

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

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult 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**

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 Salon 6, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 1 June 2018 at 9:00 a.m. is set out on pages 16 to 20 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 Annual General Meeting (i.e. no later than 9:00 a.m. (Hong Kong time) on Wednesday, 30 May 2018) or the adjourned meeting (as the case may be). 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.

20 April 2018

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
1. Introduction .....	5
2. Proposed Re-election of Retiring Directors .....	5
3. Proposed Granting of General Mandates to Repurchase Shares and Issue New Shares .....	5
4. Proposed Re-appointment of Auditors .....	6
5. Annual General Meeting and Proxy Arrangement .....	6
6. Responsibility Statement .....	7
7. Recommendation .....	7
<b>Appendix I — Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting</b> .....	8
<b>Appendix II — Explanatory Statement on the Share Repurchase Mandate</b> .....	12
<b>Notice of Annual General Meeting</b> .....	16

*This circular is prepared in both English and Chinese.*

*In the event of inconsistency, the English text of this circular will prevail.*

## 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 Salon 6, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 1 June 2018 at 9:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 16 to 20 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”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares 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 as set out on pages 16 to 20 of this circular
“Latest Practicable Date”	13 April 2018, 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

## DEFINITIONS

“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)
“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”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 8 of the notice of the Annual General Meeting as set out on pages 16 to 20 of this circular

## DEFINITIONS

“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)  
Ms. Lam Pik Po (林碧寶女士)

*Executive Director:*

Mr. Chopin Zhang (張平先生)

*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:*

Room A, 32nd Floor  
COFCO Tower  
262 Gloucester Road  
Causeway Bay  
Hong Kong

20 April 2018

*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 to be held on Friday, 1 June 2018 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 Ms. Lam Pik Po as non-executive directors; Mr. Chopin Zhang as executive director; 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, Ms. Lam Pik Po (appointed on 5 June 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. Jeffrey, Minfang Lu, Mr. Qin Peng and Mr. Cheng Shoutai 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 2 June 2017, 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 8 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 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 “**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 2018.

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

The notice of the Annual General Meeting is set out on pages 16 to 20 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 the Annual General Meeting (i.e. no later than 9:00 a.m. (Hong Kong time)).

## LETTER FROM THE BOARD

on Wednesday, 30 May 2018) or the adjourned meeting (as the case may be). 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. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 7. 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. Jeffrey, Minfang Lu (盧敏放先生)**, aged 49, was appointed as the Chairman of the Board, the Chairman of the Nomination Committee of the Board and a member of the Remuneration Committee of the Board, and was redesignated as a non-executive director of the Company on 15 September 2016. Mr. Lu was 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 from 27 April 2015 to 9 January 2017. Mr. Lu is currently an executive director and the Chief Executive Officer of Mengniu Dairy (a company listed on the Main Board of the Stock Exchange, stock code: 2319 and a controlling shareholder of the Company) as well as a non-executive director of China Modern Dairy Holdings Ltd. (a company listed on the Main Board of the Stock Exchange, stock code: 1117). Mr. Lu was the Vice President (Greater China) of Danone Early Life Nutrition Greater China and had been with the Danone Group and Dumex Baby Food Co., Ltd. for over 10 years. During the tenure at the Danone Group, he demonstrated strong strategic business and market planning capabilities. With strong leadership, management skills and in-depth knowledge of markets, Mr. Lu contributed significantly to the success of the Danone Group's baby nutrition business in China. Prior to joining the Danone Group, Mr. Lu spent 9 years with Johnson & Johnson (China) Company Limited and almost 4 years with General Electric Company (China). Mr. Lu has over 18 years of experience in sales and marketing and has been serving in general manager or executive level roles for over 8 years. He has extensive experience in the management of fast-moving consumer products and dairy companies and has an excellent grasp and the in-depth knowledge of the PRC market. Mr. Lu obtained his Bachelor's degree from Shanghai Fudan University.

As at the Latest Practicable Date, Mr. Lu had interest of 1,029,100 shares or underlying shares in Mengniu Dairy (an associated corporation of the Company) within the meaning of Part XV of the SFO.

Mr. Lu does not have any relationship with other Directors, senior management, or substantial or controlling shareholders of the Company. Save as disclosed above, Mr. Lu 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. Lu has executed a service contract as an executive director 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. Following his redesignation as a non-executive director of the Company, Mr. Lu had not entered into a new director's service contract with the Company and the existing contract between the Company and Mr. Lu shall continue to be effective. Mr. Lu 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. Lu during his appointment, but his remuneration is subject to annual review by the Remuneration Committee.

Save as disclosed above, there is no other information of Mr. Lu 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. Qin Peng (秦鵬先生)**, aged 62, was appointed as a non-executive director of the Company and a member of the Remuneration Committee on 27 April 2015 and 5 June 2015 respectively. Mr. Qin has been appointed as the Chairman of China division of the Danone Group since 2007, and has a deep knowledge and understanding of international and Chinese business and culture. Mr. Qin joined the Danone Group in 1983. Mr. Qin was appointed as the vice president of the China Operation division of the Danone Group from 1997 to 2006 and as the vice president of the Corporate Development division of the Danone Group in Asia Pacific from 1995 to 1996. Mr. Qin served as the general manager of Amoy Foods Limited in Hong Kong from 1991 to 1994 and as the general manager of Guangzhou Danone Yoghurt Company Limited from 1988 to 1990. Mr. Qin was engaged in Danone's marketing and sales operations in France when he joined the Danone Group and has moved to Asia since 1988. Mr. Qin graduated from the Rene Descartes University with a bachelor's degree and from the Paris Institute of Political Sciences with a master degree.

As at the Latest Practicable Date, Mr. Qin 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. Qin does not have any relationship with other Directors, senior management, or substantial or controlling shareholders of the Company. Save as disclosed above, Mr. Qin 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. Qin has executed a service contract as a non-executive director 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. Qin 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. Qin during his appointment, but his remuneration is subject to annual review by the Remuneration Committee.

Save as disclosed above, there is no other information of Mr. Qin 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) **Ms. Lam Pik Po** (林碧寶女士), aged 51, was appointed as a non-executive director of the Company on 5 June 2017. Ms. Lam received her Bachelor of Accounting degree from the City University of Hong Kong and a Master of Business Administration degree from University of Portland in the United States. Ms. Lam has served in the Greater China Region of PepsiCo Inc. since August 1994 and has held various positions including business development director, marketing director and general manager until August 2008. Since September 2008, Ms. Lam served as the area vice president of PepsiCo China Beverages (Southern Region). Since July 2011, Ms. Lam served as the president of PepsiCo Food China. Since September 2013, Ms. Lam served as the Chairman of PepsiCo Greater China Region. Ms. Lam joined the Danone Group in January 2017 as the president of Greater China Region of the early life nutrition business department.

As at the Latest Practicable Date, Ms. Lam 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.

Ms. Lam does not have any relationship with other Directors, senior management, or substantial or controlling shareholders of the Company. Save as disclosed above, Ms. Lam 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.

Ms. Lam has executed an appointment letter as a non-executive director with the Company for an initial fixed term of three years commencing from 5 June 2017 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. Ms. Lam 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 Ms. Lam during her appointment, but her remuneration is subject to annual review by the Remuneration Committee.

