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MODERN FARMING
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)

ANNOUNCEMENT

RESIGNATION OF DIRECTORS, APPOINTMENT OF DIRECTORS, RE-DESIGNATION OF DIRECTOR AND CHANGES IN COMPOSITIONS OF THE BOARD COMMITTEES

The Board would like to announce the following changes in personnel commitments, all effective from April 1, 2020:

- (i) Mr. Han Chunlin will resign as an executive director of the Company but will remain as the vice president and chief operation officer of the Group;
- (ii) Mr. Kang Yan will resign as an independent non-executive director of the Company and cease to be a member of the Audit Committee, the Nomination Committee and the Remuneration Committee;
- (iii) Mr. Sun Yugang will be appointed as an executive director of the Company;
- (iv) Ms. Gan Lu will be appointed as a non-executive director of the Company and a member of the Strategy and Development Committee;

* For identification purposes only

- (v) Mr. Wolhardt Julian Juul will be re-designated from a non-executive director to an independent non-executive director of the Company and will be appointed as a member of the Audit Committee and the Remuneration Committee but cease to be a member of the Strategy and Development Committee; and
- (vi) Mr. Zhang Ping, a non-executive director of the Company, will be appointed as a member of the Audit Committee.

The board of directors (the “**Board**”) of China Modern Dairy Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to announce the following changes in personal commitments, all effective from April 1, 2020:

RESIGNATION OF DIRECTORS

Mr. Han Chunlin will resign as an executive director of the Company due to his desire to focus on and devote more time and dedication to the Company’s affairs and business developments. Mr. Han Chunlin will continue to remain as the vice president and chief operation officer of the Group responsible for overseeing and supervising the regional farms and major operation centers of the Group. Mr. Han has confirmed that he has no disagreement with the Board and he is not aware of any matter in relation to his resignation as an executive director that should be brought to the attention of the shareholders of the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Mr. Kang Yan will resign as an independent non-executive director of the Company due to personal reasons. He will cease to be a member of the Audit Committee (as defined below), the Nomination Committee (as defined below) and the Remuneration Committee (as defined below). Mr. Kang has confirmed that he has no disagreement with the Board and he is not aware of any matter in relation to his resignation as an independent non-executive director that should be brought to the attention of the shareholders of the Company and the Stock Exchange.

APPOINTMENT OF DIRECTORS

Mr. Sun Yugang will be appointed as an executive director of the Company to assist the chief executive officer of the Company and will be jointly and severally responsible for overseeing the management and operation of the Group.

Ms. Gan Lu will be appointed as a non-executive director of the Company, responsible for providing advice to the Company, in particular on financial and compliance issues, and a member of the Strategy and Development Committee (as defined below).

The biographical information of Mr. Sun Yugang:

Mr. Sun Yugang (孫玉剛), aged 39, was a manager of the Finance and Investment Department of Inner Mongolia Mengniu Milk Industry (Group) Co., Ltd. between May 2002 and March 2007. Mr. Sun was the chief financial officer, executive director and vice president of the Company from March 2007 to September 2016 and non-executive director of the Company from October 2016 to March 2017. Subsequently, Mr. Sun worked for Hebei Yinong Network Technology Co., Ltd.* (河北宜農網絡科技有限公司) as a director, vice president and chief financial officer from October 2016 to August 2018 and for Jiangsu Yuguan Modern Agricultural Technology Co., Ltd.* (江蘇裕灌現代農業科技有限公司) as a vice president and chief financial officer from August 2018 to October 2019. Mr. Sun re-joined the Group in November 2019 and currently serves as the executive vice president of the Group. Mr. Sun graduated from Inner Mongolia Finance and Economics College, majoring in accounting. Mr. Sun has extensive experience in financial management and corporate development.

