

<b>THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION</b>
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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 a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Yashili International Holdings Ltd 雅士利國際控股有限公司, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**Yashili International Holdings Ltd**

**雅士利國際控股有限公司**

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

**(Stock Code: 1230)**

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES  
PROPOSED RE-APPOINTMENT OF AUDITORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of Yashili International Holdings Ltd 雅士利國際控股有限公司 to be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 2 June 2017 at 9:30 a.m. is set out on pages 17 to 21 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company ([www.yashili.hk](http://www.yashili.hk)).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. no later than 9:30 a.m. (Hong Kong time) on Wednesday, 31 May 2017) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

28 April 2017

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 2 June 2017 at 9:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 21 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Company”	Yashili International Holdings Ltd (雅士利國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board in this circular
“Latest Practicable Date”	21 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company currently in force
“Mengniu Dairy”	China Mengniu Dairy Company Limited, a company incorporated in the Cayman Islands with limited liability with its shares listed on the Main Board of the Stock Exchange (stock code: 2319)

## DEFINITIONS

“Mengniu Group”	Mengniu Dairy and its subsidiaries
“Mengniu International”	China Mengniu International Company Limited, a private company incorporated in the British Virgin Islands and a subsidiary of Mengniu Dairy. As of the Latest Practicable Date, it is a substantial shareholder of the Company, holding approximately 51.04% of the issued share capital of the Company
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China
“Prescribed Minimum Public Float Percentage”	the minimum prescribed public float percentage applicable to the Company, being 23.42% of the total issued share capital of the Company
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“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 capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Repurchase Mandate”	as defined in paragraph 3(a) of the Letter from the Board in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission as amended from time to time
“%”	per cent.



**Yashili International Holdings Ltd**

**雅士利國際控股有限公司**

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

**(Stock code: 1230)**

*Non-executive Directors:*

Mr. Jeffrey, Minfang Lu (盧敏放先生) (*Chairman*)

Mr. Qin Peng (秦鵬先生)

Mr. Zhang Ping (張平先生)

Mr. Huang Xiaojun (黃曉軍先生)

*Executive Directors:*

Mr. Chopin Zhang (張平先生)

Mr. Hua Li (華力先生)

*Independent non-executive Directors:*

Mr. Mok Wai Bun Ben (莫衛斌先生)

Mr. Cheng Shoutai (程守太先生)

Mr. Lee Kong Wai Conway (李港衛先生)

*Registered Office:*

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of  
business in the PRC:*

9/F., Nova Tower

No. 185 Yuexiu Road South

Yuexiu District, Guangzhou City

Guangdong Province, 510057

The People's Republic of China

*Principal place of business  
in Hong Kong:*

Suites 801-2, 8th Floor

COFCO Tower

262 Gloucester Road

Causeway Bay

Hong Kong

28 April 2017

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
PROPOSED GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE SHARES  
PROPOSED RE-APPOINTMENT OF AUDITORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

## LETTER FROM THE BOARD

### 1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting for (a) the re-election of the retiring Directors and the granting of the authority to the Board to fix the Directors' remuneration; (b) the granting to the Directors of the Share Repurchase Mandate and the Issuance Mandate to repurchase Shares and to issue Shares; and (c) the proposed re-appointment of auditors respectively.

### 2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprises: Mr. Jeffrey, Minfang Lu, Mr. Qin Peng, Mr. Zhang Ping and Mr. Huang Xiaojun as non-executive directors; Mr. Chopin Zhang and Mr. Hua Li as executive directors; Mr. Mok Wai Bun Ben, Mr. Cheng Shoutai and Mr. Lee Kong Wai Conway as independent non-executive directors.

Pursuant to Article 83(3) of the Articles of Association, Mr. Hua Li (appointed on 25 August 2016) and Mr. Chopin Zhang (appointed on 1 January 2017), shall hold office until the Annual General Meeting and shall be subject to re-election at the Annual General Meeting.

