
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).

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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 Drawing Room, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on (Friday) 3 June 2016 at 3:00 p.m. is set out on pages 13 to 16 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 deliver 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 (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish.

29 April 2016

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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 Drawing Room, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on (Friday) 3 June 2016 at 3:00 p.m., the notice of which is set out on pages 13 to 16 of this circular, and any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Associate(s)”	has the meaning set out in Chapter 1 of the Listing Rules
“Board”	the board of Directors
“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(s)”	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 PRC
“Latest Practicable Date”	26 April 2016, 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)
“Mengniu”	China Mengniu Dairy Company Limited (stock code: 2319), a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
“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
“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 set out in Chapter 1 of the Listing Rules) of the Company
“Substantial Shareholder(s)”	has the meaning set out in Chapter 1 of the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong
“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

(Deputy Chairman and Chief Executive Officer)

Mr. HAN Chunlin (Chief Operation Officer)

Mr. SUN Yugang (Chief Financial Officer)

Non-executive Directors:

Mr. YU Xubo (Chairman)

Mr. WOLHARDT Julian Juul

Mr. HUI Chi Kin, Max

Mr. ZHANG Ping

Independent Non-executive Directors:

Mr. LI Shengli

Mr. LEE Kong Wai, Conway

Mr. KANG Yan

Mr. ZOU Fei

Registered office:

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Principal place of business in

Hong Kong:

Unit 2402, 24th Floor, Alliance Building

130-136 Connaught Road Central

Sheung Wan

Hong Kong

29 April 2016

To the Shareholders

Dear Sir or Madam

**GENERAL MANDATES TO ISSUE SHARES AND
TO 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 the 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 530,476,788 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 17.2 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. As such, Mr. ZHANG Ping shall retire and be eligible to offer himself for re-election at the Annual General Meeting.

By virtue of Article 17.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but no less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. As such, Mr. YU Xubo, Ms. GAO Lina, Mr. HUI Chi Kin, Max and Mr. KANG Yan 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.

LETTER FROM THE BOARD

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 13 to 16 of this circular. Shareholders are advised to read the notice and to complete and deliver the accompanying form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon.

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 the Listing Rules 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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 1 June 2016 to Friday, 3 June 2016, 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 Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 31 May 2016.

Yours faithfully
By order of the Board of
China Modern Dairy Holdings Ltd.
YU Xubo
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 5,304,767,883 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 530,476,788 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 applicable laws of the Cayman Islands.

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 year ended 31 December 2015) 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, Mengniu, being the Company's single largest Shareholder, held 1,347,903,000 Shares, representing approximately 25.41% of the entire issued share capital of the Company as 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 Mengniu would increase to approximately 28.23% of the issued share capital of the Company. Such an increase of shareholding would not give rise to an obligation for Mengniu to make a mandatory offer under the Takeovers Code. 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:

Month	Highest traded Prices <i>HK\$</i>	Lowest traded Prices <i>HK\$</i>
2015		
April	3.50	2.58
May	3.28	3.04
June	3.19	2.68
July	2.80	1.90
August	2.57	1.77
September	2.42	1.96
October	2.70	2.24
November	2.34	2.04
December	2.23	1.94
2016		
January	2.01	1.33
February	1.72	1.25
March	1.77	1.51
April (up to the Latest Practicable Date)	1.71	1.53

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. YU Xubo (“Mr. Yu”)

Mr. YU Xubo (于旭波), aged 50, is a Non-executive Director and the Chairman of the Company. Mr. Yu is currently the president of COFCO Corporation, the president and a director of COFCO (Hong Kong) Limited and a director of both COFCO Meat Investment Company Limited and COFCO Coca-Cola Beverages Limited. Mr. Yu is a non-executive director of China Agri-Industries Holdings Limited (stock code: 606) and formerly a non-executive director of China Foods Limited (stock code: 506) until 15 February 2016, both companies are listed in Hong Kong. Mr. Yu also currently serves as a non-executive director and formerly as the vice-chairman of Mengniu until 19 February 2016, a Substantial Shareholder of the Company. Mr. Yu was appointed, with effect from 24 June 2015, as a non-executive director of Noble Group Limited, which is listed in Singapore. Mr. Yu holds a Bachelor Degree in Economics from the University of International Business and Economics in Beijing and an Executive Master of Business Administration Degree from China Europe International Business School.

Mr. Yu has entered into a letter of appointment with the Company as a Non-executive Director for a term of three years commencing on 28 June 2013, subject to retirement by rotation and re-election at the general meeting of the Shareholders of the Company in accordance with the Articles of Association. According to Mr. Yu’s letter of appointment, he is not entitled to any remuneration.

Save as disclosed above, Mr. Yu (i) has not held any other positions in the Group, and does not have any relationships with any Directors, senior management members or substantial or controlling shareholders of the Company or its subsidiaries; (ii) has not held any other directorships in any listed public companies in the last three years; (iii) does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance; and (iv) there is no other 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.

Ms. GAO Lina (“Ms. Gao”)

Ms. GAO Lina (高麗娜), aged 59, is an Executive Director, Chief Executive Officer and the Deputy Chairman of the Company. Ms. Gao is one of the founders of the Group and is currently a director of Modern Farm (Group) Co., Ltd. (“**Modern Farm**”) and 7 other subsidiaries of the Company. Ms. Gao has significant experience in cross-border trading, resource integration and administrative management. Prior to joining the Group in August 2005, Ms. Gao was the general manager of Taian Foreign General Trade Corporation (泰安市外貿總公司) between October 1993 to June 2005. Ms. Gao was the director general of Tai’an Municipal Trade Promotion Bureau (泰安市招商局) between October 2003 and June 2005. Ms. Gao developed her experience in managing dairy farms since joining the Group and she was appointed as an Executive Director of the Company on 14 November 2008.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Ms. Gao was awarded “Taian City Excellent Entrepreneur in Reforming and Enterprising Endeavours” in 2004. Ms. Gao was awarded the “Scientific and Technological Progress Award (Class 1 of Promotion Category) (科學技術進步獎推廣類一等獎)” by the Ministry of Education of the PRC (中國教育部) in January 2013. Ms. Gao completed an undergraduate course at Taian Municipal CPC Party School (中共泰安市委黨校) majoring in economic management in December 1999.

Ms. Gao entered into a service agreement with the Company for a term of three years commencing on 29 October 2013, which may be terminated in accordance with the provisions of the service agreement by either party by giving to the other party not less than three months’ prior notice in writing at any time during the term of appointment. Her term of office is subject to retirement by rotation and re-election in accordance with the Articles of Association.

For the year ended 31 December 2015, Ms. Gao is entitled to receive annual salary and retirement benefits scheme contributions of RMB1,901,000. Ms. Gao is also entitled to participate in the share option schemes of the Company. The remuneration of Ms. Gao has been approved by the Remuneration Committee, and is subject to review with reference to prevailing market conditions as well as her duties and responsibilities in the Company.

As far as the Directors are aware, within the meaning of Part XV of the Securities and Future Ordinance, as at the Latest Practicable Date, Ms. Gao holds 4,800,000 Shares and is deemed to be interested in the 221,581,733 Shares held by Jinmu Holdings Co Ltd., a Shareholder of the Company. Ms. Gao is a director and a shareholder of Jinmu Holdings Co Ltd. and holds 49.12% of its interest. Ms. Gao is interested in the options to subscribe for 38,936,339 Shares.

Save as disclosed above, Ms. Gao (i) has not held any directorships in any other listed companies in the last three years immediately prior to the issue of this circular; (ii) does not have any relationships with any Directors, senior management members or substantial or controlling shareholders of the Company or its subsidiaries; (iii) does not have or is not deemed to have any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and (iv) there is no other information required to be disclosed in relation to her 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. HUI Chi Kin, Max (“Mr. Hui”)

Mr. HUI Chi Kin, Max (許志堅), aged 42, is a Non-executive Director of the Company and a director of Modern Farm. Mr. Hui is currently the chief executive officer and a managing director of CDH Investment Advisory Private Limited. From 1999 to 2003, he worked with the private equity division of Morgan Stanley Asia Limited in Hong Kong and the investment banking department of Schrodgers & Co in New York. Prior to working in the financial industry, Mr. Hui was an engineer at the oil and gas pipeline division of Bechtel Corporation in San Francisco from 1997 to 1998. Mr. Hui graduated from the University of California, Berkeley in 1996 with a bachelor degree in chemical engineering and received a master degree of engineering from Princeton University in 1999. He joined the Group in February 2009 and was appointed as a non-executive Director of the Company on 23 February 2009, and has been involved in the corporate development and strategic planning of the Group.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Mr. Hui entered into a letter of appointment with the Company as a Non-executive Director for a term of three years commencing on 27 November 2014, subject to retirement by rotation and re-election at the general meeting of the Shareholders of the Company in accordance with the Articles of Association. According to Mr. Hui's letter of appointment, he is not entitled to any remuneration.

Save as disclosed above, Mr. Hui (i) has not held any other positions in the Company and its subsidiaries, and does not have any relationships with any Directors, senior management members or substantial or controlling shareholders of the Company or its subsidiaries; and (ii) has not held any other directorships in any listed public companies in the last three years; (iii) does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance; and (iv) there is no other 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. KANG Yan (“Mr. Kang”)

Mr. KANG Yan (康龔), aged 40, is an Independent Non-executive Director of the Company. Mr. Kang graduated from the Renmin University of China in 1998. Mr. Kang is a qualified practicing attorney in China and is currently a partner of Fangda Partners. He joined Beijing Commerce & Finance Law Offices in 2002 and was promoted as a partner in 2008. Mr. Kang has over 10 years of experience in legal corporate advisory on mergers and acquisitions and initial public offerings.

Mr. Kang entered into a letter of appointment with the Company for his appointment as an Independent Non-executive Director for a term of three years commencing on 28 June 2013, subject to retirement by rotation and re-election at the general meeting of the Shareholders of the Company in accordance with the Articles of Association. According to Mr. Kang's letter of appointment, he is entitled to an annual remuneration of RMB200,000. The remuneration of Mr. Kang is determined after considering the remuneration policy of the Company, his duties and the prevailing market remuneration of executives in similar positions.

Save as disclosed above, Mr. Kang (i) has not held any other positions in the Company and its subsidiaries, and does not have any relationships with any Directors, senior management members or substantial or controlling shareholders of the Company or its subsidiaries; (ii) has not held any other directorships in any listed public companies in the last three years; (iii) does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance; and (iv) there is no other 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. ZHANG Ping (“Mr. Zhang”)

Mr. ZHANG Ping (張平), aged 51, is a Non-executive Director of the Company starting from 22 March 2016. With effect from 6 June 2014, Mr. Zhang has been appointed as the chief financial officer of Mengniu. Mr. Zhang also holds several directorships in certain subsidiaries of Mengniu, including the director of Inner Mongolia Mengniu Dairy (Group) Co., Ltd., Inner Mongolia Mengniu Danone Dairy Co., Ltd., Shijiazhuang Junlebao Dairy Co., Ltd. and Aspen Ventures Co., Ltd.. Mr. Zhang also takes the position of non-executive director in Yashili International Holdings Ltd (stock code: 1230) which is listed in Hong Kong since 27 April 2015. Mr. Zhang post graduated from Beijing Information Science and Technology University with master degree in management engineering, and has over 24 years of experience in the industry of fast-moving consumer goods, specializing in the management of operation, finance and audit as well as risk control. Mr. Zhang successively worked as manager of internal audit and system development, finance director in Swire Beverages Co., Ltd, general manager of its bottler manufacturing company and chief executive officer in Coca-Cola Bottler Manufacturing Holdings Limited.

Mr. Zhang entered into a letter of appointment with the Company as a Non-executive Director of the Company for a term of three years commencing on 22 March 2016, subject to retirement by rotation and re-election at the general meeting of the Shareholders of the Company in accordance with the Articles of the Company. According to Mr. Zhang’s letter of appointment, he is not entitled to any remuneration.

Save as disclosed above, Mr. Zhang (i) has not held any other positions in the Group, and does not have any relationships with any Directors, senior management members or substantial or controlling shareholders of the Company or its subsidiaries; (ii) has not held any other directorships in any listed public companies in the last three years; (iii) does not have any interest in other Shares within the meaning of Part XV of the Securities and Future Ordinance; and (iv) there is no other 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 Drawing Room, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on (Friday) 3 June 2016 at 3:00 p.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 31 December 2015.

2. To re-elect the following retiring Directors:
 - (i) Mr. YU Xubo

 - (ii) Ms. GAO Lina

 - (iii) Mr. HUI Chi Kin, Max

 - (iv) Mr. KANG Yan

 - (v) Mr. ZHANG Ping

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.

NOTICE OF ANNUAL GENERAL MEETING

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;
- (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).”

NOTICE OF ANNUAL GENERAL MEETING

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 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
China Modern Dairy Holdings Ltd.
YU Xubo
Chairman

Hong Kong, 29 April 2016

Registered office:

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

Principal place of business in Hong Kong:

Unit 2402, 24th Floor, Alliance Building
130-136 Connaught Road Central
Sheung Wan
Hong Kong

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.

NOTICE OF ANNUAL GENERAL MEETING

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 delivered 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 appointed for the holding of the meeting or any adjournment thereof (as the case may be).

Completion and delivery of the proxy form will not preclude any member from attending and voting in person at the meeting or any adjourned meeting (as the case may be) 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, 3 June 2016 are entitled to attend and vote at the Annual General Meeting. The register of members of the Company will be closed from Wednesday, 1 June 2016 to Friday, 3 June 2016, 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 Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 31 May 2016, 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.