
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 MENGNU 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
REFRESHMENT OF SHARE OPTION MANDATE LIMIT
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**”) to be held at Ballroom, 3rd Floor, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 10 June 2009 at 10:30 a.m. (the “**Annual General Meeting**”) is set out on pages 15 to 19 of this circular.

Whether or not you are able to attend the Annual General Meeting, 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 Rooms 1806-1807, 18th 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.

* For identification purposes only

LETTER FROM THE BOARD



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. Niu Gensheng (*Chief Executive Officer*)

Mr. Yang Wenjun

Mr. Sun Yubin

Mr. Yao Tongshan

Mr. Bai Ying

Mr. Jiao Shuge[#] (alias Jiao Zhen) (*Chairman*)

Mr. Julian Juul Wolhardt[#]

Mr. Wang Huaibao*

Mr. Zhang Julin*

Company Secretary:

Mr. Kwok Wai Cheong, Chris

[#] *Non-executive Director*

* *Independent Non-executive Director*

Registered Office:

M&C Corporate Services

PO Box 309 GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

Principal Place of Business

in Hong Kong:

Unit 1001, 10th Floor

Jubilee Centre

18 Fenwick Street

Wanchai

Hong Kong

30 April 2009

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
REFRESHMENT OF SHARE OPTION MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

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**”);

* *For identification purposes only*

LETTER FROM THE BOARD

- (b) grant of the Share Repurchase Mandate (as defined below) for repurchase by the Company of the Shares;
- (c) grant of a general extension mandate to extend the Share Issue Mandate to include Shares repurchased under the Share Repurchase Mandate, if any;
- (d) re-election of the relevant retiring directors of the Company; and
- (e) Refreshment of Share Option Limit.

1. General mandate to issue Shares and extension of general mandate

At the last annual general meeting of the Company held on 28 May 2008, a general mandate was granted to the directors of the Company (the “**Directors**”) to allot, issue and deal with the Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. Two ordinary resolutions will accordingly be proposed at the Annual General Meeting for the shareholders to consider and, if thought fit, grant respectively, a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue and deal with new Shares (the “**Share Issue Mandate**”) not exceeding 20% of the issued share capital of the Company on the date of passing the resolution approving the Share Issue Mandate, and an extension of the Share Issue Mandate by adding any Shares representing the nominal amount of the Shares repurchased by the Company under the Share Repurchase Mandate (as defined below) (the “**Extension Mandate**”).

As at 28 April 2009, the latest practicable date prior to the printing of this circular (the “**Latest Practicable Date**”), 1,561,641,144 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 312,328,228 Shares.

Details of the Share Issue Mandate and the Extension Mandate are set out in Resolutions 5 and 6 in the Notice of the Annual General Meeting set out on pages 15 to 19 of this circular. The Share Issue Mandate and the Extension 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 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**”).

2. General mandate to repurchase Shares

At the last annual general meeting of the Company held on 28 May 2008, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase the 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

LETTER FROM THE BOARD

general and unconditional mandate to the Directors to exercise the power of the Company to repurchase Shares (the “**Share Repurchase Mandate**”) 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 156,164,114 Shares.

An explanatory statement as required under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 of association of the Company 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.

3. Re-election of the Directors

Pursuant to article 112 of the articles of association of the Company, one-third of the Directors shall retire from office by rotation. Yang Wenjun, Julian Juul Wolhardt and Zhang Julin will retire from office as Directors by rotation and Yao Tongshan and Bai Ying will retire in accordance with the articles of association of the Company at the Annual General Meeting and being eligible, offer themselves for re-election.

Reference is made to the announcement of the Company dated 23 February 2009 regarding the death of Mr. Li Jianxin, a former independent non-executive Director, an audit committee and a remuneration committee member of the Company. The Company has appointed, Liu Fuchun with effect from 1 May 2009, as an independent non-executive Director to fill this vacancy on the board of Directors and in the audit committee and the nomination committee. The Company has also appointed Zhang Xiaoya with effect from 1 May 2009 as an independent non-executive Director, who will also be a member of the nomination and remuneration committee. Both Liu Fuchun and Zhang Xiaoya will retire in accordance with the articles of association of the Company at the Annual General Meeting and being eligible, offer themselves for re-election.

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

4. Refreshment of Share Option Mandate Limit

The Company adopted a Share Option Scheme (the “**Share Option Scheme**”) pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 28 June 2005. The purpose of the Share Option Scheme is to enable the Group to grant options to eligible persons as incentive or rewards for their contribution to the Group.

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Under the Share Option Scheme, the Directors are authorized to grant options to eligible persons to subscribe for Shares under the Share Option Scheme and to allot and issue Shares pursuant to the exercise of any outstanding options which may be granted under the Share Option Scheme. Pursuant to the Share Option Scheme:

- (a) The total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 136,842,000 shares of HK\$0.10 each, representing 10% of the shares in issue of the Company as at 28 June 2005, being the date on which the shareholders approved the Share Option Scheme (the “**Share Option Mandate Limit**”).
- (b) The Share Option Mandate Limit may be renewed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of such Shareholders’ approval. For the avoidance of doubt, options previously granted under the Share Option Scheme and any other share option schemes of the Company will not be counted for the purpose of calculating the renewed Share Option Mandate Limit.
- (c) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time.

Since the adoption of the Share Option Scheme on 28 June 2005 and up to the Latest Practicable Date, the Company had granted options under the Share Option Scheme carrying rights to subscribe for 131,948,000 Shares, out of which:

- (i) options granted under the Share Option Scheme carrying rights to subscribe for 28,335,802 Shares had been lapsed;
- (ii) options granted under the Share Option Scheme carrying rights to subscribe for 436,416 Shares (representing approximately 0.03% of the issued share capital of the Company as at the Latest Practicable Date) had been exercised; and
- (iii) options granted under the Share Option Scheme carrying rights to subscribe for 103,175,782 Shares (representing approximately 6.61% of the issued share capital of the Company as at the Latest Practicable Date) remained outstanding.

The Company has not refreshed the Share Option Mandate Limit since the adoption of the Share Option Scheme on 28 June 2005.

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As at the Latest Practicable Date, the Company did not have any other share option scheme apart from the Share Option Scheme. Unless the Share Option Mandate Limit is refreshed, as at the Latest Practicable Date, only up to 33,229,802 Shares may be issued pursuant to the grant of further options under the Share Option Scheme. The Directors consider that it is in the interest of the Company to refresh the Share Option Mandate Limit so as to allow sufficient flexibility to grant options pursuant to the Share Option Scheme. This will enable the Company to provide incentives to, and recognize the contributions of the eligible persons under the Share Option Scheme.

On the basis of 1,561,641,144 Shares in issue as at the Latest Practicable Date and assuming that no further Share will be issued or repurchased by the Company prior to the Annual General Meeting, the Share Option Mandate Limit can be refreshed to 156,164,114 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date, so that the Company will be allowed to grant options carrying the rights to subscribe for a maximum of 156,164,114 Shares.

The refreshment of the Share Option Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to approve the refreshment of the Share Option Mandate Limit; and
- (b) the Stock Exchange granting the approval of the listing of and permission to deal in the Shares which may be issued and allotted upon the exercise of options to be granted under the refreshed Share Option Mandate Limit.

Resolution will be proposed at the Annual General Meeting to approve the refreshment of Share Option Mandate Limit. Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares which may be issued upon the exercise of options to be granted under the refreshed Share Option Mandate Limit.

Pursuant to the Listing Rules, Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options will be granted under any scheme of the Company if it will result in such 30% limit being exceeded.

5. Annual General Meeting

A notice convening the Annual General Meeting to be held at Ballroom, 3rd Floor, JW Marriott, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 10 June 2009 at 10:30 a.m. is set out on pages 15 to 19 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the grant of the Share Issue Mandate, the Extension Mandate, the Share Repurchase Mandate and the re-election of Directors.

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

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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 Rooms 1806-1807, 18th 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.

6. Recommendation

The Directors believe that the grant of the Share Issue Mandate, the Extension Mandate and the Share Repurchase Mandate and the re-election of Directors be proposed at the Annual General Meeting are in the best interests of the Company and the shareholders. Accordingly, the board of Directors recommends you to vote in favour of the resolutions in relation to the above proposals to be proposed at the Annual General Meeting.

7. Closure of Register of Members

The Register of Members will be closed from 5 June 2009 to 10 June 2009 (both days inclusive). In order to establish entitlements to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 4 June 2009.

8. Responsibility Statement

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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,
Niu Gensheng
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 1,561,641,144 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 156,164,114 Shares, representing ten per cent (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 Cayman Islands law 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. 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 Cayman Islands law, 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 2008. 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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2008		
April	25.10	20.30
May	26.30	23.50
June	25.60	21.00
July	26.00	20.30
August	24.30	20.90
September	25.10	6.82
October	9.30	6.00
November	7.76	6.01
December	11.06	7.24
2009		
January	11.10	9.60
February	11.66	9.00
March	11.30	9.00
April (up to and including the Latest Practicable Date)	14.66	10.42

(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 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 connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so 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 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.

On 24 July 2008, Xin Niu International Limited ("Xin Niu"), Yinniu Milk Industry Limited ("Yinniu"), Jinniu Milk Industry Limited ("Jinniu"), Niu Gensheng and a group of 21 individuals comprising Directors and management staff of the Group (the "**Management Shareholders**") (together, the "**Concert Parties**") entered into a concert party agreement (the "**Concert Party Agreement**") regarding their interest in the Company. The Concert Party Agreement constitutes an agreement under section 317 of the SFO and the aggregate number of shares under the Concert Party Agreement is 383,049,601, representing approximately 24.53% of the issued shares of the Company as at 31 December 2008. These shares are beneficially owned by Yinniu (as to 132,607,821 shares), Jinniu (as to 123,892,145 shares), Niu Gensheng (as to 68,781,022 shares) and Deng Jiuqiang (as to 2,753,636 shares), Yang Wenjun (as to 1,506,196 shares), Sun Yubin (as to 2,498,444 shares) Lu Jun (as to 1,134,104 shares), Sun Xianhong (as to 1,118,060 shares), Wang Fuzhu (as to 704,721 shares), Bai Jun (as to 570,542 shares), Bai Ying (as to 148,837 shares) Hou Jiangbin (as to 9,447,321 shares), Qiu Lianjun (as to 9,001,526 shares), Pang Kaitai (as to 2,232,558 shares), Chu Xiuli (as to 2,181,818 shares), Li Shurong (as to 2,029,598 shares), Liu Xiaoling (as to 2,029,598 shares), Wang Guisheng (as to 1,587,596 shares), Wang Ai Suo (as to 2,282,170 shares), Wang Jishan (as to 2,946,976 shares), Wang Jianbang (as to 676,533 shares), Jiang Hong (as to 507,399 shares), Zheng Wenping (as to 9,894,289 shares) and Ren Meicheng (as to 2,516,691 shares). If the Share Repurchase Mandate is fully exercised by the Company, it will increase the Concert Parties' percentage shareholding in the Company from 24.53% to 27.25%.

The Directors are not aware of any shareholder or group of shareholders acting in concert who will become obliged to make a mandatory offer as a result of a repurchase of the Shares.

(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. Yang Wenjun, Executive Director

Mr. Yang Wenjun, aged 42, is a Vice President of the Company, the Chief Executive Officer and one of the founders of Inner Mongolia Mengniu Dairy (Group) Company Limited (“Mengniu”). Prior to the appointment as Mengniu’s CEO, Mr. Yang was Mengniu’s Vice President and the general manager of the liquid milk division, and has solid dairy industry experience. Mr. Yang graduated from Inner Mongolia Light Industry Institute in dairy products and he also holds a Master’s degree in Business Administration from Barrington University. Mr. Yang was jointly elected as “2007 Person of the Year in China” by Global Sources and World Entrepreneur. Mr. Yang also received “Special Award of Corporate Culture Building” in 2007 Annual Conference of National Corporate Culture Building.

Pursuant to the service contract entered into between the Company and Mr. Yang on 21 July 2008, Mr. Yang was appointed as an executive director of the Company for a term of three years. The said service contract is terminable by either party by giving three months’ notice. Mr. Yang is entitled to receive emoluments of RMB30,000 per annum, together with an annual fixed sum bonus equal to one month of his average monthly salary and a discretionary bonus. His emoluments are determined with reference to his duties and responsibilities in the Group. Pursuant to the service contract, his salary will be reviewed by the remuneration committee of the Company.

