

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Mengniu Dairy Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA MENGNU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2319)

GENERAL MANDATES  
TO REPURCHASE SHARES AND ISSUE NEW SHARES,  
RE-ELECTION OF DIRECTORS,  
RE-APPOINTMENT OF AUDITORS,  
PROPOSED FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING

A notice (the "Notice of the Annual General Meeting") convening the annual general meeting of China Mengniu Dairy Company Limited (the "Company", together with its subsidiaries, the "Group") to be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 11:30 a.m. on Friday, 2 June 2017 (the "Annual General Meeting") is set out on pages 13 to 16 of this circular.

Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or at any adjournment meeting should you so wish.

LETTER FROM THE BOARD



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)

*Directors:*

Mr. Jeffrey, Minfang Lu (*Chief Executive Officer*)

Mr. Bai Ying

Ms. Wu Wenting

Mr. Ma Jianping<sup>#</sup> (*Chairman*)

Mr. Niu Gensheng<sup>#</sup>

Mr. Tim Ørting Jørgensen<sup>#</sup>

Mr. Filip Kegels<sup>#</sup>

Mr. Jiao Shuge (alias Jiao Zhen)\* (*Vice-Chairman*)

Mr. Julian Juul Wolhardt\*

Mr. Zhang Xiaoya\*

Mr. Yau Ka Chi\*

*Company Secretary:*

Mr. Kwok Wai Cheong, Chris

*Registered Office:*

Maples Corporate Services Limited

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

*Principal Place of Business in*

*Hong Kong:*

Suites 801-2, 8th Floor

COFCO Tower

262 Gloucester Road

Causeway Bay

Hong Kong

<sup>#</sup> *Non-executive Director*

\* *Independent Non-executive Director*

28 April 2017

*To the shareholders*

Dear Sir or Madam,

**GENERAL MANDATES  
TO REPURCHASE SHARES AND ISSUE NEW SHARES,  
RE-ELECTION OF DIRECTORS,  
RE-APPOINTMENT OF AUDITORS,  
PROPOSED FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

\* *For identification purpose only*

## LETTER FROM THE BOARD

### INTRODUCTION

The purpose of this circular is to provide you with information regarding, inter alia:

- (a) grant of the Share Issue Mandate (as defined below) to issue ordinary shares of HK\$0.10 each in the capital of the Company (the “**Shares**”);
- (b) grant of the Share Repurchase Mandate (as defined below) for repurchase by the Company of the Shares;
- (c) re-election of the relevant retiring directors of the Company (the “**Directors**”) and to authorise the board of directors (the “**Board**”) to fix their remuneration;
- (d) re-appointment of Ernst & Young as the auditors of the Company and to authorise the Board to fix the remuneration of the auditors for the year ending 31 December 2017; and
- (e) the payment of the final dividend for the year ended 31 December 2016.

#### 1. General mandate to issue Shares

At the last annual general meeting of the Company held on 3 June 2016, a general mandate was granted to the Directors to allot, issue and deal with the Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. An ordinary resolution will hence be proposed at the Annual General Meeting for the shareholders to consider and, if thought fit, grant respectively, a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company on the date of passing the resolution approving the Share Issue Mandate (the “**Share Issue Mandate**”).

As at 20 April 2017, the latest practicable date prior to the printing of this circular (the “**Latest Practicable Date**”), 3,925,027,186 Shares were issued. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the Annual General Meeting, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate will be 785,005,437 Shares.

Details of the Share Issue Mandate are set out in resolution 6 in the Notice of the Annual General Meeting set out on pages 13 to 16 of this circular. The Share Issue Mandate will expire upon whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required to be convened by the articles of the association of the Company (the “**Articles**”) or by any applicable law(s); and (c) the date on which the authority is revoked or varied by an ordinary resolution of the shareholders of the Company (the “**Shareholders**”).

## LETTER FROM THE BOARD

### 2. General mandate to repurchase Shares

At the last annual general meeting of the Company held on 3 June 2016, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. An ordinary resolution will hence be proposed for the Shareholders to consider and, if thought fit, grant a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase Shares up to 10% of the issued share capital of the Company on the date of passing the resolution approving the Share Repurchase Mandate (the “**Share Repurchase Mandate**”).

Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the Annual General Meeting, the maximum number of Shares which may be repurchased pursuant to the Share Repurchase Mandate will be 392,502,718 Shares.

An explanatory statement as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) regarding share repurchase, giving certain information in connection with the Share Repurchase Mandate is set out in Appendix I to this circular. The Share Repurchase Mandate will expire upon whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or by any applicable law(s); and (c) the date on which the authority is revoked or varied by an ordinary resolution of the Shareholders.

### 3. Re-election of the Directors

Pursuant to article 112 of the Articles, one third of the Directors shall retire from office by rotation; accordingly, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Zhang Xiaoya will retire by rotation. Pursuant to article 95 of the Articles, Mr. Jeffrey, Minfang Lu, Ms. Wu Wenting and Mr. Yau Ka Chi, whose appointment became effective on 15 September 2016, 15 September 2016 and 1 October 2016, respectively, will also retire. The abovementioned Directors will, being eligible, offer themselves for re-election at the Annual General Meeting.

Particulars of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### 4. Re-appointment of auditors

In accordance with Rule 13.88 of the Listing Rules, an ordinary resolution will be proposed at the Annual General Meeting to re-appoint Ernst & Young as the external auditor of the Company to hold office from the conclusion of the Annual General Meeting until the next annual general meeting and to authorise the Board to fix its remuneration for the year ending 31 December 2017.

## LETTER FROM THE BOARD

### **5. Final Dividend**

The Board has recommended a final dividend of RMB0.089 per Share to be payable on or around Wednesday, 21 June 2017 to the Shareholders whose names appear on the register of members of the Company on Thursday, 8 June 2017 subject to approval by the Shareholders at the Annual General Meeting.

### **6. Annual General Meeting**

A notice convening the Annual General Meeting to be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 11:30 a.m. on Friday, 2 June 2017 is set out on pages 13 to 16 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the grant of the Share Issue Mandate and the Share Repurchase Mandate, the re-election of the Directors, the re-appointment of the auditors and the proposed final dividend.

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll.

A proxy form for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting if you so wish.

### **7. Recommendation**

The Directors believe that the grant of the Share Issue Mandate and the Share Repurchase Mandate, the re-election of the Directors, the re-appointment of the auditors and the recommendation of the final dividend be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of the resolutions in relation to the above proposals to be proposed at the Annual General Meeting.

## LETTER FROM THE BOARD

### 8. Closure of Register of Members

The register of members of the Company will be closed during the following periods:

- (i) from Monday, 29 May 2017 to Friday, 2 June 2017, both days inclusive, for the purpose of ascertaining shareholders' eligibility to attend and vote at the Annual General Meeting. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 26 May 2017; and
- (ii) on Thursday, 8 June 2017, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at the address as set out in sub-paragraph (i) above not later than 4:30 p.m. on Wednesday, 7 June 2017.

### 9. Responsibility Statement

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,  
**Jeffrey, Minfang Lu**  
*Chief Executive Officer*

**(A) LISTING RULES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions.

**(B) SHAREHOLDERS' APPROVAL**

The Listing Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, or alternatively by specific approval of a particular transaction or by a general mandate to the directors of the company to make such repurchases.

**(C) EXERCISE OF THE SHARE REPURCHASE MANDATE**

As at the Latest Practicable Date, there were 3,925,027,186 Shares in issue. Subject to the passing of the ordinary resolution approving the Share Repurchase Mandate and on the basis that no further Shares are issued or no Shares are repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 392,502,718 Shares, representing 10% of the issued share capital of the Company as at the date of passing of such resolution.

