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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 Huishan 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 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 9:00 a.m at the Harcourt Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 29 August 2016 is set out on pages 14 to 18 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.

28 July 2016

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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 9:00 a.m. at the Harcourt Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 29 August 2016, the notice of which is set out on pages 14 to 18 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company adopted pursuant to a special resolution on 5 September 2013
“close 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
“core 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 number of issued Shares as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	July 25, 2016, 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 number of which shall not exceed 10% of the number of issued Shares as at the date of passing the relevant resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“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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**中國輝山乳業控股有限公司**

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**(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 Director:*

Li Kar Cheung

*Principal place of business  
in Hong Kong:*

Unit 01, 19th Floor,  
Fast East Finance Centre  
No.16 Harcourt Road  
Hong Kong

*Independent Non-executive Directors:*

Kan Yu Leung Peter  
Song Kungang  
Gu Ruixia  
Tsui Kei Pang

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATE  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED RE-ELECTION OF 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, the Extension Mandate and the re-election of 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 number of issued Shares as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 13,476,487,000 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, repurchased or cancelled by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 2,695,297,400 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 number of issued Shares 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 DIRECTORS AND PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION**

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. Li Ka Cheung was the non-executive Director and Mr. Kan Yu Leung Peter, Mr. Song Kungang, Mr. Gu Ruixia and Mr. Tsui Kei Pang were the independent non-executive Directors.

Mr. Kan Yu Leung Peter, Mr. Song Kungang, Mr. Gu Ruixia and Mr. Tsui Kei Pang are subject to the rotation and retirement requirements under the Articles in the forthcoming Annual General Meeting. Each of Mr. Kan Yu Leung Peter, Mr. Song Kungang, Mr. Gu Ruixia and Mr. Tsui Kei Pang, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of Mr. Kan Yu Leung Peter, being an independent non-executive Director who is proposed to be re-elected at the Annual General Meeting pursuant to Article 99 (3) of the Articles and, Mr. Song Kungang, Mr. Gu Ruixia and Mr. Tsui Kei Pang, being independent non-executive Directors, 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 Directors.

Set out on pages 14 to 18 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

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## LETTER FROM THE BOARD

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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 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 29 June 2016, the Company made an announcement in relation to its audited financial results for the year ended 31 March 2016 whereby the Board has recommended a final cash dividend of RMB0.0125 per Share for the year ended 31 March 2016. Shareholders whose names appear on the Company's register of members on Tuesday, 6 September 2016, will qualify for the proposed final dividend. The Company's transfer books and register of members will be closed from Monday, 5 September 2016 to Tuesday, 6 September 2016 (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 Friday, 2 September 2016. 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 Friday, 30 September 2016 to Shareholders whose names appear on the register of members of the Company on Tuesday, 6 September 2016.

Shareholders whose names appear on the Company's register of members on Monday, 29 August 2016 will be eligible to attend and vote at the Annual General Meeting. The transfer books and register of members will be closed from Thursday, 25 August 2016 to Monday, 29 August 2016, 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 Wednesday, 24 August 2016.

### **RECOMMENDATION**

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



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## LETTER FROM THE BOARD

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

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 as a whole.

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 31 March 2016, being the date to which the Company's latest audited consolidated financial statements were made up. 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 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 28, 2016

*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 13,476,487,000 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, repurchased or cancelled after the Latest Practicable Date and prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 1,347,648,700 Shares, which represents 10% of the number of issued Shares 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 as a whole.

## **4. FUNDING OF REPURCHASES**

In repurchasing the Company's securities, the Company may only apply funds legally available for the proposed purchase 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 31 March 2016, being the date to which the Company's latest audited consolidated financial statements were made up. 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 Shares are trading on the Stock Exchange and the highest and lowest traded prices for Shares recorded on the Stock Exchange in each of the twelve months immediately preceding the Latest Practicable Date were as follows:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2015</b>		
July 2015	2.36	1.43
August 2015	2.90	2.30
September 2015	2.97	2.30
October 2015	3.00	2.77
November 2015	2.96	2.85
December 2015	2.97	2.83
<b>2016</b>		
January 2016	3.04	2.88
February 2016	3.00	2.89
March 2016	2.98	2.89
April 2016	2.99	2.88
May 2016	3.20	2.84
June 2016	3.23	3.04
July 2016 (up to the Latest Practicable Date)	3.19	3.01

