
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)

- (1) PROPOSED GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,**
(2) PROPOSED RE-ELECTION OF DIRECTORS,
(3) PROPOSED FINAL DIVIDEND,
**(4) PROPOSED ISSUANCE OF UNLISTED OPTION AND
OPTION SHARES UNDER SPECIFIC MANDATE AND**
(5) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of China Modern Dairy Holdings Ltd. to be held at the Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 9:30 a.m. on Wednesday, 12 June 2024 (the “**Annual General Meeting**”) is set out on pages 22 to 26 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.

26 April 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Anhui Suida”	Anhui Suida Rongyao Equity Investment Fund Partnership (Limited Partnership)* (安徽穗達榮耀股權投資基金合夥企業(有限合夥))
“Annual General Meeting”	the annual general meeting of the Company to be held at the Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 12 June 2024 at 9:30 a.m., the notice of which is set out on pages 22 to 26 of this circular, and any adjournment thereof
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Business Day(s)”	a day which is not a Saturday, Sunday nor a day on which banks in the PRC are required or authorized by the relevant laws to suspend business
“Capital Injection”	the subscription for approximately 25.4% of the enlarged registered capital of Modern Farming Wuhe by way of capital injection of RMB600 million in cash pursuant to the capital injection agreement entered into on 1 February 2024
“China Agricultural” or “Subscriber”	China Agricultural Reclamation Industry Development Fund (Limited Partnership)* (中國農墾產業發展基金(有限合夥))
“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
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“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”	22 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“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
“Modern Farming”	Modern Farming (Group) Co., Ltd.* (現代牧業(集團)有限公司), a sino-foreign investment enterprise established in the PRC and an indirect non-wholly owned subsidiary of the Company
“Modern Farming Group”	Modern Farming and its subsidiaries
“Modern Farming Wuhe”	Modern Farming (Wuhe) Co., Ltd * (現代牧業(五河)有限公司), a company established in the PRC with limited liabilities and an indirect non-wholly owned subsidiary of the Company
“Nomination Committee”	the nomination committee of the Company
“Option”	the right granted to China Agricultural to subscribe for the Option Shares and the exercise of which shall comply with the following threshold, whichever is lower: (i) the total subscription amount of the Option Shares by China Agricultural shall not exceed RMB600 million (or the equivalent amount in HK\$); or (ii) the total number of Option Shares subscribed by China Agricultural shall not exceed 6% of the total number of Shares of the Company in issue at the time of the exercise of Option
“Option Agreement”	the option agreement dated 1 February 2024 entered into between the Company and China Agricultural in relation to the grant of Option
“Option Shares”	the Shares that China Agricultural may subscribe for during the exercise period as set out in the Option Agreement
“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

26 April 2024

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES,**
- (2) PROPOSED RE-ELECTION OF DIRECTORS,**
- (3) PROPOSED FINAL DIVIDEND,**
- (4) PROPOSED ISSUANCE OF UNLISTED OPTION AND OPTION SHARES UNDER SPECIFIC MANDATE AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 1 February 2024 in relation to, among other things, the Option Agreement entered into between the Company and China Agricultural and the transactions contemplated thereunder.

LETTER FROM THE BOARD

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; (iv) further details of the grant of the Option under the Option Agreement and the issue of Option Shares upon exercise thereof; and (v) the notice of the Annual General Meeting.

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.

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. Zhu Xiaohui, Ms Gan Lu and Mr. Chow Ming Sang 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.

The Nomination Committee has reviewed and considered the respective experience, skills and knowledge of each Director to be re-elected, in particular those of (1) Mr. Zhu Xiaohui in group business development, financial strategies and dairy industry foresight; (2) Ms. Gan Lu in capital market and corporate finance; and (3) Mr. Chow Ming Sang 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. Zhu Xiaohui, Ms. Gan Lu and Mr. Chow Ming Sang 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 2024.

5. FINAL DIVIDEND

The Board has recommended a final dividend of RMB0.0045 per Share to be payable on or about Friday, 28 June 2024 to the Shareholders whose names appear on the register of members of the Company on Thursday, 20 June 2024 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 12 June 2024.

LETTER FROM THE BOARD

6. PROPOSED ISSUANCE OF UNLISTED OPTION AND OPTION SHARES UNDER SPECIFIC MANDATE

As disclosed in the announcement of the Company dated 1 February 2024, Modern Farming Wuhe, China Agricultural, Anhui Suida and Modern Farming entered a Capital Injection Agreement on 1 February 2024 (after trading hours), pursuant to which China Agricultural has subscribed for approximately 25.4% of the enlarged registered capital of Modern Farming Wuhe by way of Capital Injection in cash for the sum of RMB600 million into Modern Farming Wuhe. Completion of the Capital Injection took place on 8 February 2024.

In light of the strategic collaboration relationship between the Company and China Agricultural, the Company has entered into the Option Agreement with China Agricultural, pursuant to which the Company agreed to grant an option to China Agricultural, subject to obtaining the approval from the Shareholders, at the price of HK\$1.00 to subscribe for the Option Shares. The principal terms of the Option Agreement are set out below.

Date

1 February 2024 (after trading hours)

Parties

- (1) the Company (as the issuer); and
- (2) China Agricultural (as the subscriber).

To the best knowledge, information and belief of the Directors, having made all reasonable enquires, China Agricultural and its ultimate beneficial owners are independent third parties as at the Latest Practicable Date.

Number of Option Shares

The Company agreed to issue Option Shares to China Agricultural, and the exercise of Option shall be subject to the following threshold, whichever is lower: (i) the total subscription amount of the Option Shares by China Agricultural shall not exceed RMB600 million (or the equivalent amount in HK\$); or (ii) the total number of Option Shares subscribed by China Agricultural shall not exceed 6% of the total number of Shares of the Company in issue at the time of the exercise of Option.

The Option Shares shall, when fully paid, rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Option Shares.

LETTER FROM THE BOARD

Exercise Period

The Option may be exercised during the 12 months period commencing on the day after the Annual General Meeting (“**Initial Exercise Period**”). If the Option is not exercised during the Initial Exercise Period, the exercise period shall be extended to being the 12-month period commencing from (i) the date immediately after the annual general meeting of the Company approving such extension, or (ii) if such annual general meeting is convened before the end of the Initial Exercise Period, the date immediately after the end of the Initial Exercise Period (“**First Extended Exercise Period**”). If the Option is not exercised during the First Extended Exercise Period, the exercise period shall be further extended to being the 12-month period commencing from (i) the date immediately after the annual general meeting of the Company approving such extension, or (ii) if such annual general meeting is convened before the end of the First Extended Exercise Period, the date immediately after the end of the First Extended Option Period (“**Second Extended Exercise Period**”, together with the Initial Exercise Period and the First Extended Option Period, the “**Exercise Period**”). The total Exercise Period in which the Option may be exercised shall not exceed 36 months.

Exercise Price of the Option

The Subscriber shall be entitled to exercise the Option and subscribe for Option Shares, with the exercise price (“**Option Exercise Price**”) being calculated as follows:

Exercise price per Option Share = HK\$2.06 – the aggregate of the dividend per share paid by the Company after the date of the Option Agreement and before the exercise of the Option by China Agricultural.

There is no minimum amount of Option Exercise Price set out in the Option Agreement. The Option Exercise Price was determined on arm’s length basis between the Company and China Agricultural, and with reference to the total assets less current liabilities of the Company primarily (approximately HK\$3.11 per Share, based on the Company’s total assets less current liabilities as at 30 June 2023 divided by the then total number of issued shares of the Company), adjusted with regard to (i) the low trading price and volume of the Shares, (ii) the slow market recovery, downward trend of raw milk price and high costs currently experiencing by the dairy industry, (iii) the valuation of the Shares in recent rounds of financing, including the placing of new Shares at a price of HK\$2.40 per Share under the general mandate which was completed on 27 January 2021 and the issue of consideration shares at a price of HK\$2.24 per Share under specific mandate which was completed on 29 November 2021, and (iv) the Subscriber’s assessment of the Group’s prospects considering the recent development of the Group’s financial and business position.

There is no arrangement for variation of the Option Exercise Price or the number of Option Shares in case the share capital of the Company has been altered.