The Company has entered into a letter of appointment with Mr. Sun for his appointment as an executive director for a term of three years commencing on April 1, 2020 subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the articles of association of the Company and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Mr. Sun will not receive any director’s fee. Nevertheless, Mr. Sun is entitled to an annual remuneration of RMB1,200,000 for his role as the executive vice president of the Group, which has been determined by reference to his qualifications, experience, level of responsibilities undertaken with the Group, the financial performance of the Group and the prevailing market conditions.

As at the date of this announcement, Mr. Sun has been granted 1,087,000 awarded shares during his existing engagement with the Company but not yet vested under the share award scheme of the Company adopted on March 26, 2018, representing approximately 0.017% of the issued shares capital of the Company.

The biographical information of Ms. Gan Lu:

Ms. Gan Lu (甘璐), 38, is the chief investment officer of Beijing Hosen Capital Management, LLP (“**Hosen Capital**”), one of the first private equity management institutions registered with the China National Development and Reform Commission pursuant to the new equity investment regulations. Ms. Gan is also the person-in-charge of the office of Hosen Capital in Hong Kong. Ms. Gan joined Hosen Capital in 2018. Ms Gan has over twelve years experience in the financial and investment sectors.

Before joining Hosen Capital, Ms. Gan worked for the Hong Kong office of New Hope Group Co., Ltd, for four years as head of its Hong Kong office and chief investment officer of its financial division. Ms. Gan also worked for China International Capital Corporation Limited (CICC) in Beijing and Hong Kong for six years as the head of the Hong Kong operations support coordination department. Ms. Gan graduated from The University of Hong Kong with a master's degree in business administration.

The Company has entered into a letter of appointment with Ms. Gan for her appointment as a non-executive director for a term of three years subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the articles of association of the Company and the Listing Rules. Ms. Gan will not receive any director's fee.

As at the date of this announcement, Ms. Gan has no interest in the shares of the Company which are required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Save as disclosed above, to the best of the knowledge, information and belief of the Board having made all reasonable enquiries, each of Mr. Sun and Ms. Gan did not hold any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the date of this announcement, does not hold any other position with the Company or any member of the Group as at the date of this announcement and is not related to any other directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, to the best of the knowledge, information and belief of the Board having made all reasonable enquiries, there are no other matters relating to the appointments of Mr. Sun and Ms. Gan that should be brought to the attention of the shareholders of the Company and there is no other information that should be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

RE-DESIGNATION OF DIRECTOR

Mr. Wolhardt Julian Juul will be re-designated from a non-executive director to an independent non-executive director of the Company and will be appointed as a member of the Audit Committee and the Remuneration Committee but cease to be a member of the Strategy and Development Committee.

Mr. Wolhardt, aged 46, was appointed as a non-executive director of the Company since July 30, 2008 until this re-designation, and has since been advising on the corporate development and strategic planning of the Group. Mr. Wolhardt was the chairman of the Company from September 17, 2012 to June 28, 2013.

Mr. Wolhardt is currently the chief executive officer of DCP Advisors, Limited, an international private equity firm that focuses on opportunities in Asia. Prior to joining DCP Advisors, Limited, Mr. Wolhardt had been a partner of KKR Asia Limited from July 2006 to August 2016 and worked for Morgan Stanley Private Equity Asia from 1998 to 2006 responsible for its private equity business in China. Mr. Wolhardt is currently an independent director of Niu Technologies, a company listed on Nasdaq and a director of Fujian Sunner Development Co., Ltd., a company listed on the Shenzhen Stock Exchange. Mr. Wolhardt is also an independent non-executive director of China Mengniu Dairy Company Limited and a non-executive director of COFCO Meat Holdings Limited, both listed on the Stock Exchange.

Save as disclosed above, to the best of the knowledge, information and belief of the Board having made all reasonable enquiries, Mr. Wolhardt did not hold any other directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the date of this announcement.

Mr. Wolhardt is a certified public accountant and certified management accountant. He received a bachelor's degree in accounting from the University of Illinois (Urbana Champaign) in 1995.

