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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

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

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*Huishan*

**CHINA HUIZHAN DAIRY HOLDINGS COMPANY LIMITED**

**中國輝山乳業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 06863)**

**PROPOSED GRANT OF GENERAL MANDATE  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at 9:30 a.m. at Gran Ville Room, Lower Lobby, Conrad Hotel, Pacific Place 88, Queensway, Hong Kong on Thursday, August 28, 2014 is set out on pages 16 to 20 of this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the annual general meeting to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

July 25, 2014

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 9:30 a.m at Gran Ville Room, Lower Lobby, Conrad Hotel, Pacific Place 88, Queensway, Hong Kong on Thursday, August 28, 2014, the notice of which is set out on pages 16 to 20 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company adopted pursuant to a special resolution on September 5, 2013
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday and Sunday) on which licensed banks are generally open for business in Hong Kong
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Huishan Dairy Holdings Company Limited 中國輝山乳業控股有限公司, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	July 21, 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase the Shares on the Stock Exchange the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital in issue as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission and as amended from time to time
“%”	per cent.

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LETTER FROM THE BOARD

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*Huishan*

**CHINA HUIZHAN DAIRY HOLDINGS COMPANY LIMITED**

**中國輝山乳業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 06863)**

*Executive Directors:*

Yang Kai  
Ge Kun  
So Wing Hoi  
Xu Guangyi  
Kwok Hok Yin

*Registered office:*

Floor 4, Willow House  
Cricket Square  
P.O. Box 2804  
Grand Cayman KY1-1112  
Cayman Islands

*Non-executive Directors:*

Cheng Chi Heng  
Li Kar Cheung

*Principal place of business  
in Hong Kong:*

Unit 02, 29th Floor  
Fast East Finance Centre  
No.16 Harcourt Road  
Hong Kong

*Independent Non-executive Directors:*

Francis Siu Wai Keung  
Song Kungang  
Gu Ruixia  
Tsui Kei Pang

July 25, 2014

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATE  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include ordinary resolutions relating to the grant of the Repurchase Mandate, the Issue Mandate and the Extension Mandate, the re-election of retiring Directors.

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## LETTER FROM THE BOARD

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### PROPOSED GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 14,407,788,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 2,881,557,600 Shares.

As at the Latest Practicable Date, the Listing Rules provide that, unless the Stock Exchange agrees otherwise, in the event the Issue Mandate is exercised and Shares are placed for cash consideration under the Issue Mandate, the issue price of the Shares may not be at a price which represents a discount of 20% or more to the benchmarked price of the Shares, such benchmarked price being the higher of:

- (i) the closing price of the Shares as quoted on the Stock Exchange on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the Issue Mandate; and
- (ii) the average closing price of the Shares as quoted on the Stock Exchange in the 5 trading days immediately prior to the earlier of:
  - (a) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of Shares under the Issue Mandate;
  - (b) the date of the placing agreement or other agreement involving the proposed issue of Shares under the Issue Mandate; and
  - (c) the date on which the placing or subscription price is fixed.

In terms of the price at which Shares may be issued at time of exercise of the Issue Mandate, the Company will comply with the then prevailing requirements under the Listing Rules.

### PROPOSED REPURCHASE MANDATE AND EXTENSION MANDATE

At the Annual General Meeting, an ordinary resolution will also be proposed to grant the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the nominal share capital of the Company in issue as at the date of passing of the relevant resolution. In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting to authorise the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate.

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## LETTER FROM THE BOARD

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The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

### RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, Mr. Yang Kai, Ms. Ge Kun, Mr. So Wing Hoi, Mr. Xu Guangyi and Mr. Kwok Hok Yin were the executive Directors, Mr. Cheng Chi Heng and Mr. Li Ka Cheung were the non-executive Directors and Mr. Francis Siu Wei Keung, Mr. Song Kungang, Mr. Gu Ruixia and Mr. Tsui Kei Pang were the independent non-executive Directors.

### PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Details of each of Mr. Yang Kai, Ms. Ge Kun, Mr. Xu Guangyi, being executive Directors and Mr. Cheng Chi Heng, being a non-executive Director, who are proposed to be re-elected at the Annual General Meeting pursuant to Article 104 of the Articles are set out in Appendix II of this circular.