**(D) REASONS FOR THE REPURCHASE OF SHARES**

The Directors believe that the Share Repurchase Mandate is in the best interest of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per share. The Directors are seeking the grant of the Share Repurchase Mandate to give the Company flexibility to do so if and when appropriate. The timing and the number(s), the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

**(E) SOURCE OF FUNDS**

The Company is empowered by its memorandum and articles of association to purchase Shares. In accordance with the laws of the Cayman Islands and the Company's memorandum and articles of association, Shares may only be redeemed or purchased out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purposes of the redemption or purchase or, if authorised by the Articles and subject to the laws of the Cayman Islands, out of capital. The premium, if any, payable on purchase must be provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are purchased or, subject to the statutory test of solvency, out of capital. Under the laws of the Cayman Islands, the Shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

It is possible that, if the Share Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2016 (the “**2016 Annual Report**”). However, the Directors do not propose to exercise the Share Repurchase Mandate to the extent that the repurchase would, in the circumstances, have a material adverse effect on the working capital position of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

#### (F) SHARE PRICES

The monthly highest and lowest prices at which the Shares had traded on the Stock Exchange in the last twelve months up to the Latest Practicable Date were as follows:

	Share Prices (per Share)	
	Highest HK\$	Lowest HK\$
<b>2016</b>		
April	13.80	11.72
May	13.44	12.00
June	14.28	12.50
July	13.96	12.58
August	15.96	12.88
September	15.70	13.90
October	15.36	14.26
November	16.82	14.56
December	16.50	14.20
<b>2017</b>		
January	15.24	13.94
February	15.68	14.10
March	16.36	14.68
April (up to and including the Latest Practicable Date)	16.10	14.52

#### (G) UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), currently intends to sell Shares to the Company or its subsidiaries in the event that the Share Repurchase Mandate is approved by the Shareholders.



No core connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to sell any of the Shares held by him to the Company in the event that the Company is authorised to make repurchases of Shares.

#### (H) THE TAKEOVERS CODE

If, as a result of a repurchase of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Codes on Takeovers and Mergers and Share Buy-backs (the "**Takeovers Code**"). Accordingly, a Shareholder, or group of Shareholders acting in concert, could, depending on the level of increase of shareholding interest, obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

In the event that the Share Repurchase Mandate is exercised in full and there are no new Shares issued by the Company, the aggregate shareholdings of COFCO Corporation ("**COFCO**") and parties acting in concert with it, would be increased from approximately 31.45% to approximately 34.95% of the issued share capital of the Company as at the Latest Practicable Date and such increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Company has no present intention to exercise the Share Repurchase Mandate to such an extent that an obligation to make a mandatory offer under the Takeovers Code will be triggered. Save as aforesaid and as at the Latest Practicable Date, the Directors were not aware of any consequence which would arise under Rules 26 and 32 of the Takeovers Code as a result of any repurchase to be made under the Share Repurchase Mandate.

#### (I) SHARES PURCHASED BY THE COMPANY

The Company did not repurchase any Shares in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Set out below are details of the Directors who will retire at the conclusion of the Annual General Meeting and will be proposed to be re-elected at the Annual General Meeting.

**Mr. Jiao Shuge (alias Jiao Zhen), Independent Non-Executive Director**

Mr. Jiao Shuge (alias Jiao Zhen), aged 51, was appointed as a non-executive Director in February 2004 and is a vice-chairman of the Board. Mr. Jiao was redesignated from a non-executive Director to an independent non-executive Director with effect from 12 April 2012. Mr. Jiao joined the Group in September 2002 and is currently a director and managing partner of CDH China Management Company Limited. Mr. Jiao received a bachelor's degree in mathematics from Shandong University and a master's degree in engineering from the No.2 Research Institute of Ministry of Aeronautics and Astronautics. Currently, Mr. Jiao also serves as a non-executive director and deputy chairman of WH Group Limited and an independent non-executive director of China Southern Airlines Company Limited, both companies listed in Hong Kong, a director of Joyoung Company Limited and a director of Henan Shuanghui Investment & Development Co., Ltd., both companies listed in Shenzhen. Mr. Jiao was a non-executive director of China Shanshui Cement Group Limited, a company listed in Hong Kong, from 30 November 2005 to 16 May 2014.

