

---

**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 a stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

---



**CHINA MODERN DAIRY HOLDINGS LTD.**

**中國現代牧業控股有限公司**

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

**(Stock Code: 1117)**

**GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening the Annual General Meeting of China Modern Dairy Holdings Ltd. to be held at Island Ballroom, Level 5, Island Shangri-la Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 30 November 2012 at 10:00 a.m. is set out on pages 12 to 15 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's 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 less than 48 hours before the time appointed for the holding of the 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 any adjournment thereof should you so wish.

31 October 2012

---

## CONTENTS

---

<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
<b>APPENDIX I — EXPLANATORY STATEMENT</b> .....	6
<b>APPENDIX II — PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION</b>	9
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	12

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Island Ballroom, Level 5, Island Shangri-la Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 30 November 2012 at 10:00 a.m., the notice of which is set out on pages 12 to 15 of this circular, and any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Associate”	has the meaning set out in Chapter 1 of the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Modern Dairy Holdings Ltd., a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange
“Connected person”	has the meaning set out in Chapter 1 of the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Mengniu”	China Mengniu Dairy Company Limited (stock code: 2319, a company incorporated in the Cayman Islands whose shares are listed on the Hong Kong Stock Exchange, which is the holding company of Mengniu (Inner Mongolia) and Mengniu (Maanshan)
“Latest Practicable Date”	25 October 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC”	the People’s Republic of China and for the sole purpose of this circular shall exclude Hong Kong, Macau Special Administrative Region and Taiwan

---

## DEFINITIONS

---

“Proposed General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue or otherwise deal with new Shares for up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“Proposed Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase the Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution at the Annual General Meeting
“Proposed Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Proposed Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Proposed General Mandate
“RMB”	Renminbi, the lawful currency of the PRC
“Remuneration Committee”	The remuneration committee of the Company
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 17 November 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of section 2(4) of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong, as modified from time to time) of the Company
“Takeovers Code”	the Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong
“Trading Day”	a day on which the Stock Exchange is open for business of dealing in securities
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

---

LETTER FROM THE BOARD

---



现代牧业

**CHINA MODERN DAIRY HOLDINGS LTD.**

**中國現代牧業控股有限公司**

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

**(Stock Code: 1117)**

*Executive Directors:*

Ms. Gao Lina

(Chief Executive Officer & Deputy Chairman)

Mr. Han Chunlin (Chief Operation Officer)

Mr. Deng Jiuqiang

*Non-executive Directors:*

Mr. WOLHARDT Julian Juul (Chairman)

Mr. Hui Chi Kin Max

Mr. Lei Yongsheng

*Independent Non-executive Directors:*

Prof. Li Shengli

Prof. Guo Lianheng

Mr. Lee Kong Wai Conway

*Registered office:*

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Principal place of business in*

*Hong Kong:*

Office B, 24th Floor, Alliance Building

130-136 Connaught Road Central

Sheung Wan

Hong Kong

31 October 2012

*To the Shareholders*

Dear Sir or Madam

**GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with: (i) details of the Proposed General Mandate, the Proposed Repurchase Mandate and the Proposed Extension Mandate (collectively the “**Mandates**”); (ii) details of re-election of Directors; and (iii) the notice of Annual General Meeting.

---

## LETTER FROM THE BOARD

---

### GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to grant the Proposed General Mandate to the Directors to exercise all powers of the Company to allot, issue and deal with new Shares in the share capital of the Company up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution in relation to such general mandate. In addition, subject to approval of the ordinary resolutions in relation to the Proposed General Mandate and the Proposed Repurchase Mandate, the number of Shares re-purchased by the Company under the Proposed Repurchase Mandate will also be added to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted under the Proposed General Mandate.

### GENERAL MANDATE TO REPURCHASE SHARES

In addition, an ordinary resolution will be proposed to approve the granting of the Proposed Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution in relation to such general mandate. On the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 480,000,000 Shares which are fully paid-up.

An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in Appendix I to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

### RE-ELECTION OF DIRECTORS

By virtue of Article 17.18 of the Articles of Association, Mr. Deng Jiuqiang, Mr. Han Chunlin and Mr. Lei Yongsheng shall retire and be eligible to offer themselves for re-election at the Annual General Meeting.

All of the retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. The particulars of these directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve the Mandates and the re-election of Directors, is set out on pages 12 to 15 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon.