LETTER FROM THE BOARD

Conditions Precedent

The exercise of Option is conditional upon the fulfillment (or, if applicable, waiver) of the following conditions (“**Option Conditions Precedent**”):

- (1) the passing of board resolutions approving (a) the execution, delivery and fulfillment of the Option Agreement, (b) the grant of Option, and (c) the allotment and issue of the Option Shares under specific mandate to be sought from the Shareholders;
- (2) the passing of shareholders’ resolutions to approve the grant of Option and the allotment and issue of Option Shares under specific mandate;
- (3) the listing of, and permission to deal in, all of the Option Shares having been granted by the Stock Exchange and such listing and permission not subsequently being revoked prior to the exercise date of the Option;
- (4) subscription agreement (or any similar agreement) has been executed between the Subscriber and the Company for the application of Overseas Direct Investment (ODI) Approval process by the Subscriber in relation to the exercise of Option;
- (5) all the authorisations, approvals, consents, waivers and permits of the relevant authorities of the relevant jurisdictions which are necessary to give effect to the grant of Option, exercise of Option (including but not limited to the ODI Approval, as applicable) and the allotment and issue of the Option Shares as required by law or regulation (including the Listing Rules) having been granted, received and obtained; and
- (6) no warranties having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, on or prior to the exercise date of the Option.

As at the Latest Practicable Date, condition (1) had been fulfilled and China Agricultural may waive any of the remaining Option Conditions Precedent (except for condition (2)) and if the Option Conditions Precedent are not fulfilled or waived, the Option Agreement shall terminate unless otherwise agreed in writing by China Agricultural.

LETTER FROM THE BOARD

Exercise of Option

The Option may be exercised in whole or in part by the Subscriber by giving notice in writing to the Company stating that the Option is thereby exercised, the exercise price, the subscription amount, the designated entity to which the Option Shares should be allotted to, and the number of Shares in respect of which it is exercised, with a remittance for the total exercise price of the Option Shares to be settled within ten (10) Business Days after the Option Conditions Precedent have been fulfilled (or, if applicable, waived) and the exercise notice is received by the Company.

After the exercise of the Option, the Company shall allot and issue to China Agricultural (or its designated entity), and China Agricultural shall (or its designated entity shall) subscribe for the Option Shares on the next Business Day after all the Option Conditions Precedent have been fulfilled or waived and the remittance for the total exercise price of the Option Shares has been fully settled (the “**Option Closing Date**”). The Option Shares allotted and issued shall rank pari passu with the Shares in issue on the Option Closing Date, free from encumbrance and with all rights, including dividends, distributions or any return of capital declared and voting rights, attached or accrued to them on or after the Option Closing Date.

Transferability

The Option (i) may not be offered for sale, sold, transferred, assigned, charged, mortgaged or encumbered; and (ii) no interest (legal or beneficial) in favour of any third party over or in relation to any Option shall be created, without the prior consent of the Company, provided that the Option may be sold, transferred or assigned to an affiliate (as defined in the Listing Rules) of China Agricultural so long as such affiliate is not a connected person (as defined under the Listing Rules) of the Company.

Rights of Option Holder on the Liquidation of the Company

If the Company is liquidated, dissolved, wound up before the end of the Exercise Period, all rights attached to the Option which have not been exercised prior to the commencement of the liquidation, dissolution or winding-up shall lapse and the Option will cease to be valid for the purpose of exercising any such rights.

Voting Rights for the Option Holder

China Agricultural shall not have any right to (i) attend or vote at any meeting of the Company; and (ii) participate in any distributions and/or offers of further securities made by the Company before China Agricultural (or its designated entity) becoming holder of the Shares.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Option Shares on the Stock Exchange upon exercise of the Option.

LETTER FROM THE BOARD

Reasons for and Benefits for Entering into the Option Agreement

As aforementioned, Modern Farming Wuhe, China Agricultural, Anhui Suida and Modern Farming entered into the Capital Injection Agreement on 1 February 2024, pursuant to which China Agricultural has subscribed for approximately 25.4% of the enlarged registered capital of Modern Farming Wuhe by way of Capital Injection in cash for the sum of RMB600 million into Modern Farming Wuhe. The strategic equity investment in Modern Farming Wuhe by way of Capital Injection signifies the recognition of China Agricultural of the Company's production capabilities, financial soundness, as well as the Company's growth potential.

