined herein, capitalized terms used in this section of the announcement shall have the same meanings given to them in the RSA Announcements.

On 11 May 2022, the Company approved the grant of 5,533,245 Restricted Shares under the RSA Scheme, details of which are set out as follows:

Grant Date: 11 May 2022

Number of Restricted Shares granted: 5,533,245

Selected Participants: 5,533,245 Restricted Shares, representing approximately 0.16% (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 management, managers of departments and other employees (but other than the Options Grantees) of the Group, who contributed directly to the overall business performance and will contribute to the sustainable development of the Group.

The Company confirms that none of the Restricted Shares was granted to any Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or associate (as defined in the Listing Rules) of any of them.

Vesting Period of the Restricted Shares: 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 performance targets of the Group, the division(s) of the Selected Participant and the individual Selected Participant) 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.

Extension of the Validity Period of the RSA Scheme

The Company also approved to extend the validity period of the RSA Scheme for approximately another three (3) years to 26 March 2026.

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

Hong Kong, 11 May 2022

As at the date of this announcement, the Board comprises: Mr. Jeffrey, Minfang Lu, Ms. Wang Yan and Mr. Zhang Ping as executive directors; Mr. Chen Lang, Mr. Wang Xi and Mr. Simon Dominic Stevens as non-executive directors; and Mr. Yih Dieter, Mr. Li Michael Hankin and Mr. Ge Jun as independent non-executive directors.

* *For identification purpose only*