### ANNUAL GENERAL MEETING

At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the Issue Mandate;
- (b) the grant of the Repurchase Mandate;
- (c) the grant of the Extension Mandate; and
- (d) the re-election of retiring Directors.

Set out on pages 16 to 20 to this circular is the notice convening the Annual General Meeting. A form of proxy for use by the Shareholders in respect of the Annual General Meeting is also enclosed. Whether or not the Shareholders are able to attend the Annual General Meeting, they are requested to complete the enclosed form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time

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## LETTER FROM THE BOARD

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appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Annual General Meeting should they wish to do so.

Pursuant to the Listing Rules, voting by poll is mandatory at all general meetings save for purely procedural or administrative matters. The chairman of the Annual General Meeting will request for voting by poll on all the proposed resolutions set out in the notice of the Annual General Meeting. The results of the poll will be published on the websites of the Company and the Stock Exchange on the day of the Annual General Meeting.

### **PAYMENT OF DIVIDENDS AND CLOSURE OF REGISTER OF MEMBERS**

On June 11, 2014, the Company made an announcement in relation to its audited financial results for the year ended March 31, 2014 whereby the Board has recommended a final cash dividend of RMB\$0.0216 per Share for the year ended March 31, 2014. Shareholders whose names appear on the Company's register of members on Friday, September 5, 2014, will qualify for the proposed final dividend. The Company's transfer books and register of members will be closed from Wednesday, September 3, 2014 to Friday, September 5, 2014 (both days inclusive) for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Tuesday, September 2, 2014. The proposed final dividend (the payment of which is subject to the Shareholders' approval at the Annual General Meeting) is to be payable on or about Tuesday, September 30, 2014 to Shareholders whose names appear on the register of members of the Company on Friday, September 5, 2014. The Shares will trade ex-dividend on Monday, September 1, 2014.

Shareholders whose names appear on the Company's register of members on Thursday, August 28, 2014, will be eligible to attend and vote at the Annual General Meeting. The transfer books and register of members will be closed from Tuesday, August 26, 2014 to Thursday, August 28, 2014, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of Shareholders who are entitled to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant Share certificates must be lodged with the Company's Hong Kong branch registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, August 25, 2014.

### **RECOMMENDATION**

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate, the Extension Mandate and the re-election of the retiring Directors, are in the interest of the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.



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## LETTER FROM THE BOARD

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The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company compared with that as at March 31, 2014, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing of the Company.

Accordingly, the Directors recommend Shareholders to vote in favour of the ordinary resolutions for approving the grant of the Issue Mandate, the Repurchase Mandate, the Extension Mandate and the re-election of the retiring Directors at the Annual General Meeting.

### **GENERAL**

Your attention is also drawn to the additional information set out in Appendix I (Explanatory statement) and Appendix II (Particulars of Directors subject to re-election) to this circular.

Yours faithfully  
For and on behalf of the Board  
**China Huishan Dairy Holdings Company Limited**  
**Yang Kai**  
*Chairman*

Hong Kong, July 25, 2014

*This Appendix I serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.*

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 14,407,788,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and prior to the Annual General Meeting, the Company will be allowed under Repurchase Mandate to repurchase a maximum of 1,440,778,800 Shares, which represents 10% of the entire issued share capital of the Company as at the Latest Practicable Date.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

## **4. FUNDING OF REPURCHASES**

In repurchasing the Company's securities, the Company may only apply funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it may have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at March 31, 2014, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

## 5. SHARE PRICES

The highest and lowest prices for the Shares having traded on the Stock Exchange since September 27, 2013, being the date on which dealings in Shares first commenced on the Stock Exchange, and up to the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
September 2013	2.62	2.41
October 2013	3.17	2.46
November 2013	3.24	2.81
December 2013	2.95	2.62
January 2014	2.90	2.46
February 2014	2.86	2.44
March 2014	2.70	2.01
April 2014	2.31	1.50
May 2014	2.03	1.74
June 2014	1.97	1.67
July 2014 (up to the Latest Practicable Date)	1.87	1.67

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Repurchase may also result in a company ceasing to meet its public float requirement under Rule 8.08 of the Listing Rules.

