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If you are in doubt as to any content of this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Youran Dairy Group Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9858)

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES;
PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
PROPOSED RE-APPOINTMENT OF AUDITORS;
AND
NOTICE OF AGM**

Capitalized terms used in this cover page shall have the same meanings as those defined in this circular.

A notice convening the AGM of China Youran Dairy Group Limited to be held at No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia, China on Monday, May 20, 2024, at 10:00 a.m. is set out on pages 16 to 20 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also set out on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yourandairy.com). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

April 26, 2024

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia, China at 10:00 a.m. on Monday, May 20, 2024, or any adjournment thereof and notice of which is set out on pages 16 to 20 of this circular
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Company”	China Youran Dairy Group Limited (中國優然牧業集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on August 21, 2020, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 9858)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and/or deal with Shares (including any sale or transfer of Shares out of treasury that are held as treasury Shares) not exceeding 20% of the total number of issued Shares (excluding any treasury Shares) as at the date of passing of the relevant resolution granting the General Mandate

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Inner Mongolia Youran”	Inner Mongolia Youran Dairy Co., Ltd. (內蒙古優然牧業有限責任公司), a company established under the laws of the PRC on August 1, 2007 and a wholly-owned subsidiary of the Company
“Latest Practicable Date”	April 18, 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Prospectus”	the prospectus of the Company dated June 7, 2021
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10% of the total number of the issued Shares (excluding any treasury Shares) as at the date of passing of the relevant resolution granting the Repurchase Mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Share(s)”	ordinary share(s) of par value US\$0.00001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“SKX”	Inner Mongolia Saikexing Reproductive Biotechnology (Group) Co., Ltd. (內蒙古賽科星繁育生物技術(集團)股份有限公司), a company established under the laws of the PRC whose shares are listed on the National Equities Exchange and Quotations (stock code: 834179) and which has been our subsidiary since January 8, 2020

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong (as amended from time to time)
“treasury Shares”	has the meaning ascribed to it under the Listing Rules which will come into effect on June 11, 2024
“US\$”	US dollars, the lawful currency of the United States of America
“Yili”	Inner Mongolia Yili Industrial Group Co., Ltd. (內蒙古伊利實業集團股份有限公司), a company established under the laws of the PRC in June 1993 whose shares are listed on the Shanghai Stock Exchange (stock code: 600887), and one of the Company’s controlling shareholders
“Yili Group”	Yili, its subsidiaries and associates from time to time
“%”	per cent.

LETTER FROM THE BOARD



優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

Executive Directors:

Mr. Yuan Jun (*President*)

Mr. Dong Jiping

Non-executive Directors:

Mr. Wu Xiang (*Chairman*)

Mr. Xu Jun

Mr. Xu, Zhan Kevin

Mr. Qiu Zhongwei

Independent non-executive Directors:

Ms. Xie Xiaoyan

Mr. Yao Feng

Mr. Shen Jianzhong

Registered office:

89 Nexus Way

Camana Bay, Grand Cayman

KY1-9009, Cayman Islands

*Headquarter and principal place
of business in the PRC:*

No. 169, Hexi Road, Saihan District

Hohhot, Inner Mongolia

China

*Principal place of business in
Hong Kong:*

31/F., Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

April 26, 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES;
PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
PROPOSED RE-APPOINTMENT OF AUDITORS;
AND
NOTICE OF AGM**

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and further information on the following ordinary resolutions to be put forward at the AGM: (a) the proposed grant of the general mandates to issue Shares and repurchase Shares; (b) the proposed re-election of retiring Directors; and (c) the proposed re-appointment of auditors of the Company and the proposed authorization for the Board to fix their remuneration for the year ending December 31, 2024.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution numbered 4(a) as set out in the notice of AGM will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the Shares (including any sale or transfer of treasury Shares) up to 20% of the aggregate number of issued Shares of the Company (excluding any treasury Shares) as at the date of passing of the resolution approving such mandate. As at the Latest Practicable Date, the total number of issued Shares was 3,795,404,000 (with no treasury Shares). Subject to the passing of the ordinary resolution numbered 4(a) and assuming that the number of issued Shares remains unchanged following the Latest Practicable Date and prior to the date of the AGM, the Directors will be authorized to issue (or transfer out of treasury) a maximum of 759,080,800 Shares under the General Mandate. An ordinary resolution numbered 4(c) as set out in the notice of the AGM will also be proposed at the AGM authorizing the number of Shares repurchased by the Directors under the proposed Repurchase Mandate to be added to the aggregate number of Shares to be allotted and issued (including any sale or transfer of Shares out of treasury that are held as treasury Shares) or agreed conditionally or unconditionally to be allotted and issued (including any sale or transfer of Shares out of treasury that are held as treasury Shares) under the proposed General Mandate.

