
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 your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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CHINA MENGNIU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2319)

GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES, RE-ELECTION OF DIRECTORS, RE-APPOINTMENT OF AUDITORS, PROPOSED FINAL DIVIDEND, AMENDMENT TO THE TERMS OF THE OPTIONS GRANTED UNDER THE SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

A notice (the "Notice of the Annual General Meeting") convening the annual general meeting of China Mengniu Dairy Company Limited (the "Company", together with its subsidiaries, the "Group") to be held at the Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 11:30 a.m. on Wednesday, 3 June 2020 (the "Annual General Meeting") is set out on pages 17 to 21 of this circular.

Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return 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 later than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or at any adjournment meeting should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of Shareholders and to prevent the spreading of the coronavirus disease 2019 (COVID-19), the following precautionary measures will be implemented at the Annual General Meeting:

- (1) Compulsory body temperature checks
- (2) Mandatory health declaration
- (3) Wearing of surgical face mask for each attendee
- (4) No distribution of corporate gift or provision of refreshment

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the Annual General Meeting venue. For the health and safety of Shareholders, the Company would like to encourage 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.

* For identification purpose only



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CHINA MENGNIU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2319)

Directors:

Mr. Jeffrey, Minfang Lu (*Chief Executive Officer*)
Mr. Meng Fanjie
Mr. Chen Lang[#] (*Chairman*)
Mr. Niu Gensheng[#]
Mr. Tim Ørting Jørgensen[#]
Mr. Pascal De Petrini[#]
Mr. Jiao Shuge (alias Jiao Zhen)* (*Vice-Chairman*)
Mr. Julian Juul Wolhardt*
Mr. Zhang Xiaoya*
Mr. Yau Ka Chi*

Company Secretary:

Mr. Kwok Wai Cheong, Chris

[#] *Non-executive Director*

* *Independent Non-executive Director*

Registered Office:

Maples Corporate Services Limited
P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Principal Place of Business in

Hong Kong:
32nd Floor
COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

29 April 2020

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITORS,
PROPOSED FINAL DIVIDEND,
AMENDMENT TO THE TERMS OF THE OPTIONS
GRANTED UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

* *For identification purpose only*

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with information regarding, *inter alia*:

- (a) grant of the Share Issue Mandate (as defined below) to issue ordinary shares of HK\$0.10 each in the capital of the Company (the “**Shares**”);
- (b) grant of the Share Repurchase Mandate (as defined below) for repurchase by the Company of the Shares;
- (c) re-election of the relevant retiring directors of the Company (the “**Directors**”) and to authorise the board of directors (the “**Board**”) to fix their remuneration;
- (d) re-appointment of Ernst & Young as the auditors of the Company and to authorise the Board to fix the remuneration of the auditors for the year ending 31 December 2020;
- (e) the payment of the final dividend for the year ended 31 December 2019; and
- (f) the amendment to the terms of the Options granted under the Share Option Scheme (as defined below).

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) Every 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.

LETTER FROM THE BOARD

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. 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@mengniu.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
Email: hkinfo@computershare.com.hk
Tel: 2862 8555
Fax: 2865 0990

2. General Mandate to Issue Shares

At the last annual general meeting of the Company held on 6 June 2019, a general mandate was granted to the Directors to allot, issue and deal with the Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. An ordinary resolution will be proposed at the Annual General Meeting for the shareholders to consider and, if thought fit, grant respectively, a general and unconditional mandate (the "**Share Issue Mandate**") to the Directors to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 10% of the issued share capital of the Company on the date of passing the resolution approving the Share Issue Mandate.

As at 22 April 2020, the latest practicable date prior to the printing of this circular (the "**Latest Practicable Date**"), 3,935,734,266 Shares were issued. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the Annual General Meeting, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate will be 393,573,426 Shares.

Details of the Share Issue Mandate are set out in resolution 6 in the Notice of the Annual General Meeting set out on pages 17 to 21 of this circular. The Share Issue Mandate will expire upon whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required to be convened by the articles of the association of the Company (the "**Articles**") or by any applicable law(s); and (c) the date on which the authority is revoked or varied by an ordinary resolution of the shareholders of the Company (the "**Shareholders**").