Save as disclosed above, there is no other information of Ms. Lam 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. Cheng Shoutai** (程守太先生), aged 51, was appointed as an independent non-executive director of the Company, and a member of each of the Remuneration Committee and the Nomination Committee on 15 November 2013. Mr. Cheng is a qualified lawyer of the People's Republic of China, the chief partner and director of Tahota Law Firm, a law firm based in China. Mr. Cheng also serves as a director of the All China Lawyers Association (中華全國律師協會理事), an arbitrator of the China International Economic and Trade Arbitration Commission (CIETAC) (中國國際經濟貿易仲裁委員會仲裁員), the president of Sichuan Province Lawyers Association (四川省律師協會會長) and a legal advisor of the People's Government of Sichuan Province. Mr. Cheng holds a Doctorate's degree in civil and commercial law from Southwestern University of Finance and Economics. Mr. Cheng is

honored with the titles of “Model Worker in the Judicial Administration System in Countrywide (全國司法行政系統勞動模範)”, National Outstanding Lawyer, Chambers Asia-Pacific Asia’s Leading Lawyer for Business (錢伯斯亞太地區傑出商務律師) and China Top Ten Influential Lawyers of Asia Legal Business (ALB) (亞洲法律雜誌). He has been nominated for the Best Managing Partners of the Year of ALB for two times and was one of the Fangyuan Top Ten Elite Lawyers of the Year as well as the First Session of Top Ten Outstanding Lawyers Graduated from Southwest University of Political Science and Law.

As at the Latest Practicable Date, Mr. Cheng 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. Cheng does not have any relationship with other Directors, senior management, or substantial or controlling shareholders of the Company. Saved as disclosed above, Mr. Cheng 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. Cheng has executed a service contract as an independent non-executive director 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. Cheng 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. Cheng is entitled to receive an annual directors’ fee of RMB200,000 (including tax). The emoluments of Mr. Cheng 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. Cheng 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.

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 8 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 2017) 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:

<b>Month and Year</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
April 2017	1.53	1.34
May 2017	1.45	1.29
June 2017	1.57	1.36
July 2017	1.51	1.39
August 2017	1.62	1.28
September 2017	1.66	1.44
October 2017	1.86	1.62
November 2017	1.75	1.48
December 2017	1.59	1.43
January 2018	1.59	1.41
February 2018	1.55	1.19
March 2018	1.89	1.32
April 2018 ( <i>up to the Latest Practicable Date</i> )	1.96	1.77

**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:

Name of Shareholder	Notes	Current percentage interest in the issued share capital of the Company	Percentage interest in the issued share capital of the Company in the event the Share Repurchase Mandate is exercised in full	Number of shares beneficially held
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. ("Danone Asia")	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 held 100% interest in Danone Baby and Medical Holding. Danone Baby and Medical Holding held 100% interest in Danone Baby and Medical Nutrition BV. Danone Baby and Medical Nutrition BV held 100% interest in Nutricia International BV. Nutricia International BV held 100% interest in Danone Asia and Danone Asia directly held the relevant 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.



**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 Salon 6, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 1 June 2018 at 9:00 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 2017.
2. To re-elect Mr. Jeffrey, Minfang Lu as a non-executive director.
3. To re-elect Mr. Qin Peng as a non-executive director.
4. To re-elect Ms. Lam Pik Po as a non-executive director.
5. To re-elect Mr. Cheng Shoutai as an independent non-executive director.
6. To authorize the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company.
7. To re-appoint Ernst & Young as auditors and to authorize the Board to fix their remuneration.
8. 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.”

9. 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

10. 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 8 and 9 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 9 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 8 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, 20 April 2018

*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 above meeting (i.e. no later than 9:00 a.m. (Hong Kong time) on Wednesday, 30 May 2018) or the adjourned meeting (as the case may be). 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 Monday, 28 May 2018 to Friday, 1 June 2018, 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 Friday, 25 May 2018.

## NOTICE OF ANNUAL GENERAL MEETING

In the event that the Annual General Meeting is adjourned to a date later than 1 June 2018 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. In relation to the proposed Resolution no. 7 above, the Board concurs with the views of the audit committee of the Board and has recommended that Ernst & Young be re-appointed as auditors of the Company.
6. A circular containing further details concerning Resolution nos. 2 to 6 and Resolution nos. 8 to 10 set out in this notice will be despatched to the shareholders of the Company together with the 2017 Annual Report.
7. 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 7:00 a.m. to 9:00 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.