Mr. Yang is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds no current and past directorships in listed companies other than the Company in the last three years.

As at the Latest Practicable Date, Mr. Yang is the beneficial owner of 1,506,196 Shares within the meaning of Part XV of the SFO, representing approximately 0.1% of the total issued share capital of the Company as at the Latest Practicable Date. Mr. Yang, being a party to the Concert Party Agreement, is also deemed to be interested in the 383,049,601 Shares under the Concert Party Agreement, representing an aggregate of approximately 24.53% of the total issued share capital of the Company as at the Latest Practicable Date within the meaning of Part XV of the SFO. Mr. Yang also holds 11,280,500 share options in the Company, representing 10.93% of the total outstanding share options of the Company, all of which remain to be exercised.

As at the Latest Practicable Date and within the meaning of Part XV of SFO, Mr. Yang also held 2,404,453 shares in Mengniu, representing approximately 0.3% of the total issued share capital of Mengniu.

Mr. Yao Tongshan, Executive Director

Mr. Yao Tongshan, aged 52, is the Chief Financial Officer of the Company. Mr. Yao joined Mengniu in October 2001. Mr. Yao graduated from Tianjin University with a Master's degree in Engineering. Mr. Yao served as a director of the international credit department at the Inner Mongolia branch of China Construction Bank, a manager of State Energy Resources Investment Company investment banking division and the Chief Financial Officer of Inner Mongolia Mengxi New Hi-tech Group. Mr. Yao has extensive experience in finance and investment management.

Pursuant to the service contract entered into between the Company and Mr. Yao on 21 July 2008, Mr. Yao was appointed as an executive director of the Company for a term of three years, subject to retirement by rotation and re-election at the Annual General Meeting. The said service contract is terminable by either party by giving three months' notice. Mr. Yao is entitled to receive emoluments of RMB30,000 per annum, together with an annual fixed sum bonus equal to one month of his average monthly salary and a discretionary bonus. His emoluments are determined with reference to his duties and responsibilities in the Group. Pursuant to the service contract, his salary will be reviewed by the remuneration committee of the Company.

Mr. Yao is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds no current and past directorships in listed companies other than the Company in the last three years.

As at the Latest Practicable Date, Mr. Yao holds 1,829,500 share options in the Company, representing 1.77% of the total outstanding share options of the Company, all of which remain to be exercised.

Mr. Bai Ying, Executive Director

Mr. Bai Ying, aged 38, is a Vice President of Mengniu and the general manager of UHT milk division. Mr. Bai joined Mengniu upon its establishment in 1999 and he possesses solid experience in China's dairy industry. Mr. Bai graduated from Inner Mongolia Agriculture University with a Master's degree. Mr. Bai was presented the "Outstanding Contribution Award for Development of Western Region of Inner Mongolia Autonomous Region" and was honored as one of the "Ten Outstanding Young Persons in Inner Monogolin" in 2004.

Pursuant to the service contract entered into between the Company and Mr. Bai on 21 July 2008, Mr. Bai was appointed as an executive director of the Company for a term of three years, subject to retirement by rotation and re-election at the Annual General Meeting. The said service contract is terminable by either party by giving three months' notice. Mr. Bai is entitled to receive emoluments of RMB30,000 per annum, together with an annual fixed sum bonus equal to one month of his average monthly salary and a discretionary bonus. His emoluments are determined with reference to his duties and responsibilities in the Group. Pursuant to the service contract, his salary will be reviewed by the remuneration committee of the Company.

As at the Latest Practicable Date, Mr. Bai is the beneficial owner of 148,837 Shares within the meaning of Part XV of the SFO, representing approximately 0.01% of the total issued share capital of the Company as at the Latest Practicable Date. Mr. Bai, being a party to the Concert Party Agreement, is also deemed to be interested in the 383,049,601 Shares under the Concert Party Agreement, representing an aggregate of approximately 24.53% of the total issued share capital of the Company as at the Latest Practicable Date within the meaning of Part XV of the SFO. Mr. Bai also holds 4,921,250 share options in the Company, representing 4.77% of the total outstanding share options of the Company, all of which remain to be exercised.