As at the Latest Practicable Date, Mr. Yang Kai (through his corporate interests) was interested in 7,386,138,388 Shares, representing approximately 51.26% of the issued share capital of the Company. Such 51.26% interest is held through (i) Champ Harvest Limited ("**Champ Harvest**") as to 6,639,011,388 Shares, representing approximately 46.08% of the issued share capital of the Company and (ii) Talent Pool Holdings Limited ("**Talent Pool**") as to 747,127,000 Shares, representing approximately 5.19% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full by the Company, Champ Harvest's percentage shareholding interest will be increased by more than 2% which, in itself, may trigger an obligation to make a general offer under the Takeovers Code. However, given that Mr. Yang's ultimate interests (including through Talent Pool) exceeds 50%, it is unlikely that such a general offer obligation would arise. The Directors have no present intention to repurchase Shares to such an extent as would result in takeover obligations or the number of Shares in the hands of public falling below the prescribed minimum percentage under Rule 8.08 of the Listing Rules.

**7. SHARE PURCHASE MADE BY THE COMPANY**

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

**8. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

**PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION AT THE ANNUAL GENERAL MEETING**

The particulars of Directors who are subject to re-election at the Annual General Meeting to act as a Director and which are required to be disclosed by the Listing Rules are set out below:

**(1) Yang Kai (楊凱) — Executive Director**

Mr. YANG Kai (楊凱) (“**Mr. Yang**”), aged 56, was appointed as Director on May 23, 2011 and re-designated as executive Director on September 5, 2013, and he is the Chairman of the Board and the Chief Executive Officer, who is principally responsible for the overall strategic planning and business development of our Group. In November 2002, Mr. Yang established Shenyang Longdi Foods Co., Ltd.\* (瀋陽隆迪食品有限公司), the name of which was changed to Liaoning Huishan Dairy on September 14, 2012, and he was a chairman and president of Shenyang Longdi Foods Co., Ltd. between 2002 and 2006. Mr. Yang has approximately 20 years of experience in the food and dairy industry. He worked as a vice chairman, director and general manager of Shenyang L&D Cereals & Foods Co., Ltd\* (瀋陽隆迪糧食製品有限公司) (formerly known as Shenyang Zhongcheng Food Supplies and Products Limited\* (瀋陽中成糧食製品有限公司)) between July 1992 and November 2002. Between June 2002 and January 2009, Mr. Yang served as a director and general manager of Shenyang Dairy Co., Ltd. Between January 2009 to February 2011, Mr. Yang served as the president of Liaoning Huishan Holdings (Group) Co., Ltd. (“**Liaoning Holdings**”). Mr. Yang received several awards and honorary titles since 1998, including the Certificate of the 6th session Outstanding Leading Cadre of Shenyang (第六屆瀋陽市優秀領導幹部證書), 2010 Headquarters Economy Sun Prize — Person of the Year Prize (2010年總部經濟太陽獎—年度人物獎), 2009 Top Ten People of Economy of Liaoning Province (2009年度遼寧十大經濟人物), the 1st session Outstanding Entrepreneur of Shenyang (瀋陽市第一屆傑出企業家), the 2nd session Pioneering Entrepreneur of Liaoning Province (遼寧省第二屆創業企業家), the National Advanced Worker in Quality Management of Township Enterprise (全國鄉鎮企業質量管理先進工作者), Model Worker of Shenyang (瀋陽市勞動模範), etc. Mr. Yang also held important positions in various organizations during such period, including vice chairman of the fifth session of China Dairy Industry Association (中國乳製品工業協會), vice chairman of Northeast Asia Economy and Culture Promotion Committee of Liaoning (遼寧東北亞經濟文化促進會), member of the Chinese National Committee of IDF (International Dairy Federation) (IDF中國國家委員會), executive member of the third session of executive committee of Shenyang People’s Association for Friendship with Foreign Countries (瀋陽市人民對外友好協會), representative of the 14th and 15th session of People’s Congress of Shenyang (瀋陽市第十四屆及第十五屆人民代表大會), member of the Economy Committee and Technology Committee of the 12th Committee of Shenyang’s Political Consultative Conference (政協瀋陽市第十二屆委員會經濟委及科技委), etc. Mr. Yang was awarded the qualification of the Chinese Senior Management of Chinese-foreign Equity Joint Ventures and Chinese-Foreign Contractual Joint Ventures (中外合資合作企業中方高級管理人員業務) from Shenyang Economy and Trading Committee (瀋陽市經濟貿易委員會) in March 2000, and served as a member of the 2nd session of the Council of Shandong University and visiting professor of Shenyang University respectively in 2010.

Mr. Yang entered into a service contract on September 12, 2013 with the Company for a term of three years commencing from September 27, 2013, which may be terminated by not less than three months' notice in writing served by either party to the other. Mr. Yang is not paid any director's fee or remuneration under the service contract but was paid an annual aggregate amount of RMB621,947 as an employee of the Group. Mr. Yang is entitled to a discretionary bonus to be determined by the Board (or the remuneration committee of the Company). Mr. Yang's emoluments are determined by the Board by reference to the prevailing market rates, the Company's remuneration policy, his duties and responsibilities within the Group and his contribution to the Group.

**(2) GE Kun (葛坤) — Executive Director**

Ms. GE Kun (葛坤) (“**Ms. Ge**”), aged 39, was appointed as Director on June 28, 2011 and re-designated as executive Director on September 5, 2013. Ms. Ge joined our Group in February 2011 as a vice president and was promoted to senior vice president in December 2012, she is principally responsible for the Group's sales and branding, human resources and government affairs. Ms. Ge has over 15 years of experience in the food and dairy industry. She joined Liaoning Holdings as vice president in January 2009. Prior to 2009, Ms. Ge served as secretary to general manager, deputy general manager and general manager in Shenyang L&D Cereals & Foods Co., Ltd (瀋陽隆迪糧食製品有限公司) between November 1996 and October 2002. In November 2002, Ms. Ge joined Shenyang Longdi Foods Co., Ltd.\* (瀋陽隆迪食品有限公司) as general manager and also served as a director. Ms. Ge was recognized as Pioneer Individual of Spark Scheme of Liaoning Province (遼寧省星火計劃先進個人) in 2003. In April 2012, Ms. Ge was awarded the honorary title of Model Worker of Shenyang (瀋陽市勞動模範). In January 2013, Ms. Ge was a representative of the 3rd session of People's Congress of Shenbei District, Shenyang (瀋陽市瀋北新區第三屆人民代表大會). Ms. Ge obtained a diploma of practical secretary in foreign affairs from Shenyang Television and Broadcasting University in July 1996 and a graduate certificate of self-study examination of Chinese language and literature from Liaoning University in December 1997.

Ms. Ge entered into a service contract on September 12, 2013 with the Company for a term of three years commencing from September 27, 2013, which may be terminated by not less than three months' notice in writing served by either party to the other. Ms. Ge is not paid any director's fee or remuneration under the service contract but was paid an annual aggregate amount of RMB808,247 as an employee of the Group. Ms. Ge is entitled to a discretionary bonus to be determined by the Board (or the remuneration committee of the Company). Ms. Ge's emoluments are determined by the Board by reference to the prevailing market rates, the Company's remuneration policy, her duties and responsibilities within the Group and her contribution to the Group.

**(3) XU Guangyi (徐廣義) — Executive Director**

Mr. XU Guangyi (徐廣義) (“**Mr. Xu**”), aged 37, was appointed as Director on June 28, 2011 and re-designated as executive Director on September 5, 2013. Mr. Xu joined our Group in February 2011 as a vice president and was promoted to senior vice president in December 2012 principally responsible for the dairy farming business, feeds plantation, feeds processing and project infrastructure management of our Group. Mr. Xu has approximately 15 years of experience in the food and dairy industry. He joined Liaoning Holdings in January 2009 as vice president. Prior to that, Mr. Xu served as the chief quality officer and vice general manager of Shenyang Dairy from April 2003 to January 2009. He also served as head of quality control department and assistant to vice general manager of Shenyang Longdi High-Tech Foodstuff Production Co., Ltd.\* (瀋陽隆迪高科技糧食製品股份有限公司) between October 1998 and October 2002, and served as inspector of Liaoning Huishan Dairy Group Co., Ltd. (“**Liaoning Huishan Dairy**”) for six months since November 2002. Mr. Xu also held prominent positions in various organizations, including vice chairman of Liaoning Dairy Association (遼寧省奶業協會), vice chairman of the 8th executive committee of Animal Infectious Diseases Branch of Liaoning Livestock veterinary Society (遼寧省畜牧獸醫學會畜禽傳染病學分會) and chairman of Dairy Products Branch of Shenyang Agricultural Industry Leading Enterprises Association (瀋陽市農業產業化龍頭企業協會乳品分會). Mr. Xu also received various awards including 2nd Prize for Science and Technology in Liaoning Province (遼寧省科學技術獎勵二等獎), 2nd Prize for Excellent New Product in Liaoning Province (遼寧省優秀新產品獎勵二等獎) and “Technology Tackling Prize” of Tackling the Important Technology Difficulties Activity in Shenyang (瀋陽市重大技術難題攻關活動「技術攻關優勝獎」). Mr. Xu was a representative of the 16th and 17th session of People’s Congress of Faku county, Shenyang city, Liaoning Province. Mr. Xu graduated from Nantong Medical College (南通醫學院) in July 1998 and obtained diploma of health inspection, and he obtained a master’s degree in business administration from Liaoning University in December 2011.