---

## LETTER FROM THE BOARD

---

### VOTING BY WAY OF POLL

Pursuant to Article 14.6 of the Articles of Association, a resolution put to the vote of a general meeting shall be decided by way of poll. It is also the requirement under Listing Rule 13.39(4) that any vote of shareholders at a general meeting must be taken by poll. Therefore, the chairman of the meeting will demand a poll for every resolution put to the vote at the Annual General Meeting and the Company will announce the results of the poll in the manner prescribed under Rule 13.95(5) of the Listing Rules.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider that the proposed resolutions for the granting to the Directors of the Mandates and the re-election of Directors are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully  
By order of the Board of  
**China Modern Dairy Holdings Ltd.**  
**WOLHARDT Julian Juul**  
*Chairman*

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Proposed Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,800,000,000 Shares of nominal value of HK\$0.10 each.

Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 480,000,000 Shares, which are fully paid-up and represent 10% of the issued share capital of the Company as at the Annual General Meeting, during the period ending on the earliest of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in a general meeting.

## **REASONS FOR THE REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share, and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **FUNDING OF REPURCHASES**

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Listing Rules and the Companies Law.

There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts of the Company for the financial year ended 30 June 2012) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing levels.



**THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the controlling shareholder (as defined in the Listing Rules) of the Company, namely Advanced Dairy Company Limited, Crystal Dairy Holdings Limited and Brightmoon Limited (collectively the "**Controlling Shareholders**"), together control the exercise of approximately 36.37% voting rights at the Latest Practicable Date.

In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Proposed Repurchase Mandate, the percentage of voting rights at a general meeting of the Company held by the Controlling Shareholders would increase to approximately 40.41% of the issued share capital of the Company. Such an increase of shareholding would give rise to an obligation for Controlling Shareholders to make a mandatory offer under the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Proposed Repurchase Mandate. In any event, the Directors have no present intention to repurchase Shares to such extent which will trigger the mandatory offer requirement pursuant to the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

**SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months prior to the Latest Practicable Date.

**SHARE PRICES**

The Shares are trading on the Stock Exchange and the highest and lowest traded prices for Shares recorded on the Stock Exchange in each of the twelve months immediately preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest traded</b>	<b>Lowest traded</b>
	<b>Prices</b>	<b>Prices</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2011</b>		
October	1.99	1.34
November	2.33	1.83
December	2.19	1.51
<b>2012</b>		
January	1.88	1.62
February	2.18	1.71
March	2.45	2.00
April	2.35	2.06
May	2.21	1.70
June	2.19	1.76
July	2.27	1.82
August	2.38	1.99
September	2.15	1.98
October (up to the Latest Practicable Date)	2.04	1.86

**UNDERTAKING**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their Associates currently intends to sell any Shares to the Company or its subsidiaries, if the Proposed Repurchase Mandate is exercised.

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

No Connected person has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Proposed Repurchase Mandate is exercised.

---

## APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

---

*The particulars of Directors who are subject to re-election at the Annual General Meeting and which are required to be disclosed by the Listing Rules are set out below:*

### **MR. DENG JIUQIANG (“MR. DENG”)**

Mr. Deng Jiuqiang (鄧九強), aged 61, is an executive Director of the Company and a director of Modern Farming (Group) Co, Ltd. (“Modern Farm”), a subsidiary of the Company. Mr. Deng was the Chairman of the Company from November 2010 to September 2012. Mr. Deng has more than 10 years of experience in dairy industry and 15 years of experience in dairy-related industries in China. He joined the Group in December 2006 and was appointed as an executive Director of the Company on 14 November 2008. Mr. Deng was a co-founder and the former vice chairman of Inner Mongolia Mengniu Dairy (Group) Company Limited (“Mengniu (Inner Mongolia)”), a subsidiary of Mengniu, from August 1999 to May 2008, in charge of overseeing Mengniu’s expansion plans. He worked as the engineering supervisor for the construction of more than 20 dairy production bases around China, directed and designed technological renovations in almost all of Mengniu’s projects. Mr. Deng was also the founder of Inner Mongolia Jiuqiang Machinery Company Limited and has been its chairman since 1999. Mr. Deng has ceased to hold any positions with Mengniu since May 2008.

Ms. Deng has entered into a service agreement with the Company for a term of three years commencing on 26 November 2010 which shall be terminated in accordance with the provisions of the service agreement or, throughout the term of the appointment, by either party giving to the other not less than three months’ prior notice in writing. His term of office is subject to retirement by rotation and re-election in accordance with the Articles.