In addition, pursuant to Articles 84(1) and 84(2) of the Articles of Association, Mr. Zhang Ping, Mr. Mok Wai Bun Ben and Mr. Lee Kong Wai Conway shall retire by rotation at the Annual General Meeting.

All of the above retiring Directors are eligible and will offer themselves for re-election at the Annual General Meeting.

Biographical information of retiring Directors offering themselves for re-election at the Annual General Meeting is set out in Appendix I to this circular.

### 3. PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES

At the annual general meeting of the Company held on 3 June 2016, general mandates were granted to the Directors to repurchase and issue Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting for approval:

- (a) the granting of authority to the Directors to repurchase Shares on the Stock Exchange of up to a maximum of 474,556,029 Shares, being 10% of the total number of the issued share capital of the Company as at the date of passing of the proposed ordinary resolution contained in item 9 of the notice of the Annual General Meeting on the basis that no further Shares are issued or repurchased before the Annual General Meeting (the **"Share Repurchase Mandate"**);

## LETTER FROM THE BOARD

- (b) the granting of authority to the Directors to allot, issue and deal with additional Shares of up to a maximum of 949,112,059 Shares, being 20% of the total number of the issued share capital of the Company as at the date of passing of the proposed ordinary resolution contained in item 10 of the notice of the Annual General Meeting on the basis that no further Shares are issued or repurchased before the Annual General Meeting (the “**Issuance Mandate**”); and
- (c) the extension of the Issuance Mandate by adding the total number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate.

With reference to the Share Repurchase Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

#### 4. PROPOSED RE-APPOINTMENT OF AUDITORS

In accordance with Rule 13.88 of the Listing Rules, an ordinary resolution will be proposed at the Annual General Meeting to re-appoint Ernst & Young as the external auditors of the Company to hold office from the conclusion of the Annual General Meeting until the next annual general meeting and to authorize the Board to fix their remuneration for the year ending 31 December 2017.

#### 5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 17 to 21 of this circular.

Pursuant to the Listing Rules (except for procedural and administrative matters) and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company ([www.yashili.hk](http://www.yashili.hk)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. no later than 9:30 a.m. (Hong

## LETTER FROM THE BOARD

Kong time) on Wednesday, 31 May 2017) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting if you so wish.

### 6. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the granting of the authority to the Board to fix the Directors' remuneration, the granting of the Share Repurchase Mandate and Issuance Mandate and the proposed re-appointment of the auditors are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

For and on behalf of the Board

**Yashili International Holdings Ltd**

雅士利國際控股有限公司

**Jeffrey, Minfang Lu**

*Chairman*



*The following are details of the retiring Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.*

- (1) **Mr. Hua Li (華力先生)**, aged 40, was appointed as an executive director and the authorized representative of the Company on 25 August 2016. He is also a director for each of the following subsidiaries of the Company, namely Yashili International Ltd., Yashili International Group Limited, Newou Hong Kong International Co., Limited and Scient International Group Limited since 25 August 2016. With effect from 1 January 2017, he was appointed as the Chief Operating Officer of the Company. Mr. Hua received his Bachelor's degree from Sichuan Economic Management Institute (now renamed as Xihua University), majored in Marketing. From August 1997, he served as the manager of the Chengdu Branch of Shanghai McCormick Foods Co., Ltd.. From September 2002 to August 2004, he served as the manager of the marketing department of New Hope Dairy Holdings Co., Ltd., and was re-designated as the marketing director of Suzhou Tianxiang Dairy Co., Ltd. in August 2003. From August 2004 to January 2007, he served as the regional marketing manager of the liquid milk department and the national supervising manager of the marketing department of Inner Mongolia Yili Industrial Group Co., Ltd.. From January 2007 to October 2008, he served as the director of the marketing department of Suzhou Su Ayi Foods Co., Ltd.. From November 2008 to September 2013, he served as a deputy general manager of the milk powder business department of Yashili International Group Limited. From September 2013, he served as the general manager of the milk powder segment of China Mengniu Dairy Company Limited (i.e. Oushi Mengniu (Inner Mongolia) Dairy Products Co., Ltd. ("Oushi Mengniu")). From 1 January 2016, he has been serving as the general manager of the sales department of the Company as well as the general manager of the sales departments of Oushi Mengniu and Scient. He has been serving as the Vice President of the Company responsible for sales and marketing from 24 August 2016 till now.