3. REPURCHASE MANDATE TO REPURCHASE SHARES

An ordinary resolution numbered 4(b) as set out in the notice of the AGM will be proposed at the AGM to approve the grant of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares of an aggregate amount not exceeding 10% of the total number of issued Shares of the Company (excluding any treasury Shares) as at the date of passing of the resolution approving the Repurchase Mandate.

An explanatory statement required by the Listing Rules in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular.

4. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the Article 112 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Accordingly, Mr. Wu Xiang, who was appointed as a non-executive Director and the chairman of the Board on July 28, 2023 will retire from office at the AGM and being eligible, has offered himself for re-election as a non-executive Director at the AGM.

Pursuant to the Article 108(a) of the Articles of Association, at each annual general meeting, one-third of the Directors (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation and be eligible for re-election and re-appointment provided that every Director shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Dong Jiping, Mr. Yao Feng and Mr. Shen Jianzhong will retire from office at the AGM and being eligible, have offered themselves for re-election.

LETTER FROM THE BOARD

On March 27, 2024, the nomination committee of the Company reviewed the structure, size and composition of the Board and has considered the Board diversity from a number of aspects, including but not limited to gender, age, race, language, cultural and educational background, industry and professional experience, and skills and knowledge. The nomination committee and the Board have taken into account the profiles and the contributions of the above retiring Directors who have offered themselves for re-election at the AGM. The Company has also received the independence confirmation from each of Mr. Yao Feng and Mr. Shen Jianzhong pursuant to Rule 3.13 of the Listing Rules as regards the factors for assessing independence set out therein and was satisfied with their independence.

In view of the above, the nomination committee and the Board believes that the above independent non-executive Directors are independent and the education, background and experience of each of the above retiring Directors will allow each of them to provide valuable insights and contribute to the diversity of the Board and therefore should be re-elected.

Details of the above retiring Directors who are subject to re-election at the AGM are set out in Appendix I to this circular.

5. RE-APPOINTMENT OF AUDITORS

Deloitte Touche Tohmatsu will retire as the auditors of the Company at the AGM and, being eligible, have offered themselves for re-appointment.

The Board, upon the recommendation of the audit committee of the Company, proposed to re-appoint Deloitte Touche Tohmatsu as the auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company and to authorize the Board to fix its remuneration for the year ending December 31, 2024.

6. NOTICE OF AGM

Set out on pages 16 to 20 of this circular is the notice of the AGM at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve the granting of the General Mandate to issue Shares, the Repurchase Mandate to repurchase Shares, the re-election of the retiring Directors and the re-appointment of auditors of the Company.

The register of members of the Company will be closed from Tuesday, May 14, 2024 to Monday, May 20, 2024, both days inclusive, in order to determine the eligibility of Shareholders to attend the AGM, during which period no Share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, May 13, 2024.

LETTER FROM THE BOARD

7. FORM OF PROXY

A form of proxy is enclosed for use at the AGM. Such form of proxy is also set out on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yourandairy.com). Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

8. VOTING BY POLL

There is no Shareholder who has any material interest in the proposed resolutions at the AGM, and therefore none of the Shareholders is required to abstain from voting on such resolutions.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 72 of the Articles of Association, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the AGM will be voted by way of a poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorized representative, shall have one vote for every fully paid Share of which he/she is the holder. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury Shares (if any) shall abstain from voting on matters that require Shareholders' approval at the Company's general meetings.

9. 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 misleading.

LETTER FROM THE BOARD

10. RECOMMENDATION

The Directors consider that the proposed resolutions for the grant of the General Mandate to issue Shares, the Repurchase Mandate to repurchase Shares, the re-election of the retiring Directors, and the re-appointment of auditors of the Company are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favor of all of the aforementioned resolutions to be proposed at the AGM.

Yours faithfully

By order of the Board

China Youran Dairy Group Limited

Wu Xiang

Chairman and Non-executive Director

The following are the particulars of the retiring Directors proposed to be re-elected at the AGM.

As at the Latest Practicable Date, none of the following Directors had any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, none of the following Directors held any position in the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and the following Directors did not have any other relationship with any Directors, senior management, substantial Shareholders or controlling shareholder.

Save as disclosed herein, there is no other matter in relation to the re-election of following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

EXECUTIVE DIRECTOR

Mr. Dong Jiping (董計平) (“Mr. Dong”)

Mr. Dong, aged 43, joined our Group since November 2015, and was appointed as a Director of our Company on August 24, 2020 and designated as an executive Director and appointed as a vice president on November 15, 2020. Mr. Dong has over 19 years of experience in dairy industry and is primarily responsible for the management of our Group’s legal compliance and external relations.

Mr. Dong joined Yili Group in July 2004 and was engaged in the procurement business when he started his career at the liquid milk division (液態奶事業部) of Yili Group. He worked as the secretary to the president’s office of Yili Group from June 2005 to April 2012. Subsequently, he worked as the planning director (企劃總監) of strategy management department of Yili Group from April 2012 to November 2015.

Mr. Dong is also a director and the vice president of Inner Mongolia Youran, the Company’s principal operating subsidiary in the PRC and a director of Inner Mongolia Shengde Hetai Business Co., Ltd., a subsidiary of the Company.

Mr. Dong obtained his bachelor’s degree in biotechnology from Northeast Forestry University (東北林業大學) in July 2004.

Mr. Dong has entered into a service contract with the Company for a term of three years commencing from May 17, 2021, subject to retirement by rotation and re-election in accordance with the Articles of Association and the corporate governance code as set out in Appendix C1 to the Listing Rules. The service contract may be terminated in accordance with the provisions in the service contract by either party giving to the other party not less than three months’ written notice. Mr. Dong received an aggregate remuneration of approximately RMB1.14 million (inclusive of allowance and retirement benefit scheme contributions) for the

year ended December 31, 2023. The emolument of Mr. Dong is determined by the Board based on the recommendation by the remuneration committee of the Company with reference to his duties, responsibilities, performance and the results of the Group.

NON-EXECUTIVE DIRECTOR

Mr. Wu Xiang (武翔) (“Mr. Wu”)

Mr. Wu, aged 47, was appointed as a non-executive Director and the chairman of the Board with effect from July 28, 2023. He has over 23 years of experience in the dairy industry and is primarily responsible for strategic planning of our Group and the management of the Board.

Mr. Wu joined Yili Group in May 2000. He started his career at the liquid milk division (液態奶事業部) of Yili Group. Mr. Wu then held various positions, such as the technical director, factory head and general manager, at several subsidiaries of the liquid milk division of Yili Group from May 2001 to September 2012. Mr. Wu successively served as the deputy director and director of the quality management department of the liquid milk division of Yili Group from September 2012 to February 2017. Mr. Wu successively worked as the head of the production system of the milk powder division (奶粉事業部), the deputy general manager and general manager of the cold drink division (冷飲事業部), and the general manager of the yogurt division (酸奶事業部) of Yili Group from March 2017 to July 2023. He has been appointed as the general manager of the liquid milk division of Yili Group since July 2023.

Mr. Wu is also a director and the chairman of Inner Mongolia Youran, our principal operating subsidiary in the PRC. He has also served as a non-executive director of SKX, a subsidiary of the Company in the PRC, since August 2023, and was appointed as the chairman of SKX in September of the same year.

Mr. Wu graduated from Inner Mongolia Agricultural University (內蒙古農業大學) in 1999, majoring in food engineering.