LETTER FROM THE BOARD

3. General Mandate to Repurchase Shares

At the last annual general meeting of the Company held on 6 June 2019, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. An ordinary resolution will hence be proposed for the Shareholders to consider and, if thought fit, grant a general and unconditional mandate (the “**Share Repurchase Mandate**”) to the Directors to exercise the power of the Company to repurchase Shares up to 10% of the issued share capital of the Company on the date of passing the resolution approving the Share Repurchase Mandate.

Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the Annual General Meeting, the maximum number of Shares which may be repurchased pursuant to the Share Repurchase Mandate will be 393,573,426 Shares.

An explanatory statement as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) regarding share repurchase, giving certain information in connection with the Share Repurchase Mandate is set out in Appendix I to this circular. The Share Repurchase Mandate will expire upon whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or by any applicable law(s); and (c) the date on which the authority is revoked or varied by an ordinary resolution of the Shareholders.

4. Re-election of the Directors

Pursuant to article 112 of the Articles, one third of the Directors shall retire from office by rotation; accordingly, Mr. Jeffrey, Minfang Lu, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt will retire by rotation. Pursuant to article 95 of the Articles, Mr. Meng Fanjie, whose appointment became effective on 14 June 2019, will also retire. The abovementioned Directors will, being eligible, offer themselves for re-election at the Annual General Meeting.

Each of the independent non-executive Directors who have offered themselves for re-election at the Annual General Meeting (namely, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt) was appointed as proposed by the Nomination Committee of the Company and after review and approval of the Board, and has demonstrated their ability to provide an independent view to the Company’s matters during their years of appointment. Each of them has provided a confirmation of independence during each year of his service. The Board is of the view that both of them meet the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines. In addition, the Board is of the view that they have provided valuable contributions to the Company and have demonstrated their abilities to provide independent, balanced and objective view to the Company’s affairs. Therefore, the Board is of the view that the re-election of each of Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt as an independent non-executive Director is in the interest of the Company and Shareholders as a whole and recommends their re-election at the Annual General Meeting.

LETTER FROM THE BOARD

The Board is also of the view that each of Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt would bring to the Board their own perspective, skills and experience, as further described in the details of the respective Directors in Appendix II to this circular.

With their unique background, the Board considers that each of Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt is a highly valued and respected member of the Board, and can contribute to the diversity of the Board, in particular, with their strong and diversified educational background and professional experience in their expertise, including their in-depth knowledge in commercial and general management, professional accounting and audit, international experience, investment strategies and connections in various industries.

Notwithstanding Mr. Jiao Shuge (alias Jiao Zhen) currently holds directorship in seven listed companies (including the Company), all such directorships are non-executive in nature. Mr. Jiao Shuge (alias Jiao Zhen) has maintained his professionalism in various directorships of listed companies he served, and has actively participated in and made valuable contribution at Board meetings and meetings of the remuneration committee of the Company in the past. Accordingly, the Board is of the view that Mr. Jiao Shuge (alias Jiao Zhen) is able to continue to devote sufficient time and attention to perform his duties as an independent non-executive Director.

Particulars of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

5. 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 Ernst & Young 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 authorise the Board to fix its remuneration for the year ending 31 December 2020.

6. Final Dividend

The Board has recommended a final dividend of RMB0.181 per Share to be payable on or around Wednesday, 24 June 2020 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 9 June 2020 subject to approval by the Shareholders at the Annual General Meeting.

LETTER FROM THE BOARD

7. Amendment to the Terms of the Options Granted under the Share Option Scheme

Reference is made to (1) announcement of the Company dated 24 December 2018 in relation to the grant of an aggregate of 37,248,880 share options (the “**Options**”) to eligible grantees (each being a Director or an employee of the Group) under the share option scheme adopted by the Company on 3 June 2016 (the “**Share Option Scheme**”), and (2) the announcement of the Company dated 1 April 2020 which disclosed, among other things, that with respect to the remaining approximately 30% of the Options granted (being an aggregate of 11,081,290 Options) (the “**Remaining Options**”) which were scheduled to vest in their entirety on 1 April 2021, the Board had resolved that the Remaining Options will be vested in their entirety on 1 April 2022, instead of 1 April 2021 (the “**Amendment**”).