As at the Latest Practicable Date, Mr. Hua did not have any interest in shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Hua does not have any relationship with other Directors, senior management, or substantial or controlling shareholders of the Company. Mr. Hua does not hold any directorship in the last three years in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Hua has not yet entered into a service contract with the Company. Mr. Hua is subject to retirement by rotation at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules and the Company's Articles of Association.

During the year ended 31 December 2016, Mr. Hua has received an annual directors' fee of RMB4,304,000 (including tax). The emoluments of Mr. Hua are determined by the Board with reference to his duties and responsibilities with the Company and are subject to review by the Remuneration Committee from time to time with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market condition.

Save as disclosed above, there is no other information of Mr. Hua that is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

- (2) **Mr. Chopin Zhang (張平先生)**, aged 52, was appointed as the Chief Executive Officer and an executive director of the Company on 1 January 2017. Mr. Zhang is also a director for each of the following subsidiaries of the Company, namely Yashili International Ltd., Yashili International Group Limited, Newou Hong Kong International Co., Limited, and Scient International Group Limited since 10 January 2017. Mr. Zhang has over 30 years' experience in production and supply chain management and has extensive management experience in the food and beverage industry. Mr. Zhang served as the chief executive officer of Food Union (China) Co., Ltd. from August 2015 to December 2016 and devoted to the establishment and development of Food Union's business in China. Food Union is a global manufacturer of dairy products and ice cream. Prior to joining Food Union, Mr. Zhang served as the operation director of Dumex Baby Food Co., Ltd. ("Dumex China") from March 2010 to July 2015 and was responsible for the operation, supply chain and procurement of Dumex China, and has made important contribution to the development of Dumex China's business. Prior to joining Dumex China, Mr. Zhang held positions in a number of famous multinational corporations, including serving as the supply chain director (Greater China) of Starbucks and the General Manager of Starbucks China Trading Company, and holding various positions with Owens Corning (a global leader in the development and production of construction materials and fiberglass composites), Nike (leading global sports brand), Johnson & Johnson (the world's leading manufacturer of medical devices, pharmaceutical and consumer healthcare products) and American Standard (the world's leading manufacturer of bath and kitchen products), specializing in production and supply chain consolidation and management. Mr. Zhang obtained his Bachelor's degree in mechanical engineering from Shanghai Medical Instruments College and his Master degree of Business Administration from Maastricht School of Management in the Netherlands.

As at the Latest Practicable Date, Mr. Zhang did not have any interest in shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Zhang does not have any relationship with other Directors, senior management, or substantial or controlling shareholders of the Company. Mr. Zhang does not hold any directorship in the last three years in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Zhang has not yet entered into a service contract with the Company. Mr. Zhang is subject to retirement by rotation at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules and the Company's Articles of Association. The Remuneration Committee recommended an annual basic fee of RMB2,380,000 (before tax) to Mr. Zhang for acting as the Chief Executive Officer. The emoluments of Mr. Zhang are determined by the Board with reference to his duties and responsibilities with the Company and are subject to review by the Remuneration Committee from time to time with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market condition.