## 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 Champ Harvest Limited (“**Champ Harvest**”), a company controlled by him, was interested in 9,809,192,316 Shares, representing approximately 72.80% of the issued share capital of the Company; Mr. Yang Kai was also directly interested in 124,093,000 Shares, representing approximately 0.92% of the issued share capital of the Company. Mr. Yang Kai (together with Champ Harvest and Ms. Ge Kun, an executive Director and party acting in concert with Mr. Yang Kai) was interested in 9,820,762,316 Shares in aggregate, representing approximately 73.72% of the total issued share capital of the Company. As at the Latest Practicable Date, the Directors are not aware of any circumstances which would give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code solely as a consequence of any repurchase made pursuant to the Repurchase Mandate. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in 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 has not made any repurchase of the Shares during the six months prior to the Latest Practicable Date.

## **8. GENERAL**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close 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.

None of the core connected persons of the Company has notified the Company that he has a present intention to sell any Shares to the Company or none of any such core 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) Kan Yu Leung Peter (簡裕良) — Independent Non-Executive Director**

Mr. Kan, aged 49, was appointed as an independent non-executive Director on 28 August 2015 and is the chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee and the Food Quality and Safety Advisory Committee. Mr. Kan graduated from the University of Birmingham in the UK in 1988 with a degree of Bachelor of Commerce (Accounting). Mr. Kan served in KPMG for approximately 26 years, where he provided professional services to clients in various sectors. Mr. Kan joined KPMG Birmingham in the UK in 1988 and was transferred to KPMG Hong Kong in 1992. He became a partner of KPMG Hong Kong in 2001. He was an audit partner in the Beijing office of KPMG China prior to his retirement in June 2014. He has extensive experience in providing audit service for PRC and overseas companies, including the initial public offerings of large state-owned and privately owned enterprises overseas. Mr. Kan is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Mr. Kan entered into a service contract on 28 August 2015 with the Company for a term of three years commencing from 28 August 2015 which may be terminated by not less than three months' notice in writing served by either party to the other. Under the service contract, Mr. Kan is entitled to a remuneration of RMB360,000 per annum which was determined by the Board with reference to his experience, duties, responsibilities and the prevailing market condition.

**(2) Song Kungang (宋昆岡) — Independent Non-Executive Director**

Mr. Song, aged 67, was appointed as an independent non-executive Director on September 5, 2013 and is the chairman of the Nomination Committee and a member of the Audit Committee and the Food Quality and Safety Advisory Committee. Mr. Song worked in the dairy industry for nearly 30 years and has extensive experience in drafting and formulating plans, projects, policies and regulations, standards and direction of the development of PRC dairy industry. Between August 1982 and October 1998, Mr. Song was a senior engineer of the former Food Industry Bureau of State Light Industry Ministry (國家輕工業部食品工業局), the former PRC Light Industry Association (中國輕工總會) and Food and Paper Manufacturing Department of State Light Industry Bureau (國家輕工業局食品造紙部), where he was mainly involved in production planning of the dairy products industry at the central government level. Since June 1995, he served as chairman of executive committee of China Dairy Industry Association (中國乳製品工業協會) from the first session to the fourth session consecutively, honorary chairman of the fifth session of executive committee, and vice president and president of the Chinese National Committee of International Dairy Federation (IDF). Since August 2011, Mr. Song has been serving as independent non-executive director of Henan Kedi Milk Industry Co., Ltd.\* (河南科迪乳業股份有

限公司)。Mr. Song was awarded the qualification of senior engineer from PRC Light Industry Association (中國輕工總會) in December 1993. He obtained a degree in livestock and agronomy from Beijing Agricultural University (now known as China Agricultural University) in July 1982.

Mr. Song entered into a service contract on 12 September 2013 with the Company for a term of three years commencing from 27 September 2013, which may be terminated by not less than three months' notice in writing served by either party to the other. Under the service contract, Mr. Song is entitled to a remuneration of RMB360,000 per annum which was determined by the Board with reference to his experience, duties, responsibilities and the prevailing market condition.