In view of the strategic collaboration relationship between the Company and China Agricultural, the Option Agreement allows China Agricultural to further share the Company's prospects, whereby strengthening the business cooperation between the two companies, broadening the diversity of investors and enhancing the Group's financial efficiency in terms of cost of funding and capital structure, and providing the Company with the capital support required for future expansion plan and materialization of its growth potential.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Option Agreement and the transactions contemplated thereunder, are fair and reasonable and on normal commercial terms based on arm's length negotiations between the Company and China Agricultural, and are in the interests of the Company and the Shareholders as a whole.

Use of Proceeds

Assuming all the Option are exercised, the maximum subscription amount will be RMB600 million (or the equivalent amount in HK\$) and the net proceeds (after deducting all applicable costs and expenses) arising from the Exercise of Option are estimated to be approximately RMB599 million.

The net proceeds from the exercise of Option is expected to be used for repayment of bank borrowings and as general working capital of Modern Farming Group. Since the amount of proceeds that may be raised will depend on the exercise of the rights attaching to the Option and the price of the Option Shares, which is not within the control of the Company, the proceeds that will actually be raised therefrom may not match with the Company's capital requirements or spending plan. The Company shall adjust its business plan from time to time accordingly.

LETTER FROM THE BOARD

Effects on Shareholding Structure

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full exercise of the Option (assuming that the total subscription amount of the Option Shares being RMB600 million (or the equivalent amount in HK\$) at the Option Exercise Price of HK\$2.06 is the lower threshold) are set out below:

	As at the Latest Practicable Date		Assuming full exercise of the Option (assuming that the total subscription amount of the Option Shares is RMB600 million (or the equivalent amount in HK\$) at the Option Exercise Price of HK\$2.06)	
	No. of Shares	%	No. of Shares	%
Directors				
Mr. Sun Yuang	12,038,287	0.15%	12,038,287	0.15%
Mr. Zhu Xiaohui	6,808,593	0.09%	6,808,593	0.08%
Substantial Shareholders				
Mengniu ^(Note 1)	4,461,041,882	56.36%	4,461,041,882	54.16%
Central Huijin Investment Ltd. ^(Note 2)	569,681,818	7.20%	569,681,818	6.92%
Bank of China Limited ^(Note 2)	569,681,818	7.20%	569,681,818	6.92%
BOC International Holdings ^(Note 3)	568,181,818	7.18%	568,181,818	6.90%
BOCI Financial Products Limited	568,181,818	7.18%	568,181,818	6.90%
New Hope Dairy Co., Ltd. ^(Note 4)	635,345,763	8.03%	635,345,763	7.71%
New Century Ltd. ^(Note 4)	635,345,763	8.03%	635,345,763	7.71%
Liu Chang ^(Note 4)	635,345,763	8.03%	635,345,763	7.71%
GGG Holdings Limited ^(Note 4)	635,345,763	8.03%	635,345,763	7.71%
MGD Holdings ^(Note 5)	400,000,000	5.05%	400,000,000	4.86%
Sub-total of shares held by Directors and Substantial Shareholders	<u>6,084,916,343</u>	<u>76.87%</u>	<u>6,084,916,343</u>	<u>73.87%</u>
China Agricultural Other Public Shareholders	– 1,830,745,705	0.00% 23.13%	321,180,058 1,830,745,705	3.90% 22.23%
Total	<u><u>7,915,662,048</u></u>	<u><u>100.00%</u></u>	<u><u>8,236,842,106</u></u>	<u><u>100.00%</u></u>

LETTER FROM THE BOARD

Notes:

1. Among which up to 568,181,818 Shares have been lent to BOCI Financial Products Limited pursuant to a securities lending agreement dated 8 June 2023 entered into between Mengniu as lender and BOCI Financial Products Limited as borrower. As at the Latest Practicable Date, the number of Shares that had been lent to BOCI Financial Products Limited was 568,181,818. Among which 3,214,962,513 Shares were held through Future Discovery Limited, a subsidiary of Mengniu.
2. Among which 568,181,818 Shares were held through BOCI Financial Products Limited and 1,500,000 Shares were held through Nam Tung (Macao) Investment Limited.
3. 568,181,818 Shares were held through BOCI Financial Products Limited.
4. 635,345,763 Shares were held through GGG Holdings Limited.
5. Among which 385,000,000 Shares were held through Daher Capital LTD and 15,000,000 Shares were held through DFG Limited.