Save as disclosed above, there is no other information of Mr. Zhang that is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

- (3) **Mr. Zhang Ping** (張平先生), aged 52, was appointed as a non-executive director of the Company and a member of the Audit Committee on 27 April 2015. He is also a director of Yashili International Group Limited, a subsidiary of the Company, since 27 April 2015. Mr. Zhang joined Mengniu Group in 2014 and is currently the Chief Financial Officer of Mengniu Dairy. He has over 24 years of experience in the industry of fast-moving consumer goods, specializing in the management of operation, finance and audit as well as risk control. Mr. Zhang successively worked as the manager of internal audit and system development, finance director in Swire Beverages Co., Ltd., general manager of its bottler manufacturing company and chief executive officer in Coca-Cola Bottler Manufacturing Holdings Limited. Mr. Zhang graduated from Beijing Information Science and Technology University with a Master degree in management engineering.

Mr. Zhang has also been a non-executive director of China Modern Dairy Holdings Ltd. (stock code: 1117) since 22 March 2016.

As at the Latest Practicable Date, Mr. Zhang did not have any interest in shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Zhang does not have any relationship with other Directors, senior management, or substantial or controlling shareholders of the Company. Save as disclosed above, Mr. Zhang did not hold any directorship in the last three years in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Zhang has entered into a service contract with the Company for an initial fixed term of three years commencing from 27 April 2015 and the service contract shall continue unless and until terminated by not less than three months' notice in writing served by either party to another. Mr. Zhang is also subject to retirement by rotation at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules and the

Company's Articles of Association. The Company will not pay any remuneration to Mr. Zhang during his appointment, but his remuneration is subject to annual review of the Remuneration Committee.

Save as disclosed above, there is no other information of Mr. Zhang that is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

- (4) **Mr. Mok Wai Bun Ben** (莫衛斌先生), aged 68, was appointed as an independent non-executive director of the Company, the chairman of the Remuneration Committee, and a member of each of the Nomination Committee and the Audit Committee on 15 November 2013. Mr. Mok was appointed as an executive director of Max Sun Enterprises Ltd. in Hong Kong since 2013 and served as a senior consultant for COFCO Coca-Cola Beverages Limited in 2012. Mr. Mok had served as a general manager of Beijing Coca-Cola Beverage Co., Ltd. from 2002 to 2011. From 1993 to 2001, he was a general manager of Hangzhou BC Foods Company Limited and Nanjing BC Foods Company Limited. Mr. Mok also served as the general manager of Swire Beverages Limited responsible for overseeing bottling plant of Swire Beverages Limited in China. Mr. Mok was awarded a Bachelor's degree of Economics from McGill University, Canada in 1975.

As at the Latest Practicable Date, Mr. Mok did not have any interest in shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Mok does not have any relationship with other Directors, senior management, or substantial or controlling shareholders of the Company. Saved as disclosed above, Mr. Mok does not hold any directorship in the last three years in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Mok has entered into a service contract with the Company for an initial fixed term of three years commencing from 15 November 2013 and the service contract shall continue unless and until terminated by not less than three months' notice in writing served by either party to another. Mr. Mok is also subject to retirement by rotation at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules and the Company's Articles of Association. Pursuant to his service contract with the Company, Mr. Mok is entitled to receive an annual directors' fee of RMB200,000 (including tax). The emoluments of Mr. Mok are determined by the Board with reference to his duties and responsibilities with the Company and are subject to review by the remuneration committee from time to time with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market condition.

Save as disclosed above, there is no other information of Mr. Mok that is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

- (5) **Mr. Lee Kong Wai Conway (李港衛先生)**, aged 62, was appointed as an independent non-executive director of the Company, the chairman of the Audit Committee and a member of the Remuneration Committee on 27 November 2013. Mr. Lee has over 30 years of experience in public accounting and auditing, corporate finance, merger and acquisition and initial public offerings. Mr. Lee served at Ernst & Young from September 1980 to September 2009. Mr. Lee was a partner of Ernst & Young and held key leadership positions in the development of Ernst & Young in China. Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Australia and New Zealand, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Certified Practising Accountants respectively. Since 2007, Mr. Lee has been a member of Chinese People's Political Consultative Conference of Hunan Province.

