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**CHINA DAIRY CORPORATION LIMITED**

## **Notice of 2016 Annual General Meeting**

**Date of Meeting:** Friday, 25 November 2016

**Time of Meeting:** 11:00am China Standard Time (2:00pm Australian Eastern Daylight Time)

**Place of Meeting:** The Ritz-Carlton, 83A Jian Guo Road, China Central Place, Chaoyang District  
Beijing, 100025 China

**CHINA DAIRY CORPORATION LIMITED**

ARBN 607 996 449

Hong Kong Company Registration Number 2190508

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“AGM”) of the Members of China Dairy Corporation Limited, ARBN 607 996 449, (the “Company”) will be held at The Ritz-Carlton, 83A Jian Guo Road, China Central Place, Chaoyang District Beijing, 100025 China on Friday, 25 November 2016 at 11:00am China Standard Time (2:00pm Australian Eastern Daylight Time).

We encourage you to complete and return the enclosed CDI Voting Instruction Form. The completed CDI Voting Instruction Form needs to be received at the address shown on the Form before 11:00am China Standard Time (2:00pm Australian Eastern Daylight Time) on Tