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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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CHINA MENGNIU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2319)

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
APPOINTMENTS OF NON-EXECUTIVE DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of China Mengniu Dairy Company Limited to be held at Ballroom, 3rd Floor, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 August 2009 at 9:30 a.m. (the “EGM”) is set out on pages 10 to 11 of this circular.

Whether or not you are able to attend the EGM, 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 EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment meeting should you so wish.

* *For identification purposes only*

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DEFINITIONS

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

“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company
“Company”	China Mengniu Dairy Company Limited (中國蒙牛乳業有限公司*), an exempted company incorporated in Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Ballroom, 3rd Floor, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 August 2009 at 9:30 a.m. or any adjournment thereof, for the purpose of approving the Proposed Amendments and the Proposed Appointments, the notice of which is set out on pages 10 to 11 of this circular
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HOPU”	HOPU Investment Management Co., Ltd.
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Latest Practicable Date”	3 August 2009
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

* *For identification purposes only*

DEFINITIONS

“Proposed Amendments”	the amendments proposed to be made to the Articles as mentioned in this circular
“Proposed Appointments”	the proposed appointments of four non-executive Directors as mentioned in this circular
“Securities and Futures Ordinance”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	ordinary shares of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 5 July 2009 entered into by the Company, COFCO (Hong Kong) Limited and HOPU in relation to the subscription of 173,800,000 new Shares by a special purpose vehicle jointly controlled by COFCO (Hong Kong) Limited and HOPU

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. Zhang Julin*

Mr. Zhang Xiaoya*

Mr. Liu Fuchun*

Company Secretary:

Mr. Kwok Wai Cheong, Chris

Registered Office:

Maples Corporate Services

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Principal Place of Business

in Hong Kong:

Unit 1001, 10th Floor

Jubilee Centre

18 Fenwick Street

Wanchai

Hong Kong

[#] *Non-executive Director*

* *Independent Non-executive Director*

7 August 2009

To the shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
APPOINTMENTS OF NON-EXECUTIVE DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1 INTRODUCTION

The purpose of this circular is to provide you with information regarding, inter alia, the Proposed Amendments and the Proposed Appointments.

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LETTER FROM THE BOARD

Reference is also made to the announcement of the Company dated 6 July 2009 regarding, inter alia, the Subscription Agreement. The share subscription contemplated under the Subscription Agreement was completed on 27 July 2009, with Flowton Holdings Limited being the subscriber to the new Shares.

2 PROPOSED AMENDMENTS

The Board proposes to seek the approval of the Shareholders in respect of the Proposed Amendments by way of passing a special resolution to be proposed at the EGM.

Pursuant to the Subscription Agreement, the Company has agreed to convene the EGM after completion of the Subscription Agreement to increase the maximum number of the Board to at least 11. The Articles currently provide that the number of Directors be subject to a maximum of 10 Directors. The Company proposes to seek the approval of the Shareholders, by way of passing a special resolution to be proposed at the EGM, of the proposed amendments to the Articles, the effect of which are as follows:

- (a) the maximum cap of 10 Directors be removed; and
- (b) the minimum number of Directors on the Board be set at 5 Directors.

The Board proposes to make the following amendments to the Articles:

- (a) Article 94: By deleting the word “two” and inserting the word “five” after “shall not be less than” and deleting “and shall be no more than ten” such that Article 94 would be amended to “The number of Directors shall not be less than five”.
- (b) Article 115: by deleting the word “two” and inserting the word “five” after “shall not be less than” and deleting “and shall be no more than ten” such that the first sentence of Article 115 would be amended to “The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than five.”

3 PROPOSED APPOINTMENTS OF NON-EXECUTIVE DIRECTORS

Subject to the passing of the Proposed Amendments at the EGM, the Board also proposes the appointments of the following candidates as non-executive Directors, which have been considered and approved by the nomination committee of the Company:

- (a) Mr. Ning Gaoning (寧高寧)
- (b) Mr. Yu Xubo (于旭波)
- (c) Mr. Ma Jianping (馬建平)
- (d) Mr. Fang Fenglei (方風雷)

LETTER FROM THE BOARD

The Proposed Appointments, if approved by the Shareholders at the EGM, will take effect on the same day as the EGM and continue for a term of three years. The proposed non-executive Directors, if appointed, will be subject to rotation and be eligible for election in the general meeting of the Company pursuant to the requirements under the Articles.

Particulars of Directors proposed to be elected at the EGM are set out in Appendix to this circular.

4 EGM

The notice convening the EGM to be held at Ballroom, 3rd Floor, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 August 2009 at 9:30 a.m. is set out on pages 10 to 11 of this circular.

Enclosed with this circular is the form of proxy for use at the EGM. Such form is also available at the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18/F, 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 appointed for holding the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

Any vote in respect of the resolution to be put forward for consideration at the EGM will be taken by poll in accordance with Rule 13.39(4) of the Listing Rules.

5 RECOMMENDATION

The Directors believe that the Proposed Amendments and the Proposed Appointments are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

6 RESPONSIBILITY STATEMENT

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

Yours faithfully,
Niu Gensheng
Chief Executive Officer

Set out below are details of the Directors proposed to be elected at the EGM:

Ning Gaoning (寧高寧)

Mr. Ning, aged 50, is the chairman of COFCO Limited and COFCO (Hong Kong) Limited. Mr. Ning is also an executive director and chairman of China Foods Limited, a company listed in Hong Kong, a non-executive director and chairman of China Agri-Industries Holdings Limited, a company listed in Hong Kong, a non-executive director of Lippo China Resources Limited, a company listed in Hong Kong, an independent director of Hua Yuan Property Co. Ltd, a company listed in Shanghai, and a director of Smithfield Foods, Inc., a company listed in New York. Mr. Ning is also a director of BOC International Holdings Limited.