Mr. Lee is an independent non-executive director of Chaowei Power Holdings Limited (stock code: 951), China Modern Dairy Holdings Ltd. (stock code: 1117), China Greenland Rundong Auto Group Limited (stock code: 1365), GCL New Energy Holdings Limited (stock code: 451), GOME Electrical Appliances Holdings Limited (stock code: 493), NVC Lighting Holding Limited (stock code: 2222), Tibet Water Resources Ltd. (formerly known as Tibet 5100 Water Resources Holdings Ltd.) (stock code: 1115), West China Cement Limited (stock code: 2233) and WH Group Limited (stock code: 288) (the above companies are all listed on the Main Board of the Stock Exchange). From July 2014 to September 2015, Mr. Lee also served as a non-executive director of China Environmental Technology and Bioenergy Holdings Limited (formerly known as Merry Garden Holdings Limited) (a company listed on the Main Board of the Stock Exchange, stock code: 1237). From November 2011 to May 2016, Mr. Lee was also an independent non-executive director of CITIC Securities Company Limited (a company listed on the Stock Exchange (stock code: 6030) as well as the Shanghai Stock Exchange (stock code: 600030)). Mr. Lee was an independent non-executive director of China Taiping Insurance Holdings Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 966) from October 2009 to August 2013. Mr. Lee was an independent non-executive director of Sino Vanadium Inc. (a company which was delisted on the TSX Venture Exchange in December 2011, stock code: SVX) from September 2009 to December 2011.

Mr. Lee graduated from Kingston University (formerly known as Kingston Polytechnic) in London with a Bachelor's degree in Arts in July 1980 and further obtained his postgraduate diploma in business from Curtin University of Technology in Australia in February 1988.

As at the Latest Practicable Date, Mr. Lee did not have any interest in shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Lee does not have any relationship with other Directors, senior management, or substantial or controlling shareholders of the Company. Save as disclosed above, Mr. Lee does not hold any directorship in the last three years in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Lee has entered into a service contract with the Company for an initial fixed term of three years commencing from 27 November 2013 and the service contract shall continue unless and until terminated by not less than three months' notice in writing served by either party to another. Mr. Lee is also subject to retirement by rotation at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules and the Company's Articles of Association. Pursuant to his service contract with the Company, Mr. Lee is entitled to receive an annual directors' fee of RMB200,000 (including tax). The emoluments of Mr. Lee are determined by the Board with reference to his duties and responsibilities with the Company and are subject to review by the Remuneration Committee from time to time with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market condition.

Save as disclosed above, there is no other information of Mr. Lee which is discloseable pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, nor are there any other matters concerning that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,745,560,296 Shares.

Subject to the passing of the ordinary resolution set out in item 9 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a maximum of 474,556,029 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

### **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole.

Repurchases of Shares may, depending on the 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 a repurchase will benefit the Company and the Shareholders as a whole.

### **3. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of Cayman Islands and/or any other applicable laws, as the case may be.

### **4. IMPACT OF REPURCHASE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2016) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.



## 5. SHARE PRICES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

Month and Year	Highest HK\$	Lowest HK\$
April 2016	2.24	1.70
May 2016	1.94	1.63
June 2016	1.78	1.62
July 2016	1.76	1.65
August 2016	1.93	1.64
September 2016	1.88	1.67
October 2016	1.80	1.55
November 2016	1.65	1.51
December 2016	1.62	1.44
January 2017	1.66	1.40
February 2017	1.72	1.54
March 2017	1.60	1.47
April 2017 ( <i>up to the Latest Practicable Date</i> )	1.53	1.37

## 6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

## 7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under



the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the Shareholders who were interested in 10% or more of the issued share capital of the Company were as follows:

<b>Name of Shareholder</b>	<b>Note</b>	<b>Current percentage interest in the issued share capital of the Company</b>	<b>Percentage interest in the issued share capital of the Company in the event the Share Repurchase Mandate is exercised in full</b>	<b>Number of shares beneficially held</b>
Mengniu Dairy	1	51.04%	56.71%	2,422,150,437
Mengniu International	1	51.04%	56.71%	2,422,150,437
Danone Asia Baby Nutrition Pte. Ltd.	2	25.00%	27.78%	1,186,390,074
Danone Baby and Medical Holding	2	25.00%	27.78%	1,186,390,074
Danone Baby and Medical Nutrition BV	2	25.00%	27.78%	1,186,390,074
Danone SA	2	25.00%	27.78%	1,186,390,074
Nutricia International BV	2	25.00%	27.78%	1,186,390,074

*Notes:*

1. Mengniu Dairy is deemed interested in 2,422,150,437 Shares through its 99.95% owned subsidiary, Mengniu International.
2. Danone SA is the sole shareholder of Danone Baby and Medical Holding, which, in turn, is the sole shareholder of Danone Baby and Medical Nutrition BV, which, in turn, is the sole shareholder of Nutricia International BV, which, in turn, is the sole shareholder of Danone Asia Baby Nutrition Pte. Ltd. Danone Asia Baby Nutrition Pte. Ltd. directly held 1,186,390,074 Shares.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public Shareholders falling below the Prescribed Minimum Public Float percentage.

Save as disclosed above, the Directors are not aware of any consequences which the exercise in full of the Share Repurchase Mandate would have under the Takeovers Code.

**8. REPURCHASE OF SHARES BY THE COMPANY**

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

## NOTICE OF ANNUAL GENERAL MEETING



**Yashili International Holdings Ltd**

**雅士利國際控股有限公司**

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

**(Stock code: 1230)**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Yashili International Holdings Ltd 雅士利國際控股有限公司 (the “**Company**”) will be held at Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 2 June 2017 at 9:30 a.m for the following purposes:

As ordinary business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2016.
2. To re-elect Mr. Hua Li as an executive director.
3. To re-elect Mr. Chopin Zhang as an executive director.
4. To re-elect Mr. Zhang Ping as a non-executive director.
5. To re-elect Mr. Mok Wai Bun Ben as an independent non-executive director.
6. To re-elect Mr. Lee Kong Wai Conway as an independent non-executive director.
7. To authorize the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company.
8. To re-appoint Ernst & Young as auditors and to authorize the Board to fix their remuneration.
9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

## NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from 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 any applicable laws to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

(a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;

(b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

(i) a Rights Issue (as defined below);

(ii) the exercise of options under a share option scheme of the Company; and

## NOTICE OF ANNUAL GENERAL MEETING

- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from 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 any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

## NOTICE OF ANNUAL GENERAL MEETING

11. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 9 and 10 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 10 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 9 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

On behalf of the Board  
**Yashili International Holdings Ltd**  
雅士利國際控股有限公司  
**Jeffrey, Minfang Lu**  
Chairman

Hong Kong, 28 April 2017

*Notes:*

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Company's articles of association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (i.e. no later than 9:30 a.m. (Hong Kong time) on Wednesday, 31 May 2017) or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For the purpose of determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Friday, 26 May 2017 to Friday, 2 June 2017, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 25 May 2017.

## NOTICE OF ANNUAL GENERAL MEETING

In the event that the Annual General Meeting is adjourned to a date later than 2 June 2017 because of bad weather or other reasons, the book closure period and record date for determination of entitlement to attend and vote at the above meeting will remain the same as stated above.

### 5. Bad Weather Arrangements

If a tropical cyclone warning signal number 8 or above is hoisted or is expected to be hoisted or a black rainstorm warning signal is in force or expected to be in force in Hong Kong at any time between 7:30 a.m. to 9:30 a.m. on the date of the Annual General Meeting, the meeting will be automatically postponed to a later date. The Company will post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company to notify shareholders of the date, time and location of the rescheduled meeting.

The Annual General Meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force in Hong Kong. Shareholders should in any event exercise due care and caution when deciding to attend the meeting in adverse weather conditions.