Mr. Jiao has entered into a letter of appointment with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Mr. Jiao is entitled to receive a director's fee of HK\$300,000 per annum. His emoluments are determined with reference to his duties and responsibilities in the Group and prevailing market conditions and reviewed by the remuneration committee of the Company (the "**Remuneration Committee**"). During 2016, Mr. Jiao agreed to waive his entitlement to director's fee of HK\$300,000 for the year.

Save as disclosed above, Mr. Jiao has not held any directorships in other public companies the securities of which are listed on the Stock Exchange or any securities market overseas in the last three years.

Save as disclosed above, Mr. Jiao does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he does not have any interests in the shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**") as at the Latest Practicable Date.

**Mr. Zhang Xiaoya, Independent Non-Executive Director**

Mr. Zhang Xiaoya, aged 54, was appointed as an independent non-executive Director in May 2009. Mr. Zhang is a graduate of the Shandong University and the school of management at the Beijing University of Aeronautics and Astronautics and is a senior engineer. He is currently the chairman of Zhong Ding Dairy Farming Co., Ltd (中鼎牧業有限公司), as well as the chairman of Beijing Xindajiading Investment Limited Company (北京信達嘉鼎投資有限公司), an independent director of New Focus Auto Tech Holdings

Limited, an independent director of Syswin Inc. (思源經紀) and Guangzhou Zhujiang Digital Group (廣州珠江數碼集團). Mr. Zhang previously served as a director and president of AirMedia, a company listed on NASDAQ, and the chairman of Unibank Media (銀廣通傳媒集團).

Mr. Zhang has entered into a letter of appointment with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Mr. Zhang is entitled to receive a director's fee of HK\$300,000 per annum. His emoluments are determined with reference to his duties and responsibilities in the Group and prevailing market conditions and reviewed by the Remuneration Committee.

Save as disclosed above, Mr. Zhang has not held any directorships in other public companies the securities of which are listed on the Stock Exchange or any securities market overseas in the last three years.

Save as disclosed above, Mr. Zhang does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he does not have any interests in the shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

#### **Mr. Jeffrey, Minfang Lu, Executive Director**

Mr. Jeffrey, Minfang Lu, aged 48, was appointed as an executive Director and the chief executive officer of the Company in September 2016. Mr. Lu is the chairman and a non-executive director of Yashili International Holdings Ltd (“Yashili”), a subsidiary of the Company listed on the Stock Exchange. He was the chief executive officer and executive director of Yashili before his appointment as chairman of the board of directors of Yashili. Mr. Lu was also a director of each of following subsidiaries of Yashili, namely Yashili International Ltd., Yashili International Group Limited, Newou Hong Kong International Co., Limited and Scient International Group Limited. Mr. Lu has been the Vice President (Greater China) of Danone Early Life Nutrition Greater China and had been with the Danone Group and Dumex Baby Food Co. Ltd. for over 10 years. During the tenure at the Danone Group, he demonstrated strong strategic business and market planning capabilities. With strong leadership, management skills and in-depth knowledge of markets, Mr. Lu contributed significantly to the success of the Danone Group's baby nutrition business in China. Prior to joining the Danone Group, Mr. Lu spent 9 years with Johnson & Johnson (China) Company Limited and almost 4 years with General Electric Company (China). Mr. Lu has over 18 years of experience in sales and marketing and has been serving in general manager or executive level roles for over 7 years. Mr. Lu has extensive experience in the management of fast moving consumer products and dairy companies and has an excellent grasp and the in-depth knowledge of the PRC market. Mr. Lu obtained his Bachelor's degree from Fudan University in Shanghai.

Mr. Lu has entered into a letter of appointment with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. His emoluments are

determined with reference to his duties and responsibilities in the Group and prevailing market conditions and reviewed by the Remuneration Committee. For the financial year ended 31 December 2016, the total amount of Mr. Lu's emoluments is RMB4,339,000 (including RMB2,243,000 paid/payable to Mr. Lu by Yashili as its executive director and chief executive officer during the year) as disclosed in the 2016 Annual Report.

Save as disclosed above, Mr. Lu has not held any directorships in other public companies the securities of which are listed on the Stock Exchange or any securities market overseas in the last three years.