Please see below certain details of the Remaining Options as disclosed in the announcement of the Company dated 24 December 2018:

Grant date:	24 December 2018
Exercise price:	HK\$23.93
Total number of options granted:	37,248,880
Validity period of the options granted:	Five (5) years commencing from the grant date, subject to vesting.
Vesting period of the options:	Subject to the fulfillment of the relevant vesting conditions, approximately 70% of the Options granted (being an aggregate of 26,167,590 Options) will be vested in three equal batches on 1 April of 2019, 2020 and 2021, and the remaining approximately 30% of the Options granted (being an aggregate of 11,081,290 Options) will be vested in their entirety on 1 April 2021, each subject to publication of the Company’s annual results announcement for the immediately preceding financial year in respect of each vesting date in accordance with the Listing Rules.

The vesting conditions comprises performance targets of both the Group (including such key performance indications as a comparison to the Group’s key competitors) and individual grantees. Pursuant to the Amendment, same vesting conditions will still apply regarding the Remaining Options, and on top of that, there will be additional performance targets for the financial year ending 31 December 2021.

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The Company does not expect any material increase (if there is going to be any increase) in the amount of share option expenses regarding the Remaining Options because of the Amendment. By virtue of the Amendment, such share option expense will now be accounted and amortized to the financial statements of the Company for period up to 31 March 2022, instead of the period up to 31 March 2021 only. On the basis of the above, while the Company is still in discussions with the auditors to confirm the impact of the Amendment to its financial statements, the Company does not expect any material impact of the Amendment on its financial performance for the years ending 31 December 2020, 2021 and 2022.

Save for the Amendment, the other terms of the grant regarding the Remaining Options as set out above (including without limitation the exercise price, the validity period, and the vesting date for the last batch of the 70% options granted) remain unchanged.

As disclosed in the Company's annual report for the year ended 31 December 2019, in order to further implement overseas strategic layout, realize long term development strategy and provide more quality dairy products to consumers in Asia Pacific region, the Group made a number of strategic acquisitions during the year of 2019. In this connection, the Board takes the view that it is vital to keep the management team (comprising the holders of the Remaining Options and others) stable and to work together to achieve a smooth integration of the newly acquired targets into the Group, with the aim to realize the full potential value of such acquisitions to the Group. On the basis of the above, the Board proposes to make the Amendment in the view that the Amendment would encourage the eligible participants' long-term commitment to the Group, align the interest of the eligible participants with that of the Shareholders to promote the long-term development and growth of the Group, and is in the interest of the Company and shareholders as a whole.

The Amendment amounts to a change of term of the Remaining Options granted under the Share Option Scheme. According to note 2 to Rule 17.03(18) of the Listing Rules, the Amendment shall be subject to approval by the Shareholders in which the holders of the Remaining Options and their close associates shall abstain from voting. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Jeffrey, Minfang Lu (a Director of the Company and a holder of the Remaining Options) held 124,847 Shares, and 9 other holders of the Remaining Options held 332,526 Shares. Accordingly, they shall be required to abstain from voting at the Annual General Meeting on resolution to approve the Amendment.

The Board considers that the Amendment is in compliance with the requirements of Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

8. Annual General Meeting

A notice convening the Annual General Meeting to be held at the Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 11:30 a.m. on Wednesday, 3 June 2020 is set out on pages 17 to 21 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, *inter alia*, the grant of the Share Issue Mandate and the Share Repurchase Mandate, the re-election of the Directors, the re-appointment of the auditors, the proposed final dividend and the amendment to the terms of the Options granted under the Share Option Scheme.

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll.

A proxy form for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same 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 later than 48 hours before the time of the Annual General Meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting if you so wish.

9. Recommendation

The Directors believe that the grant of the Share Issue Mandate and the Share Repurchase Mandate, the re-election of the Directors, the re-appointment of the auditors, the recommendation of the final dividend and the amendment to the terms of the Options granted under the Share Option Scheme be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of the resolutions in relation to the above proposals to be proposed at the Annual General Meeting.