Mr. Bai is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds no current and past directorships in listed companies other than the Company in the last three years.

As at the Latest Practicable Date and within the meaning of Part XV of SFO, Mr. Bai also held 316,800 shares in Mengniu, representing approximately 0.04% of the total issued share capital of Mengniu.

Mr. Julian Juul Wolhardt, Non-Executive Director

Mr. Julian Juul Wolhardt, aged 35, joined the Group in January 2006. Mr. Wolhardt is currently a director of KKR Asia Limited focusing on private equity transactions in the Greater China region. Mr. Wolhardt is a CPA and CMA and received a B.S. with honors in Accounting from the University of Illinois (Urbana-Champaign).

Pursuant to the service contract entered into between the Company and Mr. Wolhardt on 21 July 2008, Mr. Wolhardt was appointed as a non-executive director of the Company for a term of three years. The said service contract is terminable by either party by giving three months' notice. Mr. Wolhardt is entitled to receive emoluments of RMB50,000 per annum, together with an annual fixed sum bonus equal to one month of his average monthly salary and a discretionary bonus. His emoluments are determined with reference to his duties and responsibilities in the Group. Pursuant to the service contract, his salary will be reviewed by the remuneration committee of the Company.

Mr. Wolhardt is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds no current and past directorships in listed companies other than the Company in the last three years.

As at the Latest Practicable Date, Mr. Wolhardt does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Zhang Julin, Independent Non-Executive Director

Mr. Zhang Julin, aged 65, is a professor of accounting. Mr. Zhang graduated from the Economics Department of Lanzhou University. Mr. Zhang served as an assistant dean to the Inner Mongolia Finance and Economics University. Mr. Zhang is currently a Vice Chairman of the Inner Mongolia Audit Society and an independent director for Inner Mongolia Lantai Industrial Co., Ltd. Mr. Zhang is also a member of the Chinese Institute of Certified Public Accounts. Mr. Zhang was appointed as an independent director for Mengniu on 18 October 2002 and became an independent director of the Company on 23 February 2004.

Pursuant to the letter of appointment entered into between the Company and Mr. Zhang on 21 July 2008, Mr. Zhang was appointed as an independent non-executive Director for a term of three years. He is entitled to receive emoluments of RMB50,000 per annum which is determined with reference to his duties and responsibilities in the Group.

Mr. Zhang is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds no current and past directorships in listed companies other than the Company in the last three years.

As at the Latest Practicable Date, Mr. Zhang does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Liu Fuchun, Independent Non-Executive Director

Mr. Liu Fuchun, aged 63, was a graduate of the Beijing Foreign Trade Institute and now a senior commerce specialist. Mr. Liu was the deputy consulate of the Chinese Consulate-General in Vancouver. He has also served various companies in the past, including serving as officer in the finance and business planning departments, and the general office of COFCO Limited; officer of COFCO's sales representative office in the US; deputy head and head of COFCO's cereals and oils department; and as general manager, executive director, deputy president and president of Top Glory (London) Ltd, which was based in United Kingdom. Currently, Mr. Liu is an independent non-executive director of DaChan Food (Asia) Limited, which is a listed company in Hong Kong and an independent director of China Aviation Oil (Singapore) Corporation Ltd., which is a listed company in Singapore.

Mr. Liu will enter into a letter of appointment with the Company for a term of three years, subject to retirement by rotation and re-election at the Annual General Meeting. Mr. Liu will be entitled to a director's fee of HK\$50,000 per annum, which is determined by reference to his duties and responsibilities in the Company.

Mr. Liu is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds no current and past directorships in listed companies other than the Company in the last three years.