Mr. Wu has entered into a service contract with the Company for a term of three years commencing from July 28, 2023, subject to retirement by rotation and re-election in accordance with the Articles of Association and the corporate governance code as set out in Appendix C1 to the Listing Rules. The service contract may be terminated in accordance with the provisions in the service contract by either party giving to the other party not less than one month’s written notice. According to the terms of Mr. Wu’s appointment, unless otherwise determined by the Board or the remuneration committee of the Company, Mr. Wu is not entitled to any remuneration in his capacity as a Director save for any discretionary bonus and share-based compensation which the Company may, in its sole discretion, determine with reference to the Company’s business performance and his individual performance of duty. For the year ended December 31, 2023, Mr. Wu was not entitled to receive any emolument.

INDEPENDENT NON-EXECUTIVE DIRECTORS**Mr. Yao Feng (姚峰) (“Mr. Yao”)**

Mr. Yao, aged 63, has been an independent non-executive Director of the Company since June 7, 2021. Mr. Yao is primarily responsible for supervising and providing independent judgment to the Board.

Mr. Yao held the position of deputy director at the integrated planning department of the Ministry of Finance of the PRC, a vice president of the securities department and general manager of enterprise management department of China Economic Development Trust & Investment Corporation (中國經濟開發信託投資公司) from March 1993 to April 1997, a vice president of the financial and securities department of China National Travel Service (HK) Group Corporation (香港中旅(集團)有限公司) from April 1997 to July 1998, and a vice general manager of China Travel Financial Investment Holdings Co., Limited (香港中旅金融投資有限公司) from July 1998 to June 1999.

Mr. Yao successively served in various positions of the China Securities Regulatory Commission from June 1999 to May 2013 and has abundant experience in risk management, including the director of institution regulatory department, a party committee member and deputy officer of Guangzhou Securities Regulatory Office, a party committee member and deputy director of Guangzhou Regulatory Bureau, a deputy officer of the risk management office for securities companies, and an inspector and deputy officer of the accounting department from January 2001 to September 2011, and a commissioner of Shanghai Supervision Office of the Commissioner from September 2011 to May 2013. Mr. Yao successively served in China Association of Public Companies (中國上市公司協會) from May 2013 to April 2016 as the secretary of the party committee, the executive vice-chairman and legal representative. Mr. Yao served as the vice-chairman and legal representative of China Association of Public Companies from April 2016 to April 2017. Mr. Yao served as the deputy mayor of Hangzhou Municipal People’s Government from June 2017 to October 2019. Mr. Yao served as the deputy secretary of the party committee and the head of supervisors of China Association of Public Companies from June 2019 to September 2019. Mr. Yao has served as an independent non-executive director of Haitong UniTrust International Leasing Co., Ltd. (海通恒信國際租賃股份有限公司) (a company listed on the Stock Exchange (stock code: 1905)) from March 2020.

Mr. Yao was a member of the first session of self-regulatory committee of the Shenzhen Stock Exchange from December 2014 to December 2017 and an adjunct professor of China University of Political Science and Law (中國政法大學) from June 2015 to June 2018. Mr. Yao has been a council member of the Business School of China University of Political Science and Law since May 2017.

Mr. Yao obtained a bachelor's degree in national economic planning from Hubei Institute of Finance and Economics (湖北財經學院) (currently known as Zhongnan University of Economics and Law (中南財經政法大學)) in July 1983 and a masters' degree in economics from Zhongnan University of Finance and Economics (中南財經大學) (currently known as Zhongnan University of Economics and Law) in June 1997.

Mr. Yao has entered into an appointment letter with the Company for a term of three years which commenced from June 7, 2021. The appointment letter may be terminated in accordance with the provisions in the appointment letter by either party giving to the other party not less than one month's written notice. He is also subject to retirement by rotation and re-election requirements at the general meetings of the Company pursuant to the Articles of Association. Mr. Yao is entitled to receive a Director's fee of RMB200,000 per annum. His Director's fee is determined by the Board based on the recommendation of the remuneration committee of the Company taking into account, among other factors, his qualifications and experience, responsibilities undertaken, contribution to the Company.

Mr. Shen Jianzhong (沈建忠) (“Mr. Shen”)

Mr. Shen, aged 60, has been an independent non-executive Director of the Company since June 7, 2021. Mr. Shen is primarily responsible for supervising and providing independent judgment to the Board.