10. Closure of Register of Members

The register of members of the Company will be closed during the following periods:

- (i) from Friday, 29 May 2020 to Wednesday, 3 June 2020, 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, 28 May 2020; and

LETTER FROM THE BOARD

- (ii) on Tuesday, 9 June 2020, 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 address as set out in sub-paragraph (i) above not later than 4:30 p.m. on Monday, 8 June 2020.

11. Responsibility Statement

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
Jeffrey, Minfang Lu
Chief Executive Officer

(A) LISTING RULES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions.

(B) SHAREHOLDERS' APPROVAL

The Listing Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, or alternatively by specific approval of a particular transaction or by a general mandate to the directors of the company to make such repurchases.

(C) EXERCISE OF THE SHARE REPURCHASE MANDATE

As at the Latest Practicable Date, there were 3,935,734,266 Shares in issue. Subject to the passing of the ordinary resolution approving the Share Repurchase Mandate and on the basis that no further Shares are issued or no Shares are repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 393,573,426 Shares, representing 10% of the issued share capital of the Company as at the date of passing of such resolution.

(D) REASONS FOR THE REPURCHASE OF SHARES

The Directors believe that the Share Repurchase Mandate is in the best interest of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per share. The Directors are seeking the grant of the Share Repurchase Mandate to give the Company flexibility to do so if and when appropriate. The timing and the number(s), the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

(E) SOURCE OF FUNDS

The Company is empowered by its memorandum and articles of association to purchase Shares. In accordance with the laws of the Cayman Islands and the Company's memorandum and articles of association, Shares may only be redeemed or purchased out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purposes of the redemption or purchase or, if authorised by the Articles and subject to the laws of the Cayman Islands, out of capital. The premium, if any, payable on purchase must be provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are purchased or, subject to the statutory test of solvency, out of capital. Under the laws of the Cayman Islands, the Shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

It is possible that, if the Share Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019. However, the Directors do not propose to exercise the Share Repurchase Mandate to the extent that the repurchase would, in the circumstances, have a material adverse effect on the working capital position of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

(F) SHARE PRICES

The monthly highest and lowest prices at which the Shares had traded on the Stock Exchange in the last twelve months up to the Latest Practicable Date were as follows:

	Share Prices (per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
April	30.20	28.30
May	30.95	28.35
June	30.75	28.60
July	32.70	30.70
August	33.45	29.55
September	31.25	28.85
October	32.10	29.70
November	32.40	29.15
December	31.95	30.15
2020		
January	32.70	28.80
February	31.25	27.95
March	29.60	25.00
April (up to and including the Latest Practicable Date)	28.55	26.30

(G) UNDERTAKING

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

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), currently intends to sell Shares to the Company or its subsidiaries in the event that the Share Repurchase Mandate is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to sell any of the Shares held by him to the Company in the event that the Company is authorised to make repurchases of Shares.

(H) THE TAKEOVERS CODE

If, as a result of a repurchase of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Codes on Takeovers and Mergers and Share Buy-backs (the "**Takeovers Code**"). Accordingly, a Shareholder, or group of Shareholders acting in concert, could, depending on the level of increase of shareholding interest, obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

In the event that the Share Repurchase Mandate is exercised in full and there are no new Shares issued by the Company, the aggregate shareholdings of COFCO Corporation ("**COFCO**") and parties acting in concert with it, would be increased from approximately 31.35% to approximately 34.83% of the issued share capital of the Company as at the Latest Practicable Date and such increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Company has no present intention to exercise the Share Repurchase Mandate to such an extent that an obligation to make a mandatory offer under the Takeovers Code will be triggered. Save as aforesaid and as at the Latest Practicable Date, the Directors were not aware of any consequence which would arise under Rules 26 and 32 of the Takeovers Code as a result of any repurchase to be made under the Share Repurchase Mandate.

(I) SHARES PURCHASED BY THE COMPANY

The Company did not repurchase any Shares in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Set out below are details of the Directors who will retire at the conclusion of the Annual General Meeting and will be proposed to be re-elected at the Annual General Meeting.

