
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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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)

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

A notice convening the Annual General Meeting of China Modern Dairy Holdings Ltd. to be held at Jasmine Room 1/F., Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong at 8:45 a.m. on (Wednesday), 2 June 2021 (the "Annual General Meeting"), is set out on pages 15 to 19 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 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 less than 48 hours before the time of the Annual General 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.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of the Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Annual General Meeting:

- (1) Compulsory body temperature screening/checks
- (2) Submission of health declaration form
- (3) Wearing of surgical face mask
- (4) No provision of refreshments or distribution of corporate gift
- (5) Maintenance of appropriate distancing and spacing

Attendees who do not comply with the precautionary measures (1) to (3) above or is subject to any HKSAR Government prescribed quarantine may be denied entry to the meeting venue of the Annual General Meeting, at the absolute discretion of the Company as permitted by law.

For the health and safety of the Shareholders, the Company would like to encourage the Shareholders to exercise their right to vote at the Annual General Meeting by appointing the Chairman of the Annual General Meeting as their proxy instead of attending the Annual General Meeting in person.

Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof should they subsequently so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

1. PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

With the outbreak and spreading of the COVID-19 pandemic, to safeguard the health and safety of Shareholders who might be attending the Annual General Meeting in person, the Company will implement the following precautionary measures at the Annual General Meeting:

- (i) Compulsory body temperature checks will be conducted on every shareholder, proxy or other attendee at the entrance of the meeting venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms, or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the Annual General Meeting venue and be requested to leave the venue.
- (ii) Each attendee will be asked whether (a) he/she travels outside of Hong Kong within the 14-day period immediately before the Annual General Meeting; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the meeting venue or be required to leave the meeting venue.
- (iii) Each attendee will be required to wear a surgical face mask throughout the Annual General Meeting and sit at a safe distance from other attendees. Please note that no masks will be provided at the Annual General Meeting venue and attendees should bring and wear their own masks.
- (iv) No refreshment will be served, and there will be no corporate gift.
- (v) Appropriate distancing and spacing in line with any guidance from the HKSAR Government will be maintained and as such, the Company may limit the number of attendees at the Annual General Meeting as may be necessary to avoid over-crowding.

To the extent permitted under law, the Company reserves the right to deny entry into the venue of the Annual General Meeting or require any person to leave the venue of the Annual General Meeting so as to ensure the health and safety of the attendees at the Annual General Meeting.

2. OTHERS

In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly encourages Shareholders to exercise their right to vote at the Annual General Meeting by appointing the chairman of the Annual General Meeting as their proxy instead of attending the Annual General Meeting in person, by completing and return the proxy form attached to this document to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited by **Monday, 31 May 2021 at 8:45 a.m.** or not less than 48 hours before the time of any adjournment of the Annual General Meeting (as the case may be) at the address stated below. If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the Board of the Company, he/she is welcome to send such question or matter in writing to our principal office in Hong Kong or to our email at info@modern dairyir.com.

If any shareholder has any question relating to the Annual General Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong
Website: www.computershare.com/hk/contact
Tel: 2862 8555
Fax: 2865 0990

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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 the Jasmine Room 1/F., Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on (Wednesday) 2 June 2021 at 8:45 a.m., the notice of which is set out on pages 15 to 19 of this circular, and any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“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
“COVID-19”	Coronavirus Disease 2019
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSAR Government”	the Government of the Hong Kong Special Administrative Region
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	20 April 2021, 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 Main Board of the Stock Exchange, which is a substantial shareholder of the Company
“Nomination Committee”	the nomination committee of the Company
“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 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
“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 number of Shares 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 number of Shares in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“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
“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



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)

Executive Directors:

Ms. GAO Lina

(Vice Chairman and Chief Executive Officer)

Mr. SUN Yugang (Executive Vice President)

Non-executive Directors:

Mr. LU Minfang (Chairman of the Board)

Mr. ZHANG Ping

Mr. ZHAO Jiejun

Ms. GAN Lu

Independent Non-executive Directors:

Mr. LI Shengli

Mr. LEE Kong Wai, Conway

Mr. WOLHARDT Julian Juul

Registered office:

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Principal place of business

in Hong Kong:

Room A, 32nd Floor, COFCO Tower

262 Gloucester Road

Causeway Bay

Hong Kong

27 April 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED FINAL DIVIDEND 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

1. GENERAL MANDATE TO ISSUE SHARES AND ITS EXTENSION

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 number of issued Shares 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 repurchased 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.