Before joining COFCO Limited, Mr. Ning held various positions such as vice-chairman, director and general manager of China Resources (Holdings) Company Limited. Mr. Ning has over 20 years of experience in corporate management, investment and corporate finance, business restructurings and governmental relations.

Mr. Ning graduated from Shandong University in China with a Bachelor's degree in Economics and from the University of Pittsburgh in the United States with a Master of Business Administration degree in Finance.

Mr. Ning will enter into a service contract with the Company for a term of three years, subject to retirement by rotation and election at the general meeting of the Company. Mr. Ning is entitled to a remuneration to be determined in accordance with the existing policies of the Company.

As at the Latest Practicable Date, Mr. Ning was not a connected person of or save as disclosed herein, related to any directors, senior management or substantial or controlling shareholders of the Company and he did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ning is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

Yu Xubo (于旭波)

Mr. Yu, aged 43, is currently the president of COFCO Limited and a director of COFCO (Hong Kong) Limited. He is also an executive director and the managing director of China Agri-Industries Holdings Limited, a company listed company in Hong Kong. Mr. Yu was an executive director of China Foods Limited, a company listed company in Hong Kong, from January 2006 to March 2007.

Mr. Yu holds a Bachelor's degree in Economics from the University of International Business and Economics in Beijing and an Executive Master of Business Administration degree from China Europe International Business School in Shanghai.

Mr. Yu will enter into a service contract with the Company for a term of three years, subject to retirement by rotation and election at the general meeting of the Company. Mr. Yu is entitled to a remuneration to be determined in accordance with the existing policies of the Company.

As at the Latest Practicable Date, Mr. Yu was not a connected person of or save as disclosed herein, related to any directors, senior management or substantial or controlling shareholders of the Company and he did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Yu is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

Ma Jianping (馬建平)

Mr. Ma, aged 45, is currently the director of the strategy department of COFCO Limited. He is also a non-executive director of China Foods Limited, a company listed in Hong Kong, and a director of COFCO Property (Group) Co., Ltd., a company listed in Shenzhen.

Mr. Ma graduated from University of International Business and Economics in Beijing with a degree of Executive Master of Business Administration. Mr. Ma has extensive experience in corporate finance, investment, strategic planning and management and worked in Japan for over 5 years.

Mr. Ma will enter into a service contract with the Company for a term of three years, subject to retirement by rotation and election at the general meeting of the Company. Mr. Ma is entitled to a remuneration to be determined in accordance with the existing policies of the Company.

As at the Latest Practicable Date, Mr. Ma was not a connected person of or save as disclosed herein, related to any directors, senior management or substantial or controlling shareholders of the Company and he did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ma is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

Fang Fenglei (方風雷)

Mr. Fang, aged 57, Chairman of HOPU Investment Management Co., Ltd. and Goldman Sachs Gaohua Securities Company Limited. Previously, Mr. Fang was a deputy CEO of China International Capital Corporation Limited and CEO of BOC International Holdings Limited and ICEA Finance Holdings Limited.

Mr. Fang holds a Bachelor's degree in Chinese language and literature from Sun Yat-sen University.

Mr. Fang will enter into a service contract with the Company for a term of three years, subject to retirement by rotation and election at the general meeting of the Company. Mr. Fang is entitled to a remuneration to be determined in accordance with the existing policies of the Company.

As at the Latest Practicable Date, save as disclosed herein, Mr. Fang was not related to any directors, senior management or substantial or controlling shareholders of the Company. Under Part XV of the Securities and Futures Ordinance, Mr. Fang was deemed to have an interest in any shares in the Company in which HOPU had an interest. As of the Latest Practicable Date, HOPU was interested in 347,600,000 shares in the Company, representing approximately 20.03% of the issued share capital of the Company. Mr. Fang is not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 Extraordinary 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 Thursday, 27 August 2009 at 9:30 a.m. for the following purposes:

SPECIAL RESOLUTION

1. **“THAT** the articles of association (the “**Articles**”) of the Company be and are hereby amended as follows:

“(a) Article 94: By deleting the word “two” and inserting the word “five” after “shall not be less than” and deleting “and shall be no more than ten” such that Article 94 would be amended to “The number of Directors shall not be less than five”.

(b) Article 115: by deleting the word “two” and inserting the word “five” after “shall not be less than” and deleting “and shall be no more than ten” such that the first sentence of Article 115 would be amended to “The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than five.”

and **THAT** any director of the Company be and is hereby authorized to take such further actions as he may in his sole and absolute discretion thinks fit for and on behalf of the Company to implement the aforesaid amendments to the existing Articles by the Company.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTIONS

2. Subject to the passing of Resolution 1 above, to elect the following directors for a fixed term of three years and authorize the board of directors of the Company to fix their remuneration:

(a) Mr. Ning Gaoning (寧高寧)

(b) Mr. Yu Xubo (于旭波)

(c) Mr. Ma Jianping (馬建平)

(d) Mr. Fang Fenglei (方風雷)

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

Hong Kong, 7 August 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 Extraordinary 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 25 August 2009 to 27 August 2009 (both days inclusive). In order to establish entitlements to attend and vote at the Extraordinary 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 24 August 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.