**(3) Gu Ruixia (顧瑞霞) — Independent Non-Executive Director**

Mr. Gu, aged 53, was appointed as an independent non-executive Director on 5 September 2013 and is a member of the Remuneration Committee, the Nomination Committee and the Food Quality and Safety Advisory Committee. Mr. Gu has been engaged in the dairy products business for approximately 20 years, where he has extensive experience. He served as head of factory of Jiangnong Biology Products Factory of Yangzhou University (揚州大學江農生物製品廠) since October 1994, and head of factory of Medicines and Health Products Factory of Yangzhou University (揚州大學醫藥保健品廠) between September 1995 and September 1996. Mr. Gu served as director of Dairy Products Research Institute of Yangzhou University (揚州大學乳品研究所) since September 2001. Since August 2003, Mr. Gu served as deputy director, professor and PhD supervisor of School of Food Science and Engineering of Yangzhou University (揚州大學食品科學與工程學院), director of Yangzhou Modern Dairy Processing Service Centre of Jiangsu (江蘇揚州現代乳業加工服務中心) and director of Jiangsu Province Dairy Products Biology Technology and Safety Control Key Laboratory (江蘇省乳品生物技術與安全控制重點實驗室). Mr. Gu obtained a bachelor's degree from the Jiangsu Agricultural School (江蘇農學院) in June 1987, and doctorate degree of science in food science from Northeast Agricultural University in January 2001.

Mr. Gu entered into a service contract on 12 September 2013 with the Company for a term of three years commencing from 27 September 2013, which may be terminated by not less than three months' notice in writing served by either party to the other. Under the service contract, Mr. Gu is entitled to a remuneration of RMB360,000 per annum which was determined by the Board with reference to his experience, duties, responsibilities and the prevailing market condition.

**(4) TSUI Kei Pang (徐奇鵬) — Independent Non-Executive Director**

Mr. TSUI, aged 55, was appointed as an independent non-executive Director on September 5, 2013 and is a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Food Quality and Safety Advisory Committee. Mr. Tsui is currently a partner of Messrs. Gallant Y.T. Ho & Co. and specializes in China business practices. Mr. Tsui has been an independent non-executive director of CIMC Enric Holdings Limited (stock code: 3899), a company listed on the Stock Exchange, since November 2009. He is also the vice chairman of the Greater China Legal Affairs Committee of The Law Society of Hong Kong, an honorary legal adviser of The Hong Kong Real Property Federation Limited and a member of China Committee of Hong Kong General Chamber of Commerce. He is a solicitor of Hong Kong, a solicitor of England

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**APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION**

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and Wales (non-practising), a China Appointed Attesting Officer and a Civil Celebrant of Marriages. Mr. Tsui obtained a bachelor degree in law (Honours) and a master degree in law from The University of Hong Kong in December 1990 and December 1997 respectively.

Mr. TSUI entered into a service contract on 12 September 2013 with the Company for a term of three years commencing from 27 September 2013, which may be terminated by not less than three months' notice in writing served by either party to the other. Under the service contract, Mr. TSUI is entitled to a remuneration of RMB360,000 per annum which was determined by the Board with reference to his experience, duties, responsibilities and the prevailing market condition.

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

Save as in our Group's business, none of Mr. Kan Yu Leung Peter, Mr. Song Kungang, Mr. Gu Ruixia and Mr. Tsui Kei Pang has 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. Kan Yu Leung Peter, Mr. Song Kungang, Mr. Gu Ruixia and Mr. Tsui Kei Pang 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. Kan Yu Leung Peter, Mr. Song Kungang, Mr. Gu Ruixia and Mr. Tsui Kei Pang did not hold any interest in the shares of the Company within the meaning of Part XV of the SFO.



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*(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 9:00 a.m. at Harcourt Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 29 August 2016 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 31 March 2016;
2. to declare a final dividend for the year ended 31 March 2016 of RMB0.0125 per ordinary share;
3. to re-elect Mr. Kan Yu Leung Peter as an independent non-executive director of the Company;
4. to re-elect Mr. Song Kungang as an independent non-executive director of the Company;
5. to re-elect Mr. Gu Ruixia as an independent non-executive director of the Company;
6. to re-elect Mr. Tsui Kei Pang as an independent non-executive 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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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 number of Shares 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 number of issued Shares 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 as stated in resolution numbered 11) the number of such securities of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the number of Shares issued 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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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until 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 (as defined in paragraph (c) below) 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;

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- (b) the aggregate number 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 number of the issued Shares 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 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 number of the shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to or in accordance with such general mandate of the number of the shares 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 Huishan Dairy Holdings Company Limited**  
**Yang Kai**  
*Chairman*

Hong Kong, 28 July 2016

*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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3. The transfer books and register of members of the Company will be closed from Thursday, 25 August 2016 to Monday, 29 August 2016, both days inclusive, during which no transfer of Shares 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 Wednesday, 24 August 2016 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; Li Kar Cheung as non-executive Director; Kan Yu Leung Peter, Song Kungang, Gu Ruixia and Tsui Kei Pang, as independent non-executive Directors.