Mr. Jeffrey, Minfang Lu, Executive Director

Mr. Jeffrey, Minfang Lu, aged 51, was appointed as an executive director and chief executive officer of the Company in September 2016. Mr. Lu is the chairman and a non-executive director of Yashili International Holdings Ltd (“**Yashili**”), a subsidiary of the Company listed in Hong Kong and the chairman and a non-executive director of China Modern Dairy Holdings Limited (“**China Modern Dairy**”), an associate of the Company listed in Hong Kong. Mr. Lu is also a director of International Dairy Federation. He was the chief executive officer and an executive director of Yashili before his appointment as chairman of the board of directors of Yashili. Mr. Lu was also a director of the following subsidiaries of Yashili, namely Yashili International Ltd., Yashili International Group Limited, Newou Hong Kong International Co., Limited and Scient International Group Limited. Mr. Lu was the Vice President (Greater China) of Danone Early Life Nutrition Greater China and had been with Danone Group and Dumex Baby Food Co. Ltd. for over 10 years. During his tenure at Danone Group, he demonstrated strong strategic business and market planning capabilities. With strong leadership, management skills and in-depth market knowledge, Mr. Lu had contributed significantly to the success of Danone Group’s baby nutrition business in China. Prior to joining Danone Group, Mr. Lu spent 9 years with Johnson & Johnson (China) Company Limited and almost 4 years with General Electric Company (China). Mr. Lu has over 18 years of experience in sales and marketing and has been in general manager or senior executive roles for over 7 years. Mr. Lu has extensive experience in the management of fast moving consumer products and dairy companies and has an excellent grasp and in-depth knowledge of the PRC market. Mr. Lu obtained his Bachelor’s degree from Fudan University in Shanghai.

Mr. Lu has entered into a letter of appointment with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. His emoluments are determined with reference to his duties and responsibilities in the Group and prevailing market conditions and reviewed by the remuneration committee of the Company (the “**Remuneration Committee**”). For the financial year ended 31 December 2019, the total amount of Mr. Lu’s emoluments is RMB11,511,000 as disclosed in the 2019 Annual Report.

Save as disclosed above, Mr. Lu has not held any directorships in other public companies the securities of which are listed on the Stock Exchange or any securities market overseas in the last three years.

Save as disclosed above, Mr. Lu does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lu is interested in 11,269,457 Shares which included restricted shares granted under the restricted share award scheme of the Company and

10,867,409 share options in the Company within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), representing approximately 0.29% of the total issued share capital of the Company as at the Latest Practicable Date.

Mr. Jiao Shuge (alias Jiao Zhen), Independent Non-Executive Director

Mr. Jiao Shuge (alias Jiao Zhen), aged 54, was appointed as a non-executive director of the Company in February 2004 and is a vice-chairman of the board of directors of the Company. Mr. Jiao was redesignated from a non-executive director of the Company to an independent non-executive director of the Company with effect from 12 April 2012. Mr. Jiao joined the Group in September 2002 and is currently a director and chief executive officer of CDH China Management Company Limited. Mr. Jiao received a Bachelor’s Degree in Mathematics from Shandong University and a Master’s Degree in Engineering from the No. 2 Research Institute of the Ministry of Aeronautics and Astronautics. Currently, Mr. Jiao also serves as a non-executive director of WH Group Limited, an independent non-executive director of China Southern Airlines Company Limited and the chairman and non-executive director of Mabpharm Limited, all of which are companies listed in Hong Kong. In addition, Mr. Jiao serves as a director of Joyoung Company Limited, Henan Shuanghui Investment & Development Co., Ltd. and Hainan Poly Pharm Co. Ltd., all of which are companies listed in Shenzhen.

Mr. Jiao has entered into a letter of appointment with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Mr. Jiao is entitled to receive a director’s fee of HK\$300,000 per annum. His emoluments are determined with reference to his duties and responsibilities in the Group and prevailing market conditions and will be reviewed by the Remuneration Committee. During 2019, Mr. Jiao agreed to waive his entitlement to director’s fee of HK\$300,000 for the year.