Mr. Xu entered into a service contract on September 12, 2013 with the Company for a term of three years commencing from September 27, 2013, which may be terminated by not less than three months’ notice in writing served by either party to the other. Mr. Xu is not paid any director’s fee or remuneration under the service contract but was paid an annual aggregate amount of RMB809,447 as an employee of the Group. Mr. Xu is entitled to a discretionary bonus to be determined by the Board (or the remuneration committee of the Company). Mr. Xu’s emoluments are determined by the Board by reference to the prevailing market rates, the Company’s remuneration policy, his duties and responsibilities within the Group and his contribution to the Group.

**(4) CHENG Chi Heng (鄭志恒) — Non-executive Director**

Mr. CHENG Chi Heng (鄭志恒) (“**Mr. Cheng**”), aged 36, was appointed as Director on September 30, 2011 and re-designated as non-executive Director on September 5, 2013. Mr. Cheng has been appointed as Director of the Company and several subsidiaries of our Group since September 2011. Mr. Cheng has been an executive director of Chow Tai Fook Jewellery Group Limited (stock code: 1929) since July 2011 and an executive director of New World Development

Company Limited (stock code: 17) since June 2010, both listed on the Stock Exchange. He also holds director positions at Well Ease Limited (our Substantial Shareholder upon Listing), Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited. He worked in Yu Ming Investment Management Limited from 1999 to 2000 as a corporate finance executive. Mr. Cheng obtained his Bachelor of Arts degree in Economics from The University of Western Ontario in June 1999.

Mr. Cheng entered into a service contract on September 12, 2013 with the Company for a term of three years commencing from September 27, 2013, which may be terminated by not less than three months' notice in writing served by either party to the other. Mr. Cheng is not paid any director's fee or remuneration under the service contract and did not receive any other emolument from the Group. Mr. Xu is not entitled to any discretionary bonus.

#### OTHER INFORMATION ABOUT THE DIRECTORS SUBJECT TO RE-ELECTION

Save as in our Group's business, none of the Mr. Yang, Ms. Ge, Mr. Xu or Mr. Cheng above have any interests in any business which competes or is likely to compete, either directly or indirectly, with our Group's business.

Save as disclosed herein, there are no other matters in respect of each of Mr. Yang, Ms. Ge, Mr. Xu or Mr. Cheng that is required to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules and there are no other material matters relating to the re-election of such Directors that need to be brought to the attention of our Shareholders.

As at the Latest Practicable Date, Mr. Cheng did not hold any interest in the shares of the Company within the meaning of Part XV of the SFO and each of Mr. Yang, Ms. Ge and Mr. Xu had the following interests in the shares of the Company within the meaning of Part XV of the SFO:

Name	Long/short position	Number of Shares	Percentage of the Company's issued Share capital
Yang Kai	Long position	7,386,138,388	51.26%
Ge Kun	Long position	7,386,138,388	51.26%
Xu Guangyi	Long position	101,250,000	0.70%

*Notes:*

- As at the Latest Practicable Date, Champ Harvest directly held 6,639,011,388 Shares. Mr. Yang Kai directly held 70% of the total issued share capital of Champ Harvest, and indirectly held 20% of the total issued share capital of Champ Harvest through King Pavilion Limited, a company wholly-owned by Mr. Yang Kai. Accordingly, Mr. Yang Kai is deemed to have interest in the 6,639,011,388 Shares held by Champ Harvest which is a substantial shareholder of our Company.