Mr. Shen has been working at China Agricultural University (中國農業大學) since 1988 and is currently the dean of the school of veterinary medicine (動物醫學院) of China Agricultural University, a director of National Key Laboratory of Veterinary Public Health and Safety (獸醫公共衛生安全全國重點實驗室), a director of the national assessment center for safety of animal drugs (國家獸藥安全評價中心), and an expert of the Joint Food and Agriculture Organization of the United Nations and WHO Expert Committee Meeting on Food Additives (聯合國糧食與農業組織和世衛組織食品添加劑聯合專家委員會會議).

Mr. Shen was awarded the second prize of the National Award for Progress in Science and Technology (國家科技進步二等獎) in 2006 and the second prize of the National Award for Technological Invention (國家技術發明二等獎) in 2015 and was elected as an academician of the Chinese Academy of Engineering (中國工程院院士) in 2015. Mr. Shen was awarded the second prize of the National Award for Progress in Science and Technology again in 2020.

Mr. Shen obtained a master's degree of agriculture from Beijing Agricultural University (北京農業大學) in 1988 and a doctorate degree of science from China Agricultural University (中國農業大學) in 1997.

Mr. Shen has entered into an appointment letter with the Company for a term of three years which commenced from June 7, 2021. The appointment letter may be terminated in accordance with the provisions in the appointment letter by either party giving to the other party not less than one month's written notice. He is also subject to retirement by rotation and re-election requirements at the general meetings of the Company pursuant to the Articles of Association. Mr. Shen is entitled to receive a Director's fee of RMB200,000 per annum. His Director's fee is determined by the Board based on the recommendation of the remuneration committee of the Company taking into account, among other factors, his qualifications and experience, responsibilities undertaken, contribution to the Company.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares was 3,795,404,000 (with no treasury Shares). Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 379,540,400 Shares which represents 10% of the issued Shares of the Company as at the date of the AGM during the period from the passing of the above resolution and ending on the earliest of the conclusion of the next annual general meeting of the Company, or the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held or the passing of an ordinary resolution by Shareholders in the general meeting of the Company revoking or varying such mandate.

REASONS FOR AND FUNDING OF REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Company to repurchase its Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

In repurchasing Shares, the Company may only apply funds entirely from the Company's available cash flow or working capital, which will be funds legally available for such purpose in accordance with the Listing Rules, its memorandum and Articles of Association and the applicable laws of the Cayman Islands. Such funds include but are not limited to the Company's profits available for distribution.

The Directors believe that if the Repurchase Mandate is exercised in full, it may not have a material adverse impact on the working capital and gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors will not exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels.

GENERAL

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

The Company has not been notified by any core connected persons 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 Repurchase Mandate is granted by the Shareholders.

The Directors will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands and confirm that neither the Explanatory Statement nor the proposed share repurchase has any unusual features.

In the event the Company conducts a repurchase of Shares, the Company may cancel such repurchased Shares or hold them as treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchase.

For any treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury Shares.

TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the 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 knowledge and belief of the Directors, PAG Capital Limited, Pacific Alliance Group Limited, Mr. Shan Weijian and PAG were deemed to be interested in 1,194,186,181 Shares under the SFO through its/his controlled corporations, representing approximately 31.46% of the total number of issued Shares. In the event that the Directors exercise the Repurchase Mandate in full, such interests will be increased to approximately 34.96% of the total number of issued Shares, which would trigger an obligation to make a mandatory offer under the Takeovers Code. As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Yili was deemed to be interested in 1,320,800,000 Shares under the SFO through its controlled corporations, representing approximately 34.80% of the total number of issued Shares. In the event that the Directors exercise the Repurchase Mandate in full, such interests will be increased to approximately 38.67% of the total number of issued Shares, which would trigger an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code for any Shareholder to make a mandatory offer. Save as disclosed herein, the Directors are not aware of any consequences which may arise under the Takeovers Code if the Repurchase Mandate is exercised.