As at the Latest Practicable Date, Mr. Liu does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Zhang Xiaoya, Independent Non-Executive Director

Mr. Zhang Xiaoya, aged 47, was a graduate of the Shandong University and the school of management at the Beihang University and is now a senior economist. Mr. Zhang has served various companies in the past including project manager of the Trust Investment Company for Development of Rural Villages in China; director and deputy general manager of Dalian Zhong Xing Industrial Company; and head of investment consulting department of Zhong Zhi Investment Consulting Company. Currently, Mr. Zhang is a director and the president of Airmedia which was listed on NASDAQ in the US in 2007. He is mainly engaged in feasibility study of construction projects, investment decisions consulting, verification of project assessments and planning of project finance proposals. Mr. Zhang is well versed in construction project investments, familiar with state policies relating to project finance, as well as domestic and foreign legal environment. He also has knowledge and practical experiences in industrial economy, feasibility study and project assessment, and the investment and financing of construction projects.

Mr. Zhang will enter into a letter of appointment with the Company for a term of three years, subject to retirement by rotation and re-election at the Annual General Meeting. Mr. Zhang will be entitled to a director's fee of HK\$50,000 per annum, which is determined by reference to his duties and responsibilities in the Company.

Mr. Zhang is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds no current and past directorships in listed companies other than the Company in the last three years.

As at the Latest Practicable Date, Mr. Zhang does not have any interest in the Shares within the meaning of Part XV of the SFO.

Each of Mr. Yang Wenjun, Mr. Yao Tongshan, Mr. Bai Ying, Mr. Julian Juul Wolhardt, Mr. Zhang Julin, Mr. Liu Fuchun and Mr. Zhang Xiaoya has confirmed that there are no other matters that need to be brought to the attention of the shareholders with their re-election and that no information needs to be disclosed under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.



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 of the shareholders of China Mengniu Dairy Company Limited (the “**Company**”) will be held at Ballroom, 3rd Floor, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on 10 June 2009 at 10:30 a.m. 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 2008.
2. To re-elect the following directors and authorise the board of directors of the Company to fix their remuneration;
 - (a) Yang Wenjun;
 - (b) Yao Tongshan;
 - (c) Bai Ying;
 - (d) Julian Juul Wolhardt;
 - (e) Zhang Julin;
 - (f) Liu Fuchun; and
 - (g) Zhang Xiaoya.
3. To re-appoint Ernst and Young as auditors of the Company and authorise the board of directors of the Company to fix their remuneration.

* *For identification purposes 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

4. **“THAT:**

(a) subject to paragraph (b) below, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as defined 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 4 set out in this notice of annual general meeting (**“Resolution 4”**) and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution 4:

“Relevant Period” means the period from the passing of this Resolution 4 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 any applicable law(s) to be held; or
- (iii) the revocation or variation of the authority given to the Directors under this Resolution 4 by the passing of an ordinary resolution by the shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

5. “**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 5**”) 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 5, 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 of 20 per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution 5, and the said approval shall be limited accordingly;
- (d) 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; or
- (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

“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).”

6. “**THAT** subject to the passing of Resolutions 4 and 5, the general mandate referred to in Resolution 5 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 an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to the general mandate referred to in Resolution 4 above provided that such amount shall not exceed ten per cent (10%) of the existing issued share capital of the Company at the date of passing this Resolution 6.”

7. “**THAT**
 - (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the shares in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the Share Option Mandate Limit (as defined below), the refreshment of the limit in respect of the granting of share options under the share option scheme of the Company adopted on 28 June 2005 (the “**Share Option Scheme**”) and all other share option scheme(s) up to 10 per cent of the number of shares in issue at the date of the passing of this resolution (the “**Share Option Mandate Limit**”) be and is hereby approved;

 - (b) any director of the Company be and is hereby authorized to do all such acts and execute all such documents to effect the Share Option Mandate Limit; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) the directors of the Company be and are hereby authorized, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Share Option Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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

Hong Kong, 30 April 2009

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 Rooms 1806-1807, 18th 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 will be closed from 5 June 2009 to 10 June 2009 (both days inclusive). In order to establish entitlements to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 4 June 2009.
- (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 2 above, Mr. Yang Wenjun, Mr. Julian Juul Wolhardt and Mr. Zhang Julin will retire by rotation and Mr. Yao Tongshan, Mr. Bai Ying, Mr. Liu Fuchun and Mr. Zhang Xiaoya will 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 30 April 2009.
- (5) With reference to Resolutions 4, 5 and 6 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.