Save as disclosed above and as at the date of this announcement, to the best of the knowledge, information and belief of the Board having made all reasonable enquiries, Mr. Wolhardt does not hold any other position with the Company or any member of the Group, is not related to any other director, senior management, substantial or controlling shareholder of the Company and has no interest in the shares of the Company which are required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Mr. Wolhardt has entered into a letter of appointment with the Company as an independent non-executive director of the Company for a term of three year commencing on April 1, 2020 subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the articles of association of the Company and the Listing Rules. According to Mr. Wolhardt's letter of appointment, he has waived the rights to receive any remuneration in respect of the new appointment.

The Board is satisfied and has demonstrated to the satisfaction of the Stock Exchange that the re-designation of Mr. Wolhardt as an independent non-executive director is justified for the following reasons:

- (i) since the first strategic investment in the Company by KKR & Co. L.P. (“**KKR**”), Mr. Wolhardt has not held any executive or management role or function in the Group except for attending meetings of the Board for the purpose of advising on the corporate development and strategic planning of the Group;

- (ii) following the resignation of Mr. Wolhardt from KKR and the disposal of its interests in the Company by KKR, Mr. Wolhardt has ceased to represent the interests of KKR and has been sitting on the Board solely in his personal capacity to protect the interests of all the shareholders of the Company as a whole; and
- (iii) to reflect accurately the relationship between Mr. Wolhardt and the Company, and to further enhance its corporate governance, the Company believes that it is more appropriate to re-designate Mr. Wolhardt from a non-executive director to an independent non-executive director of the Company, so that the shareholders of the Company, in particular, the independent shareholders, may continue to benefit from Mr. Wolhardt's extensive experience and knowledge.

In light of the above, the Company is in the opinion that Mr. Wolhardt's current connection with the Company as a non-executive director will not affect his independence as an independent non-executive director and he will be able to carry out his duties as an independent non-executive director impartially and independently.

Save as disclosed above, to the best of the knowledge, information and belief of the Board having made all reasonable enquiries, there are no other matters relating to Mr. Wolhardt's re-designation that need to be brought to the attention of the shareholders of the Company or any other information to be disclosed pursuant to the requirement of rule 13.51(2) of the Listing Rules.

CHANGES IN COMPOSITIONS OF THE BOARD COMMITTEES

Subsequent to the resignation of directors, appointment of directors and re-designation of director disclosed above, the audit committee (the "**Audit Committee**"), the nomination committee (the "**Nomination Committee**"), the remuneration committee (the "**Remuneration Committee**") and the strategy and development committee (the "**Strategy and Development Committee**") of the Company will be changed as followed:

Audit Committee

Mr. Zhang Ping will be appointed as a member of, and Mr. Kang Yan will cease to be a member of, the Audit Committee.

Nomination Committee

Mr. Wolhardt Julian Juul will be appointed as a member of, and Mr. Kang Yan will cease to be a member of, the Nomination Committee.

Remuneration Committee

Mr. Wolhardt Julian Juul will be appointed as a member of, and Mr. Kang Yan will cease to be a member of, the Remuneration Committee.

Strategy and Development Committee

Ms. Gan Lu will be appointed as a member of, and Mr. Wolhardt Julian Juul will cease to be a member of, the Strategy and Development Committee.

The Board would like to express its sincere gratitude to Mr. Han and Mr. Kang Yan for their contributions to the Group during their respective appointments as executive director and independent non-executive director of the Company, respectively, and would like to extend its warmest welcome to Mr. Sun and Ms. Gan for their appointments.

For and on behalf of the Board
China Modern Dairy Holdings Ltd.
LU Minfang
Chairman

Hong Kong, March 30, 2020

As of the date of this announcement, the executive directors are Ms. GAO Lina and Mr. Han Chunlin, the non-executive directors are Mr. LU Minfang (Chairman), Mr. WOLHARDT Julian Juul, Mr. ZHANG Ping and Mr. ZHAO Jiejun, the independent non-executive directors are Mr. LI Shengli, Mr. LEE Kong Wai Conway and Mr. KANG Yan.