



## CHINA MENGNIU DAIRY COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2319)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the first Annual General Meeting of the shareholders of China Mengniu Dairy Company Limited (the “**Company**”) will be held at Hennessy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 28 June 2005 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the report of directors and auditors for the year ended 31 December 2004.
2. To declare the final dividend.
3. To re-elect directors and authorise the board of directors of the Company to fix their remuneration.
4. To re-appoint auditors and authorise the board of directors of the Company to fix their remuneration.

As special business, to consider and, if thought fit, to pass the following ordinary resolutions:

#### ORDINARY RESOLUTIONS

5. “**THAT:**

- (a) the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period of all the powers of the Company to repurchase shares of the Company be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares which may be repurchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.

(c) 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; or
- (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 the laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given to the Directors under this Resolution by the passing of an ordinary resolution by the shareholders in general meeting.”

6. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company 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 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 (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to, (i) a Rights Issue, (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 of the Company or (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 of the Company in accordance with the articles of association of the Company, shall not exceed the aggregate of:
  - (aa) twenty per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution plus;
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution), and the said approval 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 its articles of association or by the laws of Hong Kong to be held; or
  - (iii) the revocation or variation of the authority given to the Directors under this Resolution by the passing of an ordinary resolution by the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or 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).”

7. **“THAT** the general mandate referred to in Resolution 6 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of shares repurchased by the Company pursuant to the general mandate referred to in Resolution 5 above provided that such amount shall not exceed 10 per cent. of the existing issued share capital of the Company at the date of passing this Resolution.”

8. **“THAT** the rules of the share option scheme of the Company (a copy of which has been submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification) be and are hereby approved and that the directors of the Company be and are hereby authorised to implement the same and to grant options and to issue and allot shares of the Company pursuant thereto.”
9. **“THAT** the Mengniu Maanshan Intra-Group Transactions, the Guarantee Agreements and the proposed restated caps for the year 2005 and 2006 in relation to a continuing connected transaction for the transfer of yogurt products amongst Mengniu, Mengniu Beijing and certain Mengniu Subsidiaries for inventory adjustment purposes as disclosed under category 16 on page 116 in the Prospectus and as described in the paragraph headed “The Transactions” under the section “Letter from the Board” of the circular in relation to continuing connected transactions and financial assistance dated 27 May 2005, the transactions contemplated therein and their respective proposed caps and restated caps, be and are hereby approved, ratified and confirmed and any Director is hereby authorised to do all such further acts and things and execute such further documents and take all such steps which is in his opinion may be necessary, desirable or expedient to implement and/or give effect to the Mengniu Maanshan Intra-Group Transactions, the Guarantee Agreements and the proposed restated caps for the year 2005 and 2006 in relation to a continuing connected transaction for the transfer of yogurt products amongst Mengniu, Mengniu Beijing and certain Mengniu Subsidiaries for inventory adjustment purposes as disclosed under category 16 on page 116 in the Prospectus.”

### **SPECIAL RESOLUTIONS**

10. **“THAT** the Articles of Association of the Company be amended as follows:
  - (a) By inserting the following definition of “Nomination Committee” in Article 2 after the definition of “month”.

“Nomination Committee” means the committee appointed pursuant to Article 94A of the Articles of Association and acting in accordance to these Articles of Association;”
  - (b) By inserting the words “and shall be no more than ten” at the end of Article 94.
  - (c) By adding a new Clause 94A after Clause 94 as follows:

“94A The Nomination Committee shall be appointed by the Board for the purpose of nominating individuals for election as a Director by evaluating the individual’s experience, qualifications and suitability as a Director.

The Nomination Committee shall be comprised of not less than three members of the Board, one of which must also be the Chairman of the Board from time to time who will also be appointed as a chairman of the Nomination Committee. Each member of the Nomination Committee shall have one vote and not less than 2 members shall be a quorum. Decisions of the Nomination Committee will be made by a majority of votes and in case of an equality of votes the Chairman shall have the second or casting vote. If a member of the Nomination Committee ceases to be Director of the Company, then he or she will cease to be a member of the Nomination Committee.”
  - (d) By adding the words “so nominated by the Nomination Committee” after “any person” in the second line of Article 95.
  - (e) By adding the following words at the end of Articles 95, 112 and 115 respectively:

“Director being re-elected need not have been nominated by the Nomination Committee if they are retiring due to rotation pursuant to Article 112 and are being nominated for re-election at a general meeting.”
  - (f) By adding the words “so nominated by the Nomination Committee” at the end of Article 113.

- (g) By adding the words “and shall not be more than ten” at the end of the first sentence of Article 115 and adding the words “so nominated by the Nomination Committee” after “ordinary resolution elect any person” in the sixth line.
- (h) By deleting the words “unless recommended by the Board” in the first and second lines of Article 116, by deleting the word “Secretary” in the eighth line of Article 116 and replacing with “Nomination Committee” and adding the words “, and the Nomination Committee has approved such person for nomination” at the end of the Article.
- (i) By adding the words “so nominated by the Nomination Committee” after “ordinary resolution elect another person” in the seventh line of Article 118(a)”.

By Order of the Board  
**Lo Ka Wai, Claudia**  
Company Secretary

Hong Kong, 27 May 2005

### **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, on a poll, vote instead of him. A proxy need not be a member of the Company. All proxies must be deposited with the Company’s Share Registrars, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the meeting.
- (2) The Register of Members will be closed from Wednesday, 22 June 2005 to Tuesday, 28 June 2005 (both days inclusive). In order to establish entitlements to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrars, Computershare Hong Kong Investor Services Limited, 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 21 June 2005.
- (3) With reference to Resolution 3 above, Niu Gensheng, Sun Yubin and Li Jianxin will retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Details of the above Directors are set out in Appendix III to the circular dated 27 May 2005.
- (4) With reference to Resolutions 5, 6 and 7 above, the Directors wish to state that they have no immediate plans to repurchase any existing shares or to issue any new shares or warrants pursuant to the relevant mandate.
- (5) With reference to Resolution 9 above, details of the transactions mentioned therein are set out in the paragraph headed “The Transactions” under the section “Letter from the Board” of the circular in relation to continuing connected transactions and financial assistance dated 27 May 2005.

*As at the date of this announcement, the Executive Directors are Mr Niu Gensheng, Ms Lu Jun, Mr Sun Yubin and Mr Yang Wenjun. The Non-executive Directors are Mr Jiao Shuge (alias Jiao Zhen), Mr Liu Haifeng, David and Ms Jin Yujuan, Lily. The Independent non-executive Directors are Mr Wang Huaibao, Mr Zhang Julin and Mr Li Jianxin.*

*Please also refer to the published version of this announcement in the (The Standard)*