Save as disclosed above, Mr. Lu does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he does not have any interests in the shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

#### **Ms. Wu Wenting, Executive Director**

Ms. Wu Wenting, aged 53, was appointed as an executive Director in September 2016. Ms. Wu was the executive deputy general manager and the chief financial officer of China Foods Limited, a company listed in Hong Kong, until September 2016. Ms. Wu joined COFCO Group in 1992 and was the director of the Audit and Discipline Department of COFCO Corporation from 2006 to March 2014. Ms. Wu also held various positions in COFCO Group, including the deputy general manager of the Finance Department of China Liang Feng Grains Import & Export Company from 1994 to 2000 and the general manager of the Finance Department of COFCO Oils & Grains Co., Ltd. from 2000 to 2006. Ms. Wu holds a Bachelor of Arts degree in economics from Beijing Technology and Business University and a Master of Arts degree in professional accounting from Central University of Finance and Economics and has extensive experience in financial management and auditing.

Ms. Wu has entered into a letter of appointment with the Company for a term of three years. Her directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Her emoluments are determined with reference to her duties and responsibilities in the Group and prevailing market conditions and reviewed by the Remuneration Committee. For the financial year ended 31 December 2016, the total amount of Ms. Wu's emoluments is RMB584,000 as disclosed in the 2016 Annual Report.

Save as disclosed above, Ms. Wu has not held any directorships in other public companies the securities of which are listed on the Stock Exchange or any securities market overseas in the last three years.

Save as disclosed above, Ms. Wu does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and she does not have any interests in the shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

**Mr. Yau Ka Chi, Independent Non-Executive Director**

Mr. Yau Ka Chi, aged 59, was appointed as an independent non-executive Director in October 2016. Mr. Yau has over 30 years of professional accounting experience including 20 years in serving China enterprises. He had worked for Ernst & Young for over 20 years in its Hong Kong, Toronto and Beijing offices with primary focus in providing professional services in accounting and audit, initial public offering, and corporate restructuring before retiring in September 2015. During his professional career with Ernst & Young, Mr. Yau was appointed as the Professional Practice Director of Greater China from July 2007 to June 2009, the Assurance Leader for Northern China Region from July 2010 to June 2014, the Oil & Gas Industry Leader of Greater China from May 2012 to June 2015 and the Assurance Leader of the Energy & Resources Markets Segment of Greater China from July 2013 to June 2015. Mr. Yau is currently an independent non-executive director of Yihai International Holding Ltd. and China Power International Development Limited, both companies listed on the main board of the Stock Exchange.

Mr. Yau holds a professional diploma in company secretaryship and administration from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and is a member of the American Institute of Certified Public Accountants, the Illinois Certified Public Accountants Society and the Hong Kong Institute of Certified Public Accountants. Mr. Yau also holds a certified public accountant license issued by the Illinois Department of Financial and Professional Regulation, the United States.

Mr. Yau has entered into a letter of appointment with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Mr. Yau is entitled to receive a director's fee of HK\$300,000 per annum. His emoluments are determined with reference to his duties and responsibilities in the Group and prevailing market conditions and reviewed by the Remuneration Committee.

Save as disclosed above, Mr. Yau has not held any directorships in other public companies the securities of which are listed on the Stock Exchange or any securities market overseas in the last three years.

Save as disclosed above, Mr. Yau does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he does not have any interests in the shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Each of Mr. Jiao Shuge (alias Jiao Zhen), Mr. Zhang Xiaoya and Mr. Yau Ka Chi has submitted to the Stock Exchange a written confirmation concerning his independence to the Company. Each of them has also given to the Company a confirmation of his independence. The Board, therefore, considers each of Mr. Jiao Shuge (alias Jiao Zhen), Mr. Zhang Xiaoya and Mr. Yau Ka Chi to be independent and believes that he should be re-elected.