Information on China Agricultural

China Agricultural is a private equity investment fund established under the laws of the PRC. Its general partner and fund manager is Zhaoken Capital Management (Beijing) Co., Ltd. (招墾資本管理(北京)有限公司) (“**Zhaoken Capital**”), which is a private equity fund manager registered under the relevant PRC laws. Zhaoken Capital is ultimately wholly-owned by the PRC government.

7. 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, (ii) the re-election of Directors, and (iii) the Option Agreement and the transactions contemplated thereunder (including but not limited to, the allotment and issue of Option and the Option Shares under a specific mandate upon exercise thereof), are set out on pages 22 to 26 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.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the Shareholders has a material interest in the Option Agreement and the transactions contemplated thereunder. As such, no Shareholder will be required to abstain from voting on the resolutions for approving the Option Agreement and the transactions contemplated thereunder (including but not limited to, the allotment and issue of Option and the Option Shares upon exercise thereof) at the Annual General Meeting.

LETTER FROM THE BOARD

8. 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.

9. 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, the re-election of Directors and the terms of the Option Agreement and the transactions contemplated thereunder (including but not limited to, the allotment and issue of the Option and the Option Shares under a specific mandate upon exercise thereof) are fair and reasonable, and 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.

10. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 6 June 2024 to Wednesday, 12 June 2024, 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, 5 June 2024.

The register of members of the Company will be closed from Tuesday, 18 June 2024 to Thursday, 20 June 2024, 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 Monday, 17 June 2024.

LETTER FROM THE BOARD

11. 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 2023) 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^{Note} Shares, representing approximately 56.36% of the entire issued share capital of the Company. (Note: Among which up to 568,181,818 Shares have been lent to BOCI Financial Products Limited pursuant to a securities lending agreement dated June 8, 2023 entered into between Mengniu as lender and BOCI Financial Products Limited as borrower.) As at the Latest Practicable Date, the number of Shares that had been lent to BOCI Financial Products Limited was 568,181,818. Among which 3,214,962,513 Shares were held through Future Discovery Limited, a subsidiary of Mengniu.

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 HK\$	Lowest traded Prices HK\$
2023		
April	1.04	0.97
May	0.99	0.90
June	0.96	0.79
July	0.85	0.77
August	0.85	0.70
September	0.78	0.72
October	0.85	0.73
November	0.84	0.74
December	0.78	0.72
2024		
January	0.74	0.62
February	0.72	0.64
March	0.70	0.65
April (up to the Latest Practicable Date)	0.68	0.62

(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.

(I) NO UNUSUAL FEATURE

The Directors confirm neither this explanatory statement nor the Proposed Repurchase Mandate has any unusual features.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

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. Zhu Xiaohui (朱曉輝) (“Mr. Zhu”)

Mr. Zhu Xiaohui, aged 53, has been appointed as a non-executive Director of the Company and the vice president of the Group on 1 July 2021. Mr. Zhu has been re-designated as an executive Director of the Company and the chief financial officer of the Group on 30 November 2021 and has been in charge of finance, procurement, information and compliance management since January 2024. Mr. Zhu joined Fuyuan International in August 2014 and served as the vice president of Fuyuan International from August 2014 to December 2018, the senior vice president of Fuyuan International from December 2018 to June 2019 and the vice president and the secretary of the board of directors of Fuyuan International since March 2020. Prior to joining Fuyuan International, Mr. Zhu had spent approximately 18 years with COFCO Group and approximately 4 years with Dalian Wanda Group Inc., Ltd serving as senior management positions. Mr. Zhu has over 30 years of experience in corporate governance, financial management, financing, investment, mergers and acquisitions, and management of large enterprises, and also has extensive operation and management experience in the dairy farming industry. Mr. Zhu graduated from Guangdong University of Foreign Studies with a bachelor’s degree in international business administration and the University of International Business and Economics with a master’s degree in business administration.