Mr. Deng is at present entitled to receive a fixed salary of RMB1,200,000 per annum payable in 12 equal monthly instalments. The emoluments of Mr. Deng have been approved, and are subject to annual review, by the Remuneration Committee, with reference to prevailing market conditions and to his duties and responsibilities at the Company.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Deng does not have any interests in Shares and options to subscribe Shares within the meaning of Part XV of the SFO.

Save as disclosed above, (i) Mr. Deng has not held any directorships in any other listed public companies in the last three years immediately prior to the issue of this circular; (ii) he does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company or its subsidiaries; (iii) he does not have or was not deemed to have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO; and (iv) there is no information required to be disclosed in relation to him pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

---

## APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

---

### MR. HAN CHUNLIN (“MR. HAN”)

Mr. Han Chunlin (韓春林), aged 40, is an executive Director and the Chief Operating Officer of the Company. Mr. Han is also a director of Modern Farm and Helingeer Modern Farming Co., Ltd. (“Helingeer Modern Farm”). Mr. Han has more than 15 years of experience in food and beverage industry in China. Prior to joining the Group in September 2008 and his appointment as an executive Director of the Company on 14 November 2008, Mr. Han worked as the marketing vice general manager of Nowara Shinnosuke (Fujian) Food Industry Company from February 2006 to July 2008. From January 1999 to September 2004, he served at the Liquid Milk Department of Mengniu (Inner Mongolia) as marketing manager. Prior to that, Mr. Han was a branch-plant manager at the Milk Powder Department of Inner Mongolia Yili Industrial Group Company Limited from July 1994 to January 1999. Mr. Han received a bachelor’s degree in biology from Inner Mongolia University in July 1994.

Mr. Han has entered into a service agreement with the Company for a term of three years commencing on 26 November 2010 which shall be terminated in accordance with the provisions of the service agreement or, throughout the term of the appointment, by either party giving to the other not less than three months’ prior notice in writing. His term of office is subject to retirement by rotation and re-election in accordance with the Articles.

Mr. Han is at present entitled to receive a fixed salary of RMB800,000 per annum payable in 12 equal monthly instalments. Mr. Han is also eligible to participate in the Share Option Scheme. The emoluments of Mr. Han have been approved, and are subject to annual review, by the Remuneration Committee, with reference to prevailing market conditions and to his duties and responsibilities at the Company.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Han was interested in options to subscribe for 29,276,916 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, (i) Mr. Han has not held any directorships in any other listed public companies in the last three years immediately prior to the issue of this circular; (ii) he does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company or its subsidiaries; (iii) he does not have or was not deemed to have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO; and (iv) there is no information required to be disclosed in relation to him pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

**MR. LEI YONGSHENG (“MR. LEI”)**

**Mr. LEI Yongsheng (雷永勝)**, aged 50, is a non-executive Director of the Company and a director of Modern Farm. Mr. Lei is currently a managing director and the Secretary-General of Lao Niu Foundation, a non-public fund engaged in charitable activities in the PRC. He is also a director of Brightmoon Limited. Prior to joining Lao Niu Foundation in July 2009, Mr. Lei worked for Mengniu (Inner Mongolia) as the vice president and secretary to the board of directors and for China Mengniu (Hong Kong) Company Limited (中國蒙牛(香港)有限公司) as the chief executive officer from 2003. Prior to that, Mr. Lei worked for the general office of the Department of Finance of the Inner Mongolia Autonomous Region (內蒙古自治區財政廳綜合處) as a deputy head from 1999 to 2001. Mr. Lei also worked for the Valuation Management Centre of the State-owned Assets Administration Bureau of the Inner Mongolia Autonomous Region (內蒙古自治區國有資產管理局評估管理中心) as a deputy head from 1991 to 1998 and taught in the Department of Accountancy of the Inner Mongolia University of Finance and Economics (內蒙古財經大學) from 1985 to 1990. Mr. Lei graduated from Inner Mongolia Finance and Economics College in 1985 with a bachelor’s degree in economics. He joined the Group in July 2010 and was appointed as a non-executive Director of the Company on 27 July 2010, and has been involved in the corporate development and strategic planning of the group.

Mr. Lei has an appointment letter with the Company regarding his appointment as non-executive Director commenced on 26 November 2011 for three years and he is subject to retirement by rotation and re-election at the Company’s general meeting in accordance with the Articles of Association. According to the appointment letter of Mr. Lei, he is not entitled to any remuneration.