Each of Mr. Jiao Shuge (alias Jiao Zhen), Mr. Zhang Xiaoya, Mr. Jeffrey, Minfang Lu, Ms. Wu Wenting and Mr. Yau Ka Chi has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in relation to their re-election and that no other information needs to be disclosed under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

# NOTICE OF ANNUAL GENERAL MEETING



## 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)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of the shareholders of China Mengniu Dairy Company Limited (the “**Company**”) will be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 11:30 a.m. on Friday, 2 June 2017 for the following purposes:

1. To review and consider the audited financial statements and the reports of the directors and the independent auditors for the year ended 31 December 2016.
2. To approve the proposed final dividend of RMB0.089 per share for the year ended 31 December 2016.
3. To re-elect the following directors and authorise the board of directors of the Company to fix their remuneration:
  - (a) Mr. Jiao Shuge (alias Jiao Zhen);
  - (b) Mr. Zhang Xiaoya;
  - (c) Mr. Jeffrey, Minfang Lu;
  - (d) Ms. Wu Wenting; and
  - (e) Mr. Yau Ka Chi.
4. To re-appoint Ernst & Young as the auditors of the Company and authorise the board of directors of the Company to fix their remuneration for the year ending 31 December 2017.

As special business, to consider and, if thought fit, to pass with or without amendments the following ordinary resolutions:

#### ORDINARY RESOLUTIONS

5. “**THAT:**
  - (a) subject to paragraph (b) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in

\* For identification purpose only

## NOTICE OF ANNUAL GENERAL MEETING

paragraph (c) below) of all the powers of the Company to repurchase ordinary shares of HK\$0.10 each in the capital of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of the Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution number 5 set out in this notice of annual general meeting (“**Resolution 5**”) and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution 5:

“**Relevant Period**” means the period from the passing of this Resolution 5 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or by any applicable law(s) to be held; and
- (iii) the revocation or variation of the authority given to the Directors under this Resolution 5 by the passing of an ordinary resolution by the shareholders in general meeting.”

6. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements, options and warrants which might require the exercise of such power be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) of this resolution set out in this notice of annual general meeting (“**Resolution 6**”) shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and warrants which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution 6, otherwise than pursuant to, (i) a Rights Issue (as hereinafter defined), (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares, (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed 20 per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution 6, and the said approval shall be limited accordingly;
- (d) for the purpose of this Resolution 6:

“Relevant Period” means the period from the passing of this Resolution 6 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or by any applicable law(s) to be held; and
- (iii) the revocation or variation of the authority given to the Directors under this Resolution 6 by the passing of an ordinary resolution by the shareholders in general meeting.

“Rights Issue” means an offer of shares or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of the Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems



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having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

By order of the Board  
**Kwok Wai Cheong, Chris**  
*Company Secretary*

Hong Kong, 28 April 2017

*Notes:*

- (1) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. All proxies, together with powers of attorney or other authorities, if any, under which they are signed or notarially certified copies thereof, must be deposited with the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 48 hours before the time of the Annual General Meeting. Completion and delivery of the proxy form will not preclude a member from attending and voting in person at the meeting if he so wishes.
- (2) The register of members of the Company will be closed during the following periods:
  - (i) from Monday, 29 May 2017 to Friday, 2 June 2017 both days inclusive, for the purpose of ascertaining shareholders’ eligibility to attend and vote at the Annual General Meeting. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 26 May 2017; and
  - (ii) on Thursday, 8 June 2017, for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend of RMB0.089 per ordinary share of HK\$0.10 each in the capital of the Company for the year ended 31 December 2016. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited at the address as set out in sub-paragraph (i) above not later than 4:30 p.m. on Wednesday, 7 June 2017.
- (3) Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at any meeting personally or by proxy, that the more senior shall alone be entitled to vote in respect of such Share and, for this purpose, seniority shall be determined by the order in which the names of the joint holders stand on the register of the relevant joint holding.
- (4) With reference to Resolution 3 above, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Zhang Xiaoya, Mr. Jeffrey, Minfang Lu, Ms. Wu Wenting and Mr. Yau Ka Chi will retire by rotation. The abovementioned Directors will, being eligible, offer themselves for re-election at the Annual General Meeting. Details of the above Directors are set out in Appendix II to the circular dated 28 April 2017.