As at the Latest Practicable Date, the Company had 7,108,565,947 Shares in issue. Subject to the passing of the ordinary resolution approving the Proposed General Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the exercise of the Proposed General Mandate in full would enable the Company to issue a maximum of 1,421,713,189 Shares, representing 20% of the issued Shares as at the Latest Practicable Date. The grant of the Proposed General Mandate will provide the Directors with flexibility to issue Shares when it is in the interest of the Company to do so.

2. 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 number of the issued Shares 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 710,856,594 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.

3. 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.

LETTER FROM THE BOARD

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. Following the review of the Board's composition by the Nomination Committee, Ms. Gao Lina, Mr. Zhao Jiejun, Mr. Li Shengli and Mr. Lee Kong Wai, Conway were nominated to the Board for it to recommend to the Shareholders for re-election at the Annual General Meeting.

Mr. Li Shengli and Mr. Lee Kong Wai, Conway have served as independent non-executive Directors for more than 9 years and re-election of each of them will be subject to a separate resolution to be approved by the Shareholders pursuant to the Listing Rules. The Company has received from each of the independent non-executive Directors, including Mr. Li Shengli and Mr. Lee Kong Wai, Conway, a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. As independent non-executive Directors with in-depth understanding of the Company's operations and business, Mr. Li Shengli and Mr. Lee Kong Wai have expressed objective views and given independent guidance to the Company over the years, and they continue demonstrating a firm commitment to their roles. The Board considers that the long service of Mr. Li Shengli and Mr. Lee Kong Wai, Conway would not affect their exercise of independent judgement and is satisfied that Mr. Li Shengli and Mr. Lee Kong Wai, Conway have the required character, integrity and experience to continue fulfilling the role of independent non-executive Directors. The Board considers the re-election of Mr. Li Shengli and Mr. Lee Kong Wai, Conway as independent non-executive Directors are in the best interest of the Company and the Shareholders as a whole. The Nomination Committee assessed and reviewed the independence of all independent non-executive Directors including Mr. Li Shengli and Mr. Lee Kong Wai, Conway who will be re-elected at the Annual General Meeting. The Nomination Committee is of the view that all independent non-executive Directors have satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules.

Further, Mr. Lee Kong Wai, Conway has been holding 9 listed company directorships including the directorship as an independent non-executive Director of the Company. Mr. Lee Kong Wai, Conway attended all the meetings of the Board and the Board committees held in the past year. Details of his attendance records are set out in the corporate governance report of the Company. The relevant Board papers and materials were provided to the Directors for review and consider prior to the meetings. Mr. Lee Kong Wai, Conway has remained responsible for his performance functions and discharged his duties to the Company through active participation on the Board and by bringing balance of views as well as knowledge, experience and expertise.

With Mr. Lee Kong Wai, Conway's extensive experience and knowledge, particularly on corporate governance acquired and developed from his background and past experience (including his directorships in other listed companies) as set out in the biographical information, he is fully aware of the responsibilities and expected time involvements as an independent non-executive Director. Mr. Lee Kong Wai, Conway has confirmed that he will continue to devote sufficient time for the discharge of his functions and responsibilities as an independent non-executive Director of the Company. Based on the foregoing, the Board believes that Mr. Lee Kong Wai, Conway's position outside the Company will not affect him in maintaining his current role in, and his functions and responsibilities for, the Company.

LETTER FROM THE BOARD

The Nomination Committee has also reviewed and considered the respective experience, skills and knowledge of each Director to be re-elected, in particular those of (1) Ms. Gao Lina in corporate management and business development; (2) Mr. Zhao Jiejun in corporate strategies and dairy industries; (3) Mr. Li Shengli in dairy industries and academic research; and (4) Mr. Lee Kong Wai, Conway in the corporate governance and finance, and recommended to the Board that the re-election of all Directors mentioned in the foregoing be proposed for Shareholders' approval at the Annual General Meeting. In addition to the experience, skills and knowledge of Ms. Gao, Mr. Zhao, Mr. Li and Mr. Lee as mentioned above, the Board also considered that, with due regard of the Board's diversity policy, their cultural, educational background, age, gender and professional experience would contribute to the diversity of the Board.

All of the above 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.

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 Deloitte Touche Tohmatsu 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 authorize the Board to fix its remuneration for the year ending 31 December 2021.

5. FINAL DIVIDEND

The Board has recommended a final dividend of RMB0.02 per Share to be payable on or about Thursday, 24 June 2021 to the Shareholders whose names appear on the register of members of the Company on Thursday, 10 June 2021 subject to approval by the Shareholders at the Annual General Meeting and are payable in Hong Kong Dollars based on the official exchange rate of Renminbi against Hong Kong dollars as quoted by the People's Bank of China on 2 June 2021.

6. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting, which contains, inter alia, ordinary resolutions to approve the Proposed General Mandate, Proposed Repurchase Mandate, Proposed Extension Mandate, the recommendation of final dividend and the re-election of Directors, is set out on pages 15 to 19 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.

7. 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 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Directors consider that the proposed resolutions for the granting to the Directors of the Proposed General Mandate, Proposed Repurchase Mandate, Proposed Extension Mandate, the recommendation of final dividend 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.

9. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 28 May 2021 to Wednesday, 2 June 2021, 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 Thursday, 27 May 2021.

The register of members of the Company will be closed from Tuesday, 8 June 2021 to Thursday, 10 June 2021, both days inclusive, 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 same address as set out above not later than 4:30 p.m. on Monday, 7 June 2021.

10. 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.

Yours faithfully,
By order of the Board of
China Modern Dairy Holdings Ltd.
LU Minfang
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.

(A) SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 7,108,565,947 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 710,856,594 Shares, which are fully paid-up and represent 10% of the aggregate number of issued Shares of the Company as at the date of the Annual General Meeting, during the period from the passing of the aforementioned resolution and 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.

(B) SHAREHOLDERS' APPROVAL

The Listing Rules provide that all proposed repurchases of shares by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval of a particular transaction or by a general mandate to the directors of the company to make such repurchases. The shares proposed to be repurchased by the company must be fully paid up.

(C) REASONS FOR THE REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general mandate 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. As at the Latest Practicable Date, the Directors have no present intention to repurchase any Shares.

(D) 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 2020) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Proposed Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing levels.

(E) 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 a 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 controlling Shareholder, and its concert party Future Discovery Limited, held an aggregate of 3,657,015,167 Shares, representing approximately 51.45% of the entire issued share capital of the Company.

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 and its concert party Future Discovery Limited would increase to approximately 57.16% of the issued share capital of the Company. The Directors anticipate that such proportionate increase will not give rise to an obligation to make a mandatory general offer under Rules 26 and 32 of the Takeovers Code.

The Directors have no intention to exercise the Proposed Repurchase Mandate to such an extent that will result in takeover obligations or the number of Shares in the hands of the public falling below the prescribed minimum requirement of 25% of the entire issued share capital of the Company.

(F) 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.

(G) 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>
2020		
April	0.85	0.70
May	0.98	0.77
June	1.03	0.83
July	1.20	0.86
August	1.22	1.07
September	1.18	1.01
October	1.10	1.01
November	1.40	1.02
December	1.87	1.31
2021		
January	3.10	1.86
February	2.97	2.35
March	2.72	1.76
April (up to the Latest Practicable Date)	2.15	1.82

(H) UNDERTAKING

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective close associates (as defined in the Listing Rules), have any present intention, if the Proposed Repurchase Mandate is approved by the Shareholders, to sell any of the Shares to the Company.

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

The Company has not been notified by any core connected persons (as defined in the Listing Rules) that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Proposed Repurchase Mandate is approved by the Shareholders.

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:

Ms. Gao Lina (高麗娜女士) (“Ms. Gao”)

Ms. Gao, aged 64, is an executive Director, Chief Executive Officer and Deputy Chairman of the Company. Ms. Gao is one of the founders of the Group and is currently also a director of Modern Farming. 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 between October 1993 and June 2005. Ms. Gao was the director general of Taian Municipal Taian Promotion Bureau between October 2003 and June 2005. Ms. Gao developed her experience in managing dairy farms since joining the Group and was appointed as an executive Director of the Company on 14 November 2008.

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)” by the Ministry of Education of the China in January 2013, and Ms. Gao was granted the honour of Top 10 Business Leaders in China Economy at the 2014 China Economic Summit Forum & The 12th Annual Meeting of China Economic Characters. Ms. Gao was awarded Best CEO in “Institutional Investors – Survey Report on All Asian Management Team 2016” and “2017 China Financial Market Awards • Best Corporate Leader of the Year”.

Ms. Gao entered into a service agreement with the Company for a term of three years commencing on 29 October 2019, 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. According to Ms. Gao’s letter of appointment, she will not receive any director’s fee. For the year ended 31 December 2020, Ms. Gao is entitled to receive annual salary and retirement benefits scheme contributions of RMB2,357,139. Ms. Gao is also entitled to participate in the share option schemes and share award scheme 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. Ms. Gao has received a share based payment of RMB2,588,041 and a discretionary bonus of RMB67,984,454 during the year ended 31 December 2020 from 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 has beneficial interests of 40,411,058 Shares. Ms. Gao holds approximately 49.12% of the interests in Jinmu Holdings Co. Ltd. (“**Jinmu**”) (an exempted company incorporated in Cayman Islands) which in turn holds 221,581,733 Shares, she is deemed interested in the 221,581,733 Shares held by Jinmu under the SFO, representing approximately 3.69% of the issued shares capital of the Company as the date of this circular.

