
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 the Jasmine Room, 1/F., Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong at 9:30 a.m. on Tuesday, 6 June 2023 (the “**Annual General Meeting**”) is set out on pages 17 to 20 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 and transfer office, 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 and in such event, the form of proxy shall be deemed to be revoked.

25 April 2023

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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 Tuesday, 6 June 2023 at 9:30 a.m., the notice of which is set out on pages 17 to 20 of this circular, and any adjournment thereof
“Articles of Association”	the articles of association of the Company
“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
“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 2023, 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)
“Memorandum”	the memorandum of association of the Company
“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
“Mengniu Group”	Mengniu and its subsidiaries
“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
“Securities and Future Ordinance”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“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:

Mr. SUN Yugang (*Chief Executive Officer*)

Mr. ZHU Xiaohui (*Chief Financial Officer*)

Non-executive Directors:

Mr. ZHAO Jiejun (*Chairman of the Board*)

Mr. ZHANG Ping

Mr. CHEN Yiyi

Ms. GAN Lu

Independent Non-executive Directors:

Mr. LI Shengli

Mr. LEE Kong Wai, Conway

Mr. CHOW Ming Sang

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

25 April 2023

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; (iii) proposed final dividend and (iv) 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 7,915,662,048 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 1,583,132,409 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 791,566,204 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. Mr. Chen Yiyi had been appointed by the Board as a non-executive Director on 1 February 2023. As such, Mr. Chen Yiyi shall be eligible to offer himself for re-election at the Annual General 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 and based on the nomination policy of the Company, 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.

Pursuant to code provision B.3.4 of the Corporate Governance Code in Appendix 14 of the Listing Rules, where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular (among others): (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent; (ii) if the proposed independent non-executive director will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the board; (iii) the perspectives, skills and experience that the individual can bring to the board; and (iv) how the individual contributes to diversity of the Board.

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, Conway 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 8 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 consideration prior to the meetings. Mr. Lee Kong Wai, Conway has remained responsible for his performance 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.

LETTER FROM THE BOARD

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.

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) Mr. Chen Yiyi in business development; (2) Mr. Zhao Jiejun in formulating corporate strategies, group development and dairy industry foresight; (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 Mr. Chen Yiyi, Mr. Zhao Jiejun, Mr. Li Shengli and Mr. Lee Kong Wai, Conway 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 2023.

5. FINAL DIVIDEND

The Board has recommended a final dividend of RMB0.0142 per Share to be payable on or about Friday, 30 June 2023 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 14 June 2023 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 6 June 2023.

6. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting, which contains, inter alia, (i) ordinary resolutions to approve the Proposed General Mandate, Proposed Repurchase Mandate, Proposed Extension Mandate, the recommendation of final dividend, and (ii) the re-election of Directors, are set out on pages 17 to 20 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.

LETTER FROM THE BOARD

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.

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 re-appointment of auditors, 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 Thursday, 1 June 2023 to Tuesday, 6 June 2023, 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 and transfer office, 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 Wednesday, 31 May 2023.

The register of members of the Company will be closed from Monday, 12 June 2023 to Wednesday, 14 June 2023, 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 and transfer office, Computershare Hong Kong Investor Services Limited at the same address as set out above not later than 4:30 p.m. on Friday, 9 June 2023.

LETTER FROM THE BOARD

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

China Modern Dairy Holdings Ltd.

ZHAO Jiejun

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 7,915,662,048 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 791,566,204 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 2022) 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 4,461,041,882 Shares, representing approximately 56.36% 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 62.62% 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>
2022		
April	1.36	1.13
May	1.29	1.04
June	1.24	1.04
July	1.20	1.02
August	1.09	0.99
September	1.06	0.83
October	0.93	0.77
November	0.98	0.79
December	1.05	0.93
2023		
January	1.15	0.96
February	1.22	1.07
March	1.13	0.99
April (up to the Latest Practicable Date)	1.04	0.99

(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:

Mr. Chen Yiyi (陳易一) (“Mr. Chen”)

Mr. CHEN Yiyi, aged 49, joined the Group as a non-executive Director in February 2023. Mr. Chen is also a vice president and head of strategic and investment management of Mengniu Group, and is responsible for the strategic and investment management. Before joining Mengniu Group, Mr. Chen worked for many well-known international companies such as Nestle SA, International Paper Co, Tetra Pak Sidel, China Resources Enterprise and listed companies in Hong Kong and Mainland China for 25 years serving as the national commercial manager, North Asia regional director, vice chief strategy officer, president and executive director and other senior management positions. Having served in the fast-moving consumer goods industry such as dairy and retail industry for many years, Mr. Chen has had extensive experience in industrial operation integration, strategic planning management, corporate cooperation and mergers and acquisitions and industry-wide vision and international business experience. Mr. Chen graduated from Fudan University with Bachelor’s degree in law.

The Company has entered into a letter of appointment with Mr. Chen for his appointment as a non-executive Director for a term of three years commencing from 1 February 2023, subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association and Listing Rules. In accordance with Mr. Chen’s letter of appointment, he is not entitled to receive any remuneration or allowance from the Company in relation to his position as a non-executive Director.

As mentioned above, Mr. Chen is currently the vice president and the head of strategic and investment management of the Mengniu Group which is engaged in the dairy industry, and thus Mr. Chen 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. Chen, 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 Director is aware, within the meaning of Part XV of the Securities and Future Ordinance, as at the Latest Practicable Date, Mr. Chen has beneficial interests of 2,224,120 shares of Mengniu, the associate of the Company.