The Listing Rules prohibit a company from making repurchases of Shares on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued Shares would be in public hands. As disclosed in the Prospectus, the Stock Exchange has granted the Company a waiver (the “**Waiver**”) from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules, which requires that at least 25% of an issuer’s total issued share capital must be held by the public. Pursuant to the Waiver, the Company’s minimum public float shall be 18.85% of the Company’s total issued share capital (the “**Prescribed Minimum Percentage**”). Accordingly, the Company shall be prohibited from making repurchases of Shares on the Stock Exchange if the result of the repurchase would be less than the Prescribed Minimum Percentage of the Shares would be in public hands. For further information on the Waiver, please refer to pages 101 and 102 of the Prospectus and the Company Information Sheet of the Company dated March 30, 2022. The Directors do not propose to repurchase Shares which would result in less than the Prescribed Minimum Percentage of Shares in public hands.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

SHARE PRICES

The highest and lowest prices at which the Shares of the Company were traded on the Stock Exchange in each of the twelve months immediately prior to the Latest Practicable Date were as follows:

Month	Highest prices HK\$	Lowest prices HK\$
2023		
April	2.28	1.88
May	2.10	1.75
June	1.88	1.71
July	1.84	1.69
August	1.79	1.44
September	1.54	1.44
October	1.52	1.39
November	1.60	1.44
December	1.47	1.39
2024		
January	1.49	1.15
February	1.32	1.12
March	1.34	1.20
April (up to the Latest Practicable Date)	1.32	1.16

NOTICE OF ANNUAL GENERAL MEETING



優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of China Youran Dairy Group Limited will be held at No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia, China at 10:00 a.m. on Monday, May 20, 2024 for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the Directors and auditors of the Company for the year ended December 31, 2023.
2. (a) To re-elect the following retiring Directors:
 - (i) to re-elect Mr. Dong Jiping as an executive Director;
 - (ii) to re-elect Mr. Wu Xiang as a non-executive Director;
 - (iii) to re-elect Mr. Yao Feng as an independent non-executive Director;
 - (iv) to re-elect Mr. Shen Jianzhong as an independent non-executive Director;
and
- (b) To authorize the Board to fix the remuneration of the Directors of the Company.
3. To re-appoint Deloitte Touche Tohmatsu as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorize the Board to fix their remuneration for the year ending December 31, 2024.

NOTICE OF ANNUAL GENERAL MEETING

4. To consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:

(a) **“That:**

(i) Subject to paragraph (iii) below, a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period (as defined hereinafter) all the powers of the Company to allot, issue and deal with Shares of the Company (including any sale or transfer of Shares out of treasury that are held as treasury Shares) (which shall have the meaning ascribed to it under the the Listing Rules coming into effect on June 11, 2024) and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;

(ii) the approval in paragraph (i) above shall authorize the Directors of the Company during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

(iii) the aggregate number of Shares allotted and issued (including any sale or transfer of Shares out of treasury that are held as treasury Shares) or agreed conditionally or unconditionally to be allotted and issued (including any sale or transfer of Shares out of treasury that are held as treasury Shares) (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as defined hereinafter) pursuant to paragraph (i) above, otherwise than pursuant to (1) Rights Issue (as defined hereinafter), or (2) any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire Shares of the Company or (3) any scrip dividend or similar arrangement pursuant to the Articles of Association of the Company from time to time, shall not exceed the aggregate of:

(a) 20 % of the aggregate number of issued Shares of the Company (excluding any Shares that are held as treasury Shares) as at the date of passing this resolution; and

(b) (if the Board is so authorized by resolution numbered 4(c)) the aggregate number of Shares repurchased by the Company subsequent to the passing of resolution numbered 4(b) (up to a maximum equivalent to 10% of the aggregate number of issued Shares of the Company (excluding any Shares that are held as treasury Shares) as at the date of passing resolution numbered 4(b)),

and the approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purpose of this resolution:

(a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(1) the conclusion of the next annual general meeting of the Company;

(2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or

(3) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution; and

(b) “Rights Issue” means an offer of Shares or an issue of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares (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, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognized regulatory body or any stock exchange applicable to the Company).”