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. Zhao Jiejun (趙傑軍先生) (“Mr. Zhao”)

Mr. Zhao, aged 44, joined the Group as a non-executive Director of the Company in January 2019. Mr. Zhao also currently serves as the non-executive director of China Shengmu Organic Milk Limited (stock code: 1432). Mr. Zhao is currently the vice president and the head of milk sourcing and supply chain business unit of Mengniu. Mr. Zhao has served successively as regional manager, sales director, general manager of operation and general manager of planning and logistics. Mr. Zhao graduated from Beijing University of Aeronautics and Astronautics with a master degree in information engineering and management. Mr. Zhao has over 18 years of experience in the dairy industry and specializes in both sales management and supply chain management. Mr. Zhao has in-depth knowledge of PRC dairy market and great foresight in the PRC dairy industry.

The Company has entered into a letter of appointment with Mr. Zhao for his appointment as a non-executive director for a term of three years commencing on 15 January 2019 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. Mr. Zhao will not receive any director's fee. Mr. Zhao didn't receive any bonus, fixed or discretionary in nature during the year ended 31 December 2020.

As mentioned above, Mr. Zhao holds senior position in Mengniu, which is engaged in the dairy industry, and thus Mr. Zhao has interests in the business of Mengniu which are considered to compete or likely to compete, either directly or indirectly, with the business of the Group.

The above-mentioned competing business is managed by separate entities with independent management and administration. The Directors are of the view that the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of these entities. When making decisions, Mr. Zhao, in performance of his duty as a Director, has acted and will continue to act in the best interests of the Group.

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, Mr. Zhao has beneficial interests in 2,501,805 shares of Mengniu, an associated corporation of the Company.

Save as disclosed above, Mr. Zhao (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 other public companies the securities of which are listed on any securities market in Hong Kong or overseas 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. Li Shengli (李勝利先生) (“Mr. Li”)

Mr. LI, aged 54, is an independent non-executive Director of the Company. Mr. Li currently also serves as an independent non-executive director of China Zhongdi Dairy Holdings Company Limited (stock code: 1492). Mr. Li graduated from Shihezi Agricultural College with a bachelor’s degree in animal husbandry and veterinary science in July 1987. He then obtained his doctorate degree in animal nutrition science from China Agricultural University in July 1996. Since 2003, Mr. Li has been with China Agricultural University, working as an assistant professor and professor in multiple times. Mr. Li is currently the vice-director (Animal Nutrition) of the State Key Laboratories, director of the Sino-US Dairy Research Center of China Agricultural University, director of the Sino-Dutch Dairy Development Center, chief scientist in national dairy products industry technology system, a specialist to the China School Milk Programme and a specialist in the Cattle and Poultry Research Centre of Beijing Sanyuan Breeding Technology Co., Ltd. Mr. Li is a specialist to the Working Committee of National Dairy Herd Improvement Programme (DHI) of the Dairy Association of China and the chairman of China Institute of Animal Husbandry and Veterinary Cattle Chapter. In 2007, Mr. Li obtained a patent on Rubeili (乳倍利), a type of high-energy and high-protein supplementary feed for dairy cows. Mr. Li was awarded the second prize and a prize of the Beijing Science and Technology Award in 2000 and 2007, respectively, and was recognized by the Beijing Municipal Government as “Top 10 Scientists with Contribution to the Economic Development in Rural Villages of Beijing” in 2009. He also received the first prize for advancement in science and technology awarded by the Education Department in 2012, the first prize for Chinese Agricultural Science awarded by the Ministry of Agriculture in 2013 and the second prize of National Scientific and Technological Progress Award in 2014.

Mr. Li 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 27 October 2020, 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. Li’s letter of appointment, he is entitled to an annual remuneration of RMB200,000. The remuneration of Mr. Li 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. Li (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.