Save as disclosed above, Mr. Chen (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 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 or is not deemed to be interested 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. Zhao Jiejun (趙傑軍) (“Mr. Zhao”)

Mr. ZHAO Jiejun, aged 46, joined the Group as a non-executive Director of the Company in January 2019 and was appointed as the vice chairman of the board of directors of the Company in July 2021. He was redesignated to the chairman of the board of directors of the Company on 1 February 2023. Mr. Zhao is currently the vice president and the head of milk sourcing and animal husbandry industry chain business unit of the Mengniu Group and is responsible for strengthening and collaborating the management of dairy segment of the Mengniu Group. Mr. Zhao has served successively as regional manager, sales director, general manager of operation and general manager of planning and logistics of Mengniu Group. Mr. Zhao also currently serves as a non-executive director of China Shengmu Organic Milk Limited (stock code: 1432.HK). Mr. Zhao has almost 20 years of experience in the dairy industry and, with profound leadership, he specializes in both sales management and supply chain management. Mr. Zhao has in-depth knowledge of the PRC dairy market and great foresight in the PRC dairy industry. Mr. Zhao graduated from Beijing University of Aeronautics and Astronautics with a master’s degree in information engineering and management.

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 2022 subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Mr. Zhao will not receive any director’s fee. Mr. Zhao did not receive any bonus, fixed or discretionary in nature during the year ended 31 December 2022.

As mentioned above, Mr. Zhao is currently the vice president and the head of milk sourcing and animal husbandry industry chain business unit of the Mengniu Group which is engaged in the dairy industry. In addition, Mr. Zhao is currently a non-executive director of China Shengmu Organic Milk Limited, which operates dairy farming business. Hence, Mr. Zhao has interests in the business of Mengniu and China Shengmu Organic Milk Limited which are considered to compete or likely to compete, either directly or indirectly, with the business of the Group.

The above-mentioned competing businesses are 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 Director is aware, within the meaning of Part XV of the Securities and Future Ordinance, as at the Latest Practicable Date, Mr. Zhao has beneficial interests of 4,071,380 shares of Mengniu, the associate 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; (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 or is not deemed to be interested 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 Shengli, aged 57, is an independent non-executive Director of the Company. Mr. Li is also an independent non-executive director of AustAsia Group Ltd. (stock code: 2425.HK). In addition, up to 17 June 2021, Mr. Li was an independent non-executive director of China Zhongdi Dairy Holdings Company Limited (delisted, prior stock code: 1492.HK). 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 Program 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. Mr. Li did not receive any bonus, fixed or discretionary in nature during the year ended 31 December 2022 from the Company.

As mentioned above, Mr. Li is currently an independent non-executive director of AustAsia Group Ltd., which engages in the dairy industry. Hence, Mr. Li has interests in the business of AustAsia Group Ltd. 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. Li, in performance of his duty as a Director, has acted and will continue to act in the best interests of the Group.

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 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 or is not deemed to be interested 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 Kong Wai Conway, aged 68, 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.HK), Chaowei Power Holdings Limited (stock code: 0951. HK), GOME Retail Holdings Limited (stock code: 0493.HK), NVC International Holdings Limited (stock code: 2222.HK), Yashili International Holdings Limited (stock code: 1230. HK), GCL New Energy Holdings Limited (stock code: 0451.HK), and Guotai Junan Securities Limited Co., Ltd (stock code: 2611.HK, 601211.SH), a company listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange. Mr. Lee has been appointed as an independent non-executive director of Intchains Group Limited (a company listed on NASDAQ Stock Market, stock code: ICG) since March 2023. Mr. Lee was the independent non-executive director of Tibet Water Resources Ltd. (stock code: 1115.HK) until February 2020. In addition, he was an independent non-executive director of China Rundong Auto Group Limited (delisted, prior stock code: 1365.HK) until December 2020 and WH Group Limited (stock code: 0288. HK) until June 2022. 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 did not receive any bonus, fixed or discretionary in nature during the year ended 31 December 2022 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 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 or is not deemed to be interested 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 (the “**Annual General Meeting**” or the “**Meeting**”) of China Modern Dairy Holdings Ltd. (the “**Company**”) will be held at the Jasmine Room, 1/F., Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Tuesday, 6 June 2023 at 9:30 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 2022.
2. To approve the proposed final dividend of RMB0.0142 per share for the year ended 31 December 2022.
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 Mr. Chen Yiyi 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; and
 - (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
- (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.

NOTICE OF ANNUAL 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
China Modern Dairy Holdings Ltd.
LI Kwok Fat
Company Secretary

Hong Kong, 25 April 2023

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

NOTICE OF ANNUAL GENERAL MEETING

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 and transfer office, 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 and in such event, the proxy shall be deemed to be revoked.

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 Tuesday, 6 June 2023 are entitled to attend and vote at the Annual General Meeting. The register of members of the Company will be closed from Thursday, 1 June 2023 to Tuesday, 6 June 2023, 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 and transfer office, 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 Wednesday, 31 May 2023, for registration.

The register of members of the Company will also be closed from Monday, 12 June 2023 to Wednesday, 14 June 2023, 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 and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 9 June 2023.

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 8:00 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.modernairyir.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.