(b) **“That:**

(i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to repurchase Shares of the Company on the Stock Exchange or on any other stock exchange on which the Shares of the Company may be listed and which is recognized for this purpose by the Securities and Futures Commission and the Stock Exchange under the Takeovers Code and, subject to and in accordance with all applicable laws and the Listing Rules, be and is hereby generally and unconditionally approved;

(ii) the aggregate number of the Shares to be repurchased pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the aggregate number of issued Shares of the Company (excluding any Shares that are held as treasury Shares) as at the date of passing of this resolution, and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

(iv) for the purpose of this resolution:

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

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or
- (3) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.”

(c) “**That** conditional upon the resolutions numbered 4(a) and 4(b) set out in this notice being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and/or otherwise deal with new Shares (including any sale or transfer of Shares out of treasury that are held as treasury Shares) and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the resolution numbered 4(a) set out in this notice be and is hereby extended by the addition to the total number of the issued Shares which may be allotted and issued (including any sale or transfer of Shares out of treasury that are held as treasury Shares) or agreed conditional or unconditionally to be allotted and issued (including any sale or transfer of Shares out of treasury that are held as treasury Shares) by the Directors pursuant to such general mandate of an amount representing the total number of the issued Shares repurchased by the Company under the authority granted pursuant to resolution numbered 4(b) set out in this notice, provided that such extended amount shall represent up to 10% of the total number of issued Shares (excluding any Shares that are held as treasury Shares) as at the date of passing of the said resolutions.”

By order of the Board
China Youran Dairy Group Limited
Wu Xiang
Chairman and Non-Executive Director

Hong Kong, April 26, 2024

Registered office:
89 Nexus Way
Camana Bay, Grand Cayman
KY1-9009
Cayman Islands

*Headquarter and principal place of
business in the PRC:*
No. 169, Hexi Road, Saihan District
Hohhot, Inner Mongolia
China

Principal place of business in Hong Kong:
31/F., Tower Two
Times Square
1 Matheson Street, Causeway Bay
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) Resolution numbered 4(c) will be proposed to the Shareholders for approval provided that resolutions numbered 4(a) and 4(b) are passed by the Shareholders.
- (ii) A Shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. The proxy does not need to be a Shareholder. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury Shares (if any) shall abstain from voting on matters that require shareholders' approval at the Company's general meetings.
- (iii) Where there are joint registered holders of any Shares, any one of such persons may vote at the AGM (or at any adjournment of it), either personally or by proxy, in respect of such Shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (iv) In order to be valid, the completed form of proxy, must be deposited at the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong 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 (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 48 hours before the time appointed for holding the above meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish.
- (v) The register of members of the Company will be closed from Tuesday, May 14, 2024 to Monday, May 20, 2024, both days inclusive, in order to determine the eligibility of Shareholders to attend the above meeting, during which period no Share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, May 13, 2024.
- (vi) In respect of resolution numbered 2 above, Mr. Dong Jiping, Mr. Wu Xiang, Mr. Yao Feng and Mr. Shen Jianzhong will retire, and being eligible to offer themselves for re-election. Details of the retiring Directors above are set out in Appendix I to the circular of the Company dated April 26, 2024 (the "**Circular**").
- (vii) In respect of the resolution numbered 4(a) above, the Directors wish to state that they have no immediate plans to issue any new Shares referred therein. Approval is being sought from the Shareholders as a general mandate for the purposes of the Listing Rules.
- (viii) In respect of the resolution numbered 4(b) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase Shares of the Company in circumstances which they deem appropriate and for the benefits of Shareholders. The explanatory statement containing the information necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Shares, as required by the Listing Rules, is set out in Appendix II to the Circular.
- (ix) Pursuant to Rule 13.39(4) of the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the AGM.
- (x) Unless the context otherwise requires, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.
- (xi) As at the date of this notice, the Company's executive Directors are Mr. Yuan Jun and Mr. Dong Jiping; non-executive Directors are Mr. Wu Xiang, Mr. Xu Jun, Mr. Xu, Zhan Kevin and Mr. Qiu Zhongwei; and independent non-executive Directors are Ms. Xie Xiaoyan, Mr. Yao Feng and Mr. Shen Jianzhong.