Save as disclosed above, (i) Mr. Lei has not held any directorships in any other listed public companies in the last three years immediately prior to the issue of this circular; (ii) he does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company or its subsidiaries; (iii) he does not have or was not deemed to have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO; and (iv) there is no information required to be disclosed in relation to him pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

---

## NOTICE OF ANNUAL GENERAL MEETING

---



现代牧业

**CHINA MODERN DAIRY HOLDINGS LTD.**

中國現代牧業控股有限公司

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

(Stock Code: 1117)

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of China Modern Dairy Holdings Ltd. will be held at Island Ballroom, Level 5, Island Shangri-la Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 30 November 2012 at 10:00 a.m. for the members to consider and, if thought fit, to pass with or without modification, the following resolutions as ordinary resolutions:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors of the Company for the year ended 30 June 2012.
2. To re-elect the following retiring Directors:
  - (i) Mr. Deng Jiuqiang
  - (ii) Mr. Han Chunlin
  - (iii) Mr. Lei Yongsheng

and to authorize the board of directors of the Company to fix the directors' remuneration.

3. To re-appoint Deloitte Touche Tohmatsu as the Company's auditors and to authorize the board of directors of the Company to fix their remuneration.
4. **"THAT:**
  - (a) subject to paragraph 4(c) below, a general mandate be and is hereby unconditionally granted to the directors of the Company (the "**Directors**") to exercise during the Relevant Period (as defined in paragraph 4(d) below) all the powers of the Company to allot, issue and deal with new shares in the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (b) the mandate in paragraph 4(a) shall authorize the Directors during the Relevant Period (as defined in paragraph 4(d) below) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph 4(d) below);
- (c) the aggregate nominal value of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Right Issue (as defined in paragraph (d) below); (ii) any option scheme or similar arrangement for the time being adopted by the Company for the purpose of granting or issuing shares or rights to acquire shares of the Company to the Directors, officers and/or employees of the Company and/or any of its subsidiaries, or (iii) any scrip dividend or similar arrangement pursuant to the Articles of Association from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said mandate shall be limited accordingly;
- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution 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 the Company’s articles of association or any applicable law to be held; or
- (iii) the date on which authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Right Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company 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 having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as defined in paragraph 5(b) below) all the powers of the Company to repurchase or otherwise acquire shares in the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate

---

## NOTICE OF ANNUAL GENERAL MEETING

---

nominal amount of shares so repurchased or otherwise acquired shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution;

(b) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this Resolution 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 the Company’s articles of association or any applicable law to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.”

6. “**THAT**, conditional upon the passing of resolutions numbered 4 and numbered 5 set out in the notice convening this meeting, the aggregate nominal amount of the shares in the Company which are repurchased or otherwise acquired by the Company pursuant to resolution numbered 5 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to resolution numbered 4.”

By order of the Board of  
**China Modern Dairy Holdings Ltd.**  
**WOLHARDT Julian Juul**  
*Chairman*

Hong Kong, 31 October 2012

*Registered office:*

Maples Corporate Services Limited  
PO Box 309  
Ugland House Grand Cayman KY1-1104  
Cayman Islands

*Principal place of business in Hong Kong:*

Office B, 24th Floor, Alliance Building  
130-136 Connaught Road Central  
Sheung Wan  
Hong Kong



---

## NOTICE OF ANNUAL GENERAL MEETING

---

**Notes:**

1. Any member of the Company entitled to attend and vote at the meeting by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting or any adjourned meeting should he so wish.

3. In case of joint shareholding, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
4. **Shareholders whose names appear on the register of members of the Company on Friday, 30 November 2012 are entitled to attend and vote at the Annual General Meeting. The register of members of the Company will be closed from Tuesday, 27 November 2012 to Friday, 30 November 2012, both days inclusive, and during such period no share transfer will be registered. In order to qualify for voting at the meeting convened by the above notice, properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 26 November 2012, for registration.**
5. Concerning resolution 4 above, the approval is being sought from members for a general mandate to authorize allotment of shares, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any shares of the Company up to 20% of the issued share capital of the Company. The Directors wish to state that they have no immediate plans to issue new shares in the Company other than shares which may fall to be allotted and issued upon the exercise of any options which may be granted under the share option scheme of the Company.
6. The translation into Chinese language of the notice is for reference only. In case of any discrepancies, the English version shall prevail.