
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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CHINA MENGNIU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2319)

**GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
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, 9 June 2010 at 10:00 a.m. (the “**Annual General Meeting**”) is set out on pages 13 to 16 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 (*Chairman*)
Mr. Yang Wenjun (*Chief Executive Officer*)
Mr. Bai Ying
Mr. Wu Jingshui
Mr. Ding Sheng
Mr. Ning Gaoning[#]
Mr. Jiao Shuge[#] (alias Jiao Zhen)
Mr. Julian Juul Wolhardt[#]
Mr. Yu Xubo[#]
Mr. Ma Jianping[#]
Mr. Fang Fenglei[#]
Mr. Ma Wangjun[#]
Mr. Zhang Julin*
Mr. Liu Fuchun*
Mr. Zhang Xiaoya*

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

Company Secretary:

Mr. Kwok Wai Cheong, Chris

[#] *Non-executive Director*

* *Independent Non-executive Director*

30 April 2010

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
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; and
- (d) re-election of the relevant retiring directors of the Company.

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

At the last annual general meeting of the Company held on 10 June 2009, 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 27 April 2010, the latest practicable date prior to the printing of this circular (the “**Latest Practicable Date**”), 1,737,197,670 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 347,439,534 Shares.

Details of the Share Issue Mandate and the Extension Mandate are set out in resolutions 6 and 7 in the Notice of the Annual General Meeting set out on pages 13 to 16 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 (the “**Articles**”) or by any applicable law(s); and (c) the date on which the authority is revoked or varied by an ordinary resolution of the shareholders of the Company (the “**Shareholders**”).

LETTER FROM THE BOARD

2. General mandate to repurchase Shares

At the last annual general meeting of the Company held on 10 June 2009, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. An ordinary resolution will hence be proposed for the Shareholders to consider and, if thought fit, grant a general and unconditional mandate 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 173,719,767 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 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, one-third of the Directors shall retire from office by rotation. Niu Gensheng, Jiao Shuge, Julian Juul Wolhardt and Zhang Julin will retire from office as Directors by rotation and Wu Jingshui, Ding Sheng and Ma Wangjun will retire in accordance with the Articles 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. 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, 9 June 2010 at 10:00 a.m. is set out on pages 13 to 16 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.

LETTER FROM THE BOARD

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

A proxy form for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch Share Registrar, Computershare Hong Kong Investor Services Limited at 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.

5. 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 Directors recommend you to vote in favour of the resolutions in relation to the above proposals to be proposed at the Annual General Meeting.

6. Closure of Register of Members

The Register of Members will be closed from 4 June 2010 to 9 June 2010 (both days inclusive). In order to establish entitlements to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's 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 3 June 2010.

7. 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,
Yang Wenjun
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 1,737,197,670 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 173,719,767 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 2009. However, the Directors do not propose to exercise the Share Repurchase Mandate to the extent that the repurchase would, in the circumstances, have a material adverse effect on the working capital position of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

(F) SHARE PRICES

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

	Share Prices (per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
April	14.66	10.42
May	16.80	13.58
June	20.15	16.20
July	21.45	17.74
August	19.90	18.00
September	21.35	18.20
October	22.40	19.56
November	25.00	21.10
December	29.25	24.00
2010		
January	28.65	22.50
February	25.00	21.50
March	25.80	23.10
April (up to and including the Latest Practicable Date)	26.80	22.80

(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.

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. Niu Gensheng, Executive Director

Mr. Niu Gensheng, aged 51, an executive director and Chairman of the board of directors of the Company, is one of the founders and directors of 內蒙古蒙牛乳業(集團)股份有限公司 (Inner Mongolia Mengniu Dairy (Group) Company Limited) (“**IM Mengniu**”). Mr. Niu graduated from Inner Mongolia University with a degree in Administration and Management and obtained a Master’s degree in Enterprise Management at the Chinese Academy of Social Sciences Graduate School. With his extensive experience and insights in China’s dairy industry, Mr. Niu receives high reputation in the industry. In 2007, Mr. Niu was elected as one of “China’s Most Influential Business Leaders” for the fifth consecutive year and received the honor of the “2007 Hong Kong Bauhinia Awards”. Mr. Niu is devoted to charity and was ranked third in the “2007 Hurun Top 10 for Charity”. Mr. Niu currently serves as the Deputy Chairman of the Dairy Association of China, the China Dairy Industry Association and the Second China National Committee of International Dairy Federation. Mr. Niu is also an independent non-executive director of Alibaba.com Limited (a company listed on the Stock Exchange) and an independent director of Shanghai Metersbonwe Fashion & Accessories Co., Ltd., (a company listed on the Shenzhen Stock Exchange). Save as disclosed above, Mr. Niu does not currently hold, or has not held in the past three years, any directorships in any other listed companies.