Save as disclosed above, Mr. Jiao has not held any directorships in other public companies the securities of which are listed on the Stock Exchange or any securities market overseas in the last three years.

Save as disclosed above, Mr. Jiao does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he does not have any interests in the shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Julian Juul Wolhardt, Independent Non-Executive Director

Mr. Julian Juul Wolhardt, aged 46, was appointed as a non-executive director of the Company in January 2006 and was redesignated from a non-executive director of the Company to an independent non-executive director of the Company with effect from 12 April 2012. Mr. Wolhardt is currently the chief executive officer of DCP Advisors, Limited focusing on private equity transactions in the Greater China region. Mr. Wolhardt was previously with KKR Asia Limited and Morgan Stanley responsible for private equity business in China. Mr. Wolhardt is a certified public accountant and certified management accountant and received a Bachelor's Degree in Accounting from the University of Illinois (Urbana-Champaign) in the United States. Mr. Wolhardt currently serves as a non-executive director of China Modern Dairy and a non-executive director of COFCO Meat Holdings Limited, both companies listed in Hong Kong. He is now also a director of Fujian Sunner Development Co., Ltd, a company listed in Shenzhen, and an independent director of Niu Technologies, a company listed on NASDAQ.

Mr. Wolhardt has entered into a letter of appointment with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Mr. Wolhardt is entitled to receive a director's fee of HK\$300,000 per annum. His emoluments are determined with reference to his duties and responsibilities in the Group and prevailing market conditions and reviewed by the Remuneration Committee. During 2019, Mr. Wolhardt agreed to waive his entitlement to director's fee of HK\$300,000 for the year.

Save as disclosed above, Mr. Wolhardt has not held any directorships in other public companies the securities of which are listed on the Stock Exchange or any securities market overseas in the last three years.

Save as disclosed above, Mr. Wolhardt does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he does not have any interests in the shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Meng Fanjie, Executive Director

Mr. Meng Fanjie, aged 55, was appointed as an executive director of the Company in June 2019 and is a vice president of the Group. Mr. Meng previously worked as the General Manager of Shenyang Xiangxue Flour Co., Ltd., the Assistant to the General Manager and then as the Deputy General Manager of the Wheat Processing Department, the General Manager of COFCO's Project Management Department, the General Manager of COFCO Chengdu Industrial Park, the Deputy General Manager of China Grain & Logistics Corporation, the Deputy General Manager of COFCO Trading Corporation and the Deputy Director of COFCO Group's Party-mass Work Department (in charge of the daily work). Mr. Meng graduated from Tsinghua University with a Master's Degree in electronic magnetics and microwave technology.

Mr. Meng has entered into a letter of appointment with the Company for a term of three years. His directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. His emoluments are determined with reference to his duties and responsibilities in the Group and prevailing market conditions and reviewed by the Remuneration Committee. For the financial year ended 31 December 2019, the total amount of Mr. Meng's emoluments is RMB848,000 as disclosed in the 2019 Annual Report.

Save as disclosed above, Mr. Meng has not held any directorships in other public companies the securities of which are listed on the Stock Exchange or any securities market overseas in the last three years.

Save as disclosed above, Mr. Meng does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company and he does not have any interests in the shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt have submitted an annual confirmation of independence in accordance with Rule 3.13 of the Listing Rules to the Company. The Board, therefore, considers Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt to be independent and believes that they should be re-elected.

Each of Mr. Jeffrey, Minfang Lu, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt and Mr. Meng Fanjie has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in relation to their re-election and that no other information needs to be disclosed under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.



蒙牛

CHINA MENGNIU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2319)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of the shareholders of China Mengniu Dairy Company Limited (the “**Company**”) will be held at the Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 11:30 a.m. on Wednesday, 3 June 2020 for the following purposes:

1. To review and consider the audited financial statements and the reports of the directors and the independent auditors for the year ended 31 December 2019.
2. To approve the proposed final dividend of RMB0.181 per share for the year ended 31 December 2019.
3. To re-elect the following directors and authorise the board of directors of the Company to fix their remuneration:
 - (a) Mr. Jeffrey, Minfang Lu;
 - (b) Mr. Jiao Shuge (alias Jiao Zhen);
 - (c) Mr. Julian Juul Wolhardt; and
 - (d) Mr. Meng Fanjie.
4. To re-appoint Ernst & Young as the auditors of the Company and authorise the board of directors of the Company to fix their remuneration for the year ending 31 December 2020.