Mr. Zhu entered into a service agreement with the Company for a term of three years commencing on 30 November 2021, which may be terminated in accordance with the provisions of the service agreement by either party by giving to the other party not less than three months’ prior notice in writing at any time during the term of appointment. His term of office is subject to retirement by rotation and re-election in accordance with the Articles of Association. According to Mr. Zhu’s letter of appointment, he will not receive any director’s fee. For the year ended 31 December 2023, Mr. Zhu has received annual salary, discretionary bonus and retirement benefits scheme contributions of RMB3,872,000 in total. Mr. Zhu is also entitled to participate in the share option schemes and share award schemes of the Company. The Company granted a total of 3,273,000 Award Shares to Mr. Zhu during the year ended 31 December 2023. The remuneration of Mr. Zhu has been approved by the Remuneration Committee, and is subject to review with reference to prevailing market conditions as well as his duties and responsibilities in the Company.

As far as the Directors are aware, within the meaning of Part XV of the Securities and Future Ordinance, as at the Latest Practicable Date, Mr. Zhu has beneficial interests in 10,208,593 Shares, representing approximately 0.13% of the issued shares capital of the Company as at the Latest Practicable Date.

Save as disclosed above, Mr. Zhu (i) has not held any directorships in any other listed companies in the last three years immediately prior to the issue of this circular; (ii) does not have any relationships with any Directors, senior management members or substantial or controlling shareholders of the Company or its subsidiaries; (iii) does not have or is not deemed to have any interests in the Shares or underlying Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and (iv) there is no other information required to be disclosed in relation to 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.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Ms. Gan Lu (甘璐女士) (“Ms. Gan”)

Ms. Gan Lu, aged 41, joined the Group as a non-executive Director of the Company in April 2020. Ms. Gan is the executive director of Beijing Hosen Capital Management, LLP (“**Hosen Capital**”), one of the first private equity management institutions registered with the China National Development and Reform Commission pursuant to the new equity investment regulations. Ms. Gan is also the person-in-charge of the office of Hosen Capital in Hong Kong. Ms. Gan joined Hosen Capital in 2018. Ms Gan has over fourteen years experience in the financial and investment sectors. Before joining Hosen Capital, Ms. Gan worked for the Hong Kong office of New Hope Group Co., Ltd, for four years as head of its Hong Kong office and chief investment officer of its financial division. Ms. Gan also worked for China International Capital Corporation Limited (CICC) in Beijing and Hong Kong for six years as the head of the Hong Kong operations support coordination department. Ms. Gan graduated from The University of Hong Kong with a master’s degree in business administration.

The Company has entered into a letter of appointment with Ms. Gan for her appointment as a non-executive director for a term of three years commencing on 1 April 2023 subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association of the Company and the Listing Rules. Ms. Gan is not entitled to receive any director’s fee. Ms. Gan did not receive any bonus, fixed or discretionary in nature during the year ended 31 December 2023.

Save as disclosed above, Ms. Gan (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 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 her pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Mr. Chow Ming Sang (周明笙先生) (“Mr. Zhou”)

Mr. CHOW Ming Sang, aged 51, has been appointed as an independent non-executive Director of the Company on 1 July 2021. Mr. Chow was the general manager of the Risk and Control Department of the Tahoe Group (the shares of which are listed on the Shenzhen Stock Exchange with stock code 000732.SZ) from October 2018 to June 2019, overseeing the company’s risk management and corporate governance of all business sectors like residential, commercial, hotel, education, insurance, medical, estate management and ageing care. Mr. Chow is currently the managing director of Beijing Xinshi Anye Management Consulting Co., Ltd. and an independent non-executive director of Teamway International Group Holdings Limited (stock code: 1239.HK) and Redco Healthy Living Company Limited (stock code: 2370.HK). He was also an independent non-executive director of China Rundong Auto Group Limited (delisted, prior stock code: 1365. HK) until August 2022.