Pursuant to the service contract entered into between the Company and Mr. Niu on 21 July 2008 (the “Existing Contract”), Mr. Niu was appointed as an executive director of the Company for a term of three years. The Existing Contract is terminable by either party by giving three months’ notice. Mr. Niu 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 Company and its subsidiaries (the “**Group**”). His salary is reviewed by the remuneration committee of the Company.

Reference is made to the announcement of the Company dated 27 April 2010 regarding the re-designation of Mr. Niu from an executive Director to a non-executive Director with effect from the date of Annual General Meeting. Mr. Niu will retire at the Annual General Meeting in accordance with the Articles and being eligible, offer himself for re-election. Subject to rotation and re-election at the Annual General Meeting, the Company and Mr. Niu will terminate the Existing Contract and enter into a new service contract for a term of three years, with terms similar to those pursuant to the Existing Contract. His emoluments as a non-executive Director will be determined with reference to his duties and responsibilities in the Group and his salary will be determined by the remuneration committee of the Company.

Mr. Niu is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Niu is the beneficial owner of 68,781,022 Shares within the meaning of Part XV of the SFO, representing approximately 3.96% of the total issued share capital of the Company as at the Latest Practicable Date. Mr. Niu, being a party to the Concert Party Agreement, is also deemed to be interested in the 263,533,393 Shares under the Concert Party Agreement, representing an aggregate of approximately 15.17% of the total issued share capital of the Company as at the Latest Practicable Date within the meaning of Part XV of the SFO.

As at the Latest Practicable Date and within the meaning of Part XV of SFO, Mr. Niu also held 21,111,225 shares in IM Mengniu, representing approximately 2.63% of the total issued share capital of IM Mengniu.

Mr. Wu Jingshui, Executive Director

Mr. Wu Jingshui, aged 44, is the Chief Financial Officer (the “CFO”) of the Company and a Vice President in the Finance Department of IM Mengniu. Mr. Wu graduated from Inner Mongolia Light Industry Institute majoring in financial accounting and holds a master degree of Inner Mongolia Agricultural University and a senior accountant qualification. Before being appointed as the Vice President in the Finance Department of IM Mengniu in April 2008, Mr. Wu had served as the CFO of the liquid milk division and the CFO of IM Mengniu for years. Mr. Wu has extensive experience in financial management.

As at the Latest Practicable Date, Mr. Wu has not entered into any service contract with the Company and he has been appointed for an initial period commencing from 1 March 2010 until the next general meeting of the Company, subject to retirement and re-election provisions in the Articles. Mr. Wu is entitled to remuneration to be determined in accordance with the existing policies of the Company.

Mr. Wu is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Wu does not currently hold, or has not held in the past three years, any directorships in listed companies other than the Company.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Wu holds 3,181,500 share options in the Company, representing 1.9% of the total outstanding share options and 0.2% of the issued share capital of the Company.

Mr. Ding Sheng, Executive Director

Mr. Ding Sheng, aged 42, is a Vice President and the general manager of the yogurt division of IM Mengniu. Mr. Ding joined IM Mengniu in 2003 and has solid dairy industry experience. Mr. Ding graduated from Nankai University with a Master’s degree in Business Administration. Mr. Ding was awarded as an “Outstanding Staff in the Dairy Industry in Inner Mongolia” in 2006.

As at the Latest Practicable Date, Mr. Ding has not entered into any service contract with the Company and he has been appointed for an initial period commencing from 1 March 2010 until the next general meeting of the Company, subject to retirement and re-election provisions in the Articles. Mr. Ding is entitled to remuneration to be determined in accordance with the existing policies of the Company.

Mr. Ding is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Ding does not currently hold, or has not held in the past three years, any directorships in listed companies other than the Company.

As at the Latest Practicable Date and within the meaning of Part XV of SFO, Mr. Ding holds 3,674,000 share options in the Company, representing 2.2% of the total outstanding share options and 0.2% of the issued share capital of the Company.

Mr. Jiao Shuge, Non-Executive Director

Mr. Jiao Shuge (alias Jiao Zhen), aged 44, is a Vice-Chairman of the Board. Mr. Jiao joined the Group in September 2002 and is currently the general manager of CDH China Fund, L.P. Mr. Jiao received a Bachelor's degree in Mathematics from Shandong University and a Master's degree in Engineering from the Ministry of Space Industry Institute. He is currently a non-executive director of China Yurun Food Group Limited and China Shanshui Cement Group Limited (both companies listed on the Stock Exchange) and a director of Joyoung Company Limited (a company listed on the Shenzhen Stock Exchange). Save as disclosed above, Mr. Jiao does not currently hold, or has not held in the past three years, any directorships in any other listed companies.