Mr. Lee Kong Wai, Conway (李港衛先生) (“Mr. Lee”)

Mr. Lee, aged 66, is an independent non-executive Director of the Company. Mr. Lee is currently an independent non-executive director of West China Cement Limited (stock code: 2233), Chaowei Power Holdings Limited (stock code: 951), GOME Retail Holdings Limited (stock code: 493), NVC International Holdings Limited (stock code: 2222), Yashili International Holdings Limited (stock code: 1230), GCL New Energy Holdings Limited (stock code: 451), WH Group Limited (stock code: 288) and Guotai Junan Securities Limited Co., Ltd (stock code: 2611), a company listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange. Mr. Lee was also the independent non-executive director of Tibet Water Resources Ltd (stock code: 1115), until February 2020, and was the independent non-executive director of China Rundong Auto Group Limited (stock code: 1365) until December 2020. Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, The Chartered Accountants, Australia and New Zealand, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Certified Practising Accountants. Mr. Lee was a member of Chinese People’s Political Consultative Conference of Hunan Province from 2008 to 31 December 2017. Mr. Lee has over 30 years of experience in public accounting and auditing, corporate finance, merger and acquisition and initial public offerings. From September 1980 to September 2009, Mr. Lee served as a partner of Ernst & Young and held key leadership positions in his development of the firm in China.

Mr. Lee 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 27 October 2020, 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. Lee’s letter of appointment, he is entitled to an annual remuneration of HK\$240,000. The remuneration of Mr. Lee is determined after considering the remuneration policy of the Company, his duties and the prevailing market remuneration of executives in similar positions. Mr. Lee didn’t receive any bonus, fixed or discretionary in nature during the year ended 31 December 2020 from the Company.

Save as disclosed above, Mr. Lee (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.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of China Modern Dairy Holdings Ltd. (the “**Company**”) will be held at Jasmine Room 1/F., Mandarin Oriental Hong Kong, 5 Connaught Road Central, Hong Kong on (Wednesday) 2 June 2021 at 8:45 a.m. for the following purposes:

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 2020.
2. To approve the proposed final dividend of RMB0.02 per share for the year ended 31 December 2020.
3. To re-elect the following directors of the Company (“**Directors**”) and authorize the board of Directors to fix directors’ fees, including:
 - (A) to re-elect Ms. Gao Lina as a Director;
 - (B) to re-elect Mr. Zhao Jiejun as a Director;
 - (C) to re-elect Mr. Li Shengli as a Director;
 - (D) to re-elect Mr. Lee Kong Wai, Conway as a Director;
 - (E) to authorize the board of Directors to fix directors’ fees.
4. 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

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 5(c) below, a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period (as defined in paragraph 5(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 5(a) shall authorize the Directors during the Relevant Period (as defined in paragraph 5(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 5(d) below);
- (c) the aggregate number 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 5(a), otherwise than pursuant to (i) a Rights Issue (as defined in paragraph 5(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 number of the share 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

NOTICE OF ANNUAL GENERAL MEETING

- (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.

“**Rights 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).”

6. “**THAT**:

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as defined in paragraph 6(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 number of shares so repurchased or otherwise acquired shall not exceed 10% of the aggregate number of the share 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.”

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

By order of the Board of
China Modern Dairy Holdings Ltd.
LI Kwok Fat
Company Secretary

Hong Kong, 27 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

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

Principal place of business in Hong Kong:

Room A, 32nd Floor, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Notes:

1. Any shareholder 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 shareholder 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 delivered at 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 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 shareholder 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 Wednesday, 2 June 2021 are entitled to attend and vote at the Annual General Meeting. The register of members of the Company will be closed from Friday, 28 May 2021 to Wednesday, 2 June 2021, 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 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, no later than 4:30 p.m. on Thursday, 27 May 2021, for registration.

The register of members of the Company will also be closed from Tuesday, 8 June 2021 to Thursday, 10 June 2021, both days inclusive, 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 7 June 2021.

5. Concerning resolution numbered 5 above, the approval is being sought from shareholders 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 total issued shares 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 this notice is for reference only. In case of any discrepancies, the English version shall prevail.
7. If typhoon signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 8:45 a.m. on the date of the meeting by the above notice, the meeting will be postponed or adjourned. Shareholders are requested to visit the Company's website (<http://www.moderndairyir.com>) and Hong Kong Exchanges and Clearing Limited's website (www.hkex.com.hk) for details of alternative meeting arrangements.

The meeting by the above notice will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the meeting under the bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

NOTICE OF ANNUAL GENERAL MEETING

8. To safeguard the health and safety of the Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Annual General Meeting:

- (1) Compulsory body temperature screening/checks
- (2) Submission of Health Declaration Form
- (3) Wearing of surgical face mask
- (4) No provision of refreshments or distribution of corporate gift
- (5) Maintenance of appropriate distancing and spacing

Attendees who do not comply with the precautionary measures (1) to (3) above or is subject to any HKSAR Government prescribed quarantine may be denied entry to the meeting venue of the Annual General Meeting, at the absolute discretion of the Company as permitted by law.