* *For identification purpose only*

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 (b) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase ordinary shares of HK\$0.10 each in the capital of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution number 5 set out in this notice of annual general meeting (“**Resolution 5**”) and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution 5:
 - “Relevant Period” means the period from the passing of this Resolution 5 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 its articles of association or by any applicable law(s) to be held; and
 - (iii) the revocation or variation of the authority given to the Directors under this Resolution 5 by the passing of an ordinary resolution by the shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements, options and warrants which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution set out in this notice of annual general meeting (“**Resolution 6**”) shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and warrants which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution 6, otherwise than pursuant to, (i) a Rights Issue (as hereinafter defined), (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares, (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed 10 per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution 6, and the said approval shall be limited accordingly;
- (d) for the purpose of this Resolution 6:

“Relevant Period” means the period from the passing of this Resolution 6 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 its articles of association or by any applicable law(s) to be held; and
- (iii) the revocation or variation of the authority given to the Directors under this Resolution 6 by the passing of an ordinary resolution by the shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of the Shares 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 legal or practical problems having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

7. **“THAT:**

- (a) the remaining approximately 30% of the share options (the “**Options**”) (being an aggregate of 11,081,290 Options) granted on 24 December 2018 under the share option scheme of the Company adopted on 3 June 2016 which were scheduled to vest in their entirety on 1 April 2021 (the “**Remaining Options**”) be vested in their entirety on 1 April 2022;
- (b) any one Director be and is hereby authorized to approve and execute all documents (whether or not the common seal of the Company is required to be affixed thereon, and the use of the common seal shall be subject to the provisions of the articles of association of the Company), instruments and agreements and to do all such acts and things deemed by him to be necessary or expedient for the purpose of giving effect to the amendment to the terms of the Remaining Options referred to in subparagraph (a) above.”

By order of the Board
Kwok Wai Cheong, Chris
Company Secretary

Hong Kong, 29 April 2020

Notes:

- (1) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. All proxies, together with powers of attorney or other authorities, if any, under which they are signed or notarially certified copies thereof, must be deposited with 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 later than 48 hours before the time of the Annual General Meeting. Completion and delivery of the proxy form will not preclude a member from attending and voting in person at the meeting if he so wishes.
- (2) The register of members of the Company will be closed during the following periods:
 - (i) from Friday, 29 May 2020 to Wednesday, 3 June 2020 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

NOTICE OF ANNUAL GENERAL MEETING

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, 28 May 2020; and

- (ii) on Tuesday, 9 June 2020, for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend of RMB0.181 per ordinary share of HK\$0.10 each in the capital of the Company for the year ended 31 December 2019. 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 address as set out in sub-paragraph (i) above not later than 4:30 p.m. on Monday, 8 June 2020.
- (3) Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at any meeting personally or by proxy, that the more senior shall alone be entitled to vote in respect of such Share and, for this purpose, seniority shall be determined by the order in which the names of the joint holders stand on the register of the relevant joint holding.
- (4) With reference to Resolution 3 above, Mr. Jeffrey, Minfang Lu, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt will retire by rotation and Mr. Meng Fanjie will also retire in accordance with the articles of association of the Company and, being eligible, offer themselves for re-election at the Annual General Meeting. Details of the above Directors are set out in Appendix II to the circular dated 29 April 2020.
- (5) Taking into account of the recent development of the epidemic caused by coronavirus disease 2019 (COVID-19), the Company will implement the following prevention and control measures at the Annual General Meeting against the epidemic to protect the shareholders from the risk of infection:
 - (i) Compulsory body temperature checks
 - (ii) Mandatory health declaration
 - (iii) Wearing of surgical face mask for each attendee
 - (iv) No distribution of corporate gift or provision of refreshment

Details are set out on pages 2 to 3 of the circular dated 29 April 2020.