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

Mr. Jiao is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

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

Mr. Julian Juul Wolhardt, Non-Executive Director

Mr. Julian Juul Wolhardt, aged 36, 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 does not currently hold, or has not held in the past three years, any directorships in listed companies other than the Company.

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. Ma Wangjun, Non-Executive Director

Mr. Ma Wangjun, aged 45, is currently the director of the finance department of COFCO Corporation and a non-executive director of China Agri-Industries Holdings Limited (a company listed on the Stock Exchange). He has previously held other positions in COFCO Corporation, including those of deputy director of the finance department, general manager of asset management department and deputy general manager of finance and planning department. He was a director of COFCO Tunhe Co., Ltd. (a company listed on the Shanghai Stock Exchange) from July 2005 to January 2007. Save as disclosed above, Mr. Ma does not currently hold, or has not held in the past three years, any directorships in any other listed companies.

Mr. Ma holds a Bachelor's degree in Economics from Beijing Technology and Business University, and a degree in Executive Master of Business Administration from Cheung Kong Graduate School of Business.

As at the Latest Practicable Date, Mr. Ma has not entered into any service contract with the Company and he has been appointed for an initial period commencing from 1 March 2010 until the next general meeting of the Company, subject to retirement and re-election provisions in the Articles. Mr. Ma is entitled to remuneration to be determined in accordance with the existing policies of the Company.

Mr. Ma is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ma 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 66, 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 of Inner Mongolia Bao Tou Steel Union Co., Ltd. (a company listed on the Shanghai Stock Exchange). He was an independent director of Inner Mongolia Lantai Industrial Co., Ltd. (a company listed on the Shanghai Stock Exchange) from April 2002 to May 2009. Mr. Zhang is also a member of the Chinese Institute of Certified Public Accounts. Mr. Zhang was appointed as an independent director of IM Mengniu on 18 October 2002 and became an independent director of the Company on 23 February 2004. Save as disclosed above, Mr. Zhang does not currently hold, or has not held in the past three years, any directorships in any other listed companies.

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.

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. Niu Gensheng, Mr. Wu Jingshui, Mr. Ding Sheng, Mr. Jiao Shuge, Mr. Julian Juul Wolhardt, Mr. Ma Wangjun, and Mr. Zhang Julin has confirmed that there are no other matters that needs to be brought to the attention of the shareholders in relation to their re-election and that no other information needs to be disclosed under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.



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 Wednesday, 9 June 2010 at 10:00 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 2009.
2. To approve the proposed final dividend.
3. To re-elect the following directors and authorise the board of directors of the Company to fix their remuneration;
 - (a) Niu Gensheng;
 - (b) Wu Jingshui;
 - (c) Ding Sheng;
 - (d) Jiao Shuge;
 - (e) Julian Juul Wolhardt;
 - (f) Ma Wangjun; and
 - (g) Zhang Julin.
4. 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

5. “**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 5 set out in this notice of annual general meeting (“**Resolution 5**”) and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution 5:

“Relevant Period” means the period from the passing of this Resolution 5 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; 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 5 by the passing of an ordinary resolution by the shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT:**

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

“Relevant Period” means the period from the passing of this Resolution 6 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or by any applicable law(s) to be held; or
- (iii) the revocation or variation of the authority given to the Directors under this Resolution 6 by the passing of an ordinary resolution by the shareholders in general meeting.

“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

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by the Directors to the holders of the Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

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

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

Hong Kong, 30 April 2010

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 4 June 2010 to 9 June 2010 (both days inclusive). In order to establish entitlements to attend and vote at the Annual General Meeting and to the proposed final dividend, 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 3 June 2010.
- (3) Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at any meeting personally or by proxy, that the more senior shall alone be entitled to vote in respect of such Share and, for this purpose, seniority shall be determined by the order in which the names of the joint holders stand on the register of the relevant joint holding.
- (4) With reference to Resolution 3 above, Mr. Niu Gensheng, Mr. Jiao Shuge, Mr. Julian Juul Wolhardt and Mr. Zhang Julin will retire by rotation and Mr. Wu Jingshui, Mr. Ding Sheng and Mr. Ma Wangjun 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 2010.
- (5) With reference to Resolutions 5, 6 and 7 above, the Directors wish to state that they have no immediate plans to repurchase any existing Shares or to issue any new Shares or warrants pursuant to the relevant mandate.