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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)

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 Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Friday, 10 June 2011 at 10:00 a.m. (the “**Annual General Meeting**”) is set out on pages 12 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.

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. Yang Wenjun (*Chief Executive Officer*)
Mr. Bai Ying
Mr. Wu Jingshui
Mr. Ding Sheng
Mr. Niu Gensheng[#] (*Chairman*)
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*

27 April 2011

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 9 June 2010, 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 18 April 2011, the latest practicable date prior to the printing of this circular (the “**Latest Practicable Date**”), 1,740,940,683 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 348,188,136 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 12 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**”).

2. General mandate to repurchase Shares

At the last annual general meeting of the Company held on 9 June 2010, 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.

LETTER FROM THE BOARD

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 174,094,068 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. Yang Wenjun, Bai Ying, Fang Fenglei, Liu Fuchun and Zhang Xiaoya will retire from office as Directors by rotation 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 Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Friday, 10 June 2011 at 10:00 a.m. is set out on pages 12 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.

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.

LETTER FROM THE BOARD

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 7 June 2011 to 10 June 2011 (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 2011.

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 1,740,940,683 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 174,094,068 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 2010. 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 HK\$	Lowest HK\$
2010		
April	26.80	22.80
May	24.00	20.05
June	26.20	22.35
July	26.00	23.80
August	24.60	20.60
September	25.00	21.90
October	25.10	21.70
November	23.40	20.60
December	23.15	20.30
2011		
January	21.80	19.52
February	23.05	20.45
March	22.20	20.05
April (up to and including the Latest Practicable Date)	25.10	19.94

(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. Yang Wenjun, Executive Director

Mr. Yang Wenjun, aged 44, is the Chief Executive Officer (“CEO”) of the Company and Inner Mongolia Mengniu Dairy (Group) Company Limited (“Inner Mongolia Mengniu”) and one of the founders of Inner Mongolia Mengniu. Mr. Yang graduated from Inner Mongolia Light Industry Institute and holds a Master’s degree from Inner Mongolia Agricultural University. Mr. Yang has over 20 years of management experience in the large-scale dairy products industry and extensive experience in production management and sales and marketing of dairy products. Mr. Yang was elected as one of the “World Economy Top 10 Outstanding Chinese Professional Managers” by the Professional System Assessment Committee of the appraisal system of World Chinese Economy (WCE) at the Annual Conference for Investment and Financing in Asia Pacific in 2008, and as one of the “China’s Top 10 Celebrities for Industry Leaders” and “Tenth Session of Top 10 Celebrities for China’s Reform Programme” in 2010. Mr. Yang currently serves as the Deputy Chairman of the Dairy Association of China.

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 past 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 0.09% 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 144,056,371 Shares under the Concert Party Agreement, representing an aggregate of approximately 8.27% 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 15,600,000 share options in the Company, representing 10.07% of the total outstanding share options and 0.9% of the issued share capital of the Company.

As at the Latest Practicable Date and within the meaning of Part XV of SFO, Mr. Yang also held 4,510,460 shares in Inner Mongolia Mengniu, representing approximately 0.3% of the total issued share capital of Inner Mongolia Mengniu.

Mr. Bai Ying, Executive Director

Mr. Bai Ying, aged 40, is a Vice President in Operation of the Inner Mongolia Mengniu. Mr. Bai graduated with a Master's degree from Inner Mongolia Agricultural University and holds a Master of Business Administration degree from China Europe International Business School. Mr. Bai was the Vice President of Inner Mongolia Mengniu and the general manager of UHT milk division of Inner Mongolia Mengniu. He has been working in the dairy products industry for almost 20 years and has extensive experience and advanced management concepts in the dairy industry. In 2010, Mr. Bai was elected as "Advanced Staff of Hohhot" and "Inner Mongolia Autonomous Region Labour Model" for the second time.

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 144,056,371 Shares under the Concert Party Agreement, representing an aggregate of approximately 8.27% 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 6,924,250 share options in the Company, representing 4.47% of the total outstanding share options and 0.4% of the issued share capital of the Company.

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 past three years.

As at the Latest Practicable Date and within the meaning of Part XV of SFO, Mr. Bai also held 448,201 shares in Inner Mongolia Mengniu, representing approximately 0.03% of the total issued share capital of Inner Mongolia Mengniu.

Mr. Fang Fenglei, Non-Executive Director

Mr. Fang Fenglei, aged 59, is Chairman of HOPU Investment Management Co., Ltd. ("HOPU") and Chairman of Goldman Sachs Gaohua Securities Company Limited. Previously, Mr. Fang was a deputy CEO of China International Capital Corporation Limited, CEO of BOC International Holdings Limited and CEO of ICEA Finance Holdings Limited. He was an independent non-executive director of Central China Real Estate Limited, a company listed in Hong Kong, from January 2008 to December 2009. Mr. Fang holds a Bachelor of Arts degree from Sun Yat-sen University. Save as disclosed above, Mr. Fang 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. Fang on 27 August 2009, Mr. Fang 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. Fang is entitled to receive emoluments of RMB100,000 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. Fang is not related to any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, 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 19.97% of the issued share capital of the Company.

Mr. Liu Fuchun, Independent Non-Executive Director

Mr. Liu Fuchun, aged 65, was a graduate of the Beijing Foreign Trade Institute and now a senior commerce specialist. Mr. Liu was the deputy consul of the Chinese Consulate-General in Vancouver. He also worked at various companies in the past, including serving as an officer in the finance department, the business planning department, and the general office of COFCO Corporation. He was also an officer of COFCO Corporation's sales representative office in the US, the deputy director and director of COFCO Corporation's cereals and oils department and the general manager, executive director, deputy president and president of Top Glory (London) Ltd., which was based in the United Kingdom. Currently, Mr. Liu serves as an independent non-executive director of DaChan Food (Asia) Limited, a company listed in Hong Kong and an independent director of China Aviation Oil (Singapore) Corporation Ltd., a company listed in Singapore. Save as disclosed above, Mr. Liu 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. Liu on 10 June 2009, Mr. Liu was appointed as an independent non-executive Director of the Company for a term of three years. He is entitled to receive emoluments of RMB120,000 per annum which is determined with reference to his duties and responsibilities in the Group.

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

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 49, was a graduate of the Shandong University and the school of management at the Beihang University and is now a senior engineer. 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, the head of investment consulting department of Zhong Zhi Investment Consulting Company and a director and president of Airmedia which was listed on NASDAQ in the US. He was mainly engaged in feasibility study of construction projects, investment decisions consulting, verification of project assessments and planning of project finance proposals. 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 10 June 2009, Mr. Zhang was appointed as an independent non-executive Director of the Company for a term of three years. He is entitled to receive emoluments of RMB120,000 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. Yang Wenjun, Mr. Bai Ying, Mr. Fang Fenglei, Mr. Liu Fuchun and Mr. Zhang Xiaoya 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 Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Friday, 10 June 2011 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 2010.
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) Yang Wenjun;
 - (b) Bai Ying;
 - (c) Fang Fenglei;
 - (d) Liu Fuchun; and
 - (e) Zhang Xiaoya.
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

NOTICE OF ANNUAL GENERAL MEETING

- (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 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, 27 April 2011

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 7 June 2011 to 10 June 2011 (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 2011.

NOTICE OF ANNUAL GENERAL MEETING

- (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. Yang Wenjun, Mr. Bai Ying, Mr. Fang Fenglei, Mr. Liu Fuchun and Mr. Zhang Xiaoya 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 27 April 2011.
- (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.