2. As at the Latest Practicable Date, Talent Pool directly held 747,127,000 Shares. Mr. Yang Kai indirectly held the entire issued share capital of Talent Pool through Mighty Global Limited, a company wholly-owned by Mr. Yang Kai. Accordingly, Mr. Yang Kai is deemed to have interest in the 747,127,000 Shares held by Talent Pool and the 6,639,011,388 Shares held by Champ Harvest.
3. As at the Latest Practicable Date, Ms. Ge Kun indirectly held 10% of the total issued share capital of Champ Harvest through Gain Excellence Limited, a company wholly-owned by Ms. Ge Kun. Ms. Ge Kun held the economic interest in such shares in Champ Harvest on Mr. Yang Kai's behalf. Ms. Ge Kun, being the concert party of Mr. Yang Kai, was deemed to have interest in 7,386,138,388 Shares which Mr. Yang Kai is deemed to have interest in.
4. Mr. Xu Guangyi was granted an aggregate of 101,250,000 share options on September 27, 2013. Upon exercise of the share options, Mr. Xu Guangyi will acquire an aggregate of 101,250,000 Shares.

\* *For identification purposes only*

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NOTICE OF ANNUAL GENERAL MEETING

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*Huishan*

**CHINA HUIZHAN DAIRY HOLDINGS COMPANY LIMITED**

**中國輝山乳業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 06863)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of China Huishan Dairy Holdings Company Limited (“**Company**”) will be held at 9:30 a.m at Gran Ville Room, Lower Lobby, Conrad Hotel, Pacific Place 88, Queensway, Hong Kong on Thursday, August 28, 2014 to consider and, if thought fit, transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements, the reports of the directors of the Company and the auditors of the Company for the year ended March 31, 2014;
2. to declare a final dividend for the year ended March 31, 2014 of RMB0.0216 per ordinary share;
3. to re-elect Mr. Yang Kai as a director of the Company;
4. to re-elect Ms. Ge Kun as a director of the Company;
5. to re-elect Mr. Xu Guangyi as a director of the Company;
6. to re-elect Mr. Cheng Chi Heng a director of the Company;
7. to authorise the board of the directors of the Company to fix the remuneration of the directors of the Company;
8. to re-appoint KPMG as the Company’s auditors and to authorise the board of directors of the Company to fix their remuneration;

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## NOTICE OF ANNUAL GENERAL MEETING

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and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

9. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the directors of China Huishan Dairy Holdings Company Limited (“**Company**”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares or any securities which are convertible into Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the expiry of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time, shall not exceed:
  - (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
  - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**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 of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

10. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of China Huishan Dairy Holdings Company Limited (“**Company**”) during the Relevant Period of all powers of the Company to purchase shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10% of the

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## NOTICE OF ANNUAL GENERAL MEETING

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aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

11. “**THAT** conditional on the passing of resolutions numbered 9 and 10 above, the general mandate granted to the directors of China Huishan Dairy Holdings Company Limited (“**Company**”) pursuant to paragraph (a) of resolution numbered 9 above be and is hereby extended by the addition to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 10 above.”

Yours faithfully

For and on behalf of the Board

**CHINA HUIZHAN DAIRY HOLDINGS COMPANY LIMITED**

**Yang Kai**

*Chairman*

Hong Kong, July 25, 2014

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the offices of the Company’s Hong Kong branch registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 48 hours before the time of the above meeting or any adjournment thereof.

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## NOTICE OF ANNUAL GENERAL MEETING

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3. The transfer books and register of members of the Company will be closed from Tuesday, August 26, 2014 to Thursday, August 28, 2014, both days inclusive, during which no transfer of share will be effected. In order to qualify for attending and voting at the annual general meeting, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch register in Hong Kong at the address stated in note 2 above not later than 4:30 p.m. on Monday, August 25, 2014 for registration.
4. In relation to proposed resolutions numbered 9 and 11 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The directors of the Company have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
5. In relation to proposed resolution numbered 10 above, the directors of the Company wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of which this notice of the Annual General Meeting forms part.
6. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto and if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
8. As of the date of this notice, the board of directors of the Company comprises Yang Kai, Ge Kun, So Wing Hoi, Xu Guangyi and Kwok Hok Yin, as executive Directors; Cheng Chi Heng and Li Kar Cheung, as non-executive Directors; Francis Siu Wai Keung, Song Kungang, Gu Ruixia and Tsui Kei Pang, as independent non-executive Directors.