Mr. Chow obtained his bachelor degree in Business Administration (Accounting) from Hong Kong University of Science and Technology in 1995. Mr. Chow is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a Certified Internal Auditor. Mr. Chow has over 27 years working experience in various industries in auditing, corporate governance and risk management advisory where he was the advisory partner of Ernst & Young (China) Advisory Limited since 2007 and was responsible for managing the Risk Advisory sub-service line’s strategic growth and development in various regions of Mainland China since 2011. From 2014 to 2016, Mr. Chow became the Committee member of The Internal Controls General Standards Committee of The Ministry of Finance (PRC) (中國財政部內部控制標準委員會委員), the only Hong Kong resident and Big Four partner being appointed as a committee member. Mr. Chow is also involved in promoting innovation where he acts as start-up coach of over 20 incubators and accelerators in China and Hong Kong to assist young entrepreneurs in enhancing their business from financial and strategic development perspectives.

Mr. Chow has 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 1 July 2021, 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. Chow’s letter of appointment, he is entitled to an annual remuneration of HKD240,000. The remuneration of Mr. Chow is determined after considering the remuneration policy of the Company, his duties and the prevailing market remuneration of executives in similar positions.

Save as disclosed above, Mr. Chow (i) has not held any other positions in the Company and its subsidiaries, and does not have any relationships with any Directors, senior management members or substantial or controlling shareholders of the Company or its subsidiaries; (ii) has not held any other directorships in any listed public companies in the last three years; (iii) does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance; and (iv) there is no other information required to be disclosed in relation to him pursuant to any of the requirements under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



MODERN FARMING
现代牧业

China Modern Dairy Holdings Ltd.

中國現代牧業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1117)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**” or the “**Meeting**”) of China Modern Dairy Holdings Ltd. (the “**Company**”) will be held at the Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 12 June 2024 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 2023.
2. To approve the proposed final dividend of RMB0.0045 per share for the year ended 31 December 2023.
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. Zhu Xiaohui as a Director;
 - (B) to re-elect Ms. Gan Lu as a Director;
 - (C) to re-elect Mr. Chow Ming Sang as a Director; and
 - (D) to authorize the board of Directors to fix directors’ fees.
4. To re-appoint Deloitte Touche Tohmatsu as the auditors of the Company and authorize the board of directors of the Company to fix their remuneration for the year ending 31 December 2024.

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.”

NOTICE OF ANNUAL GENERAL MEETING

8. **“THAT:**

- (a) the option agreement dated 1 February 2024 (the **“Option Agreement”**) (a copy of which is tabled at the Annual General Meeting and marked “A” and initialed by the chairman of the Annual General Meeting for identification purpose) entered into between the Company and the Subscriber in relation to the allotment and issuance of ordinary shares of the Company (the **“Option Shares”**) at the exercise price as set out in the Option Agreement, and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon the listing committee of The Stock Exchange of Hong Kong Limited (the **“Listing Committee”**) granting the listing of, and permission to deal in, the Option Shares to be allotted and issued, the Directors be and are hereby granted a specific mandate to allot and issue the Option Shares in accordance with the terms of the Option Agreement, provided that this specific mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (c) any one or more of the Directors be and is/are hereby authorized for and on behalf of the Company to execute all such documents and do all such acts and things as he/she/they may in his/her/their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or to give effect to the Option Agreement, the transactions contemplated thereunder and the allotment and issue of the Option Shares under the relevant specific mandate.”

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

Hong Kong, 26 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

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

Principal place of business in Hong Kong:

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

Notes:

1. Any shareholder of the Company entitled to attend and vote at the meeting by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a shareholder of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be delivered at the Company's branch share registrar 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 Wednesday, 12 June 2024 are entitled to attend and vote at the Annual General Meeting. The register of members of the Company will be closed from Thursday, 6 June 2024 to Wednesday, 12 June 2024, 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, 5 June 2024, for registration.

The register of members of the Company will also be closed from Tuesday, 18 June 2024 to Thursday, 20 June 2024, 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 Monday, 17 June 2024.

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.moderndairyir.com>) and Hong Kong Exchanges and Clearing Limited's website (www.hkex.com.hk) for details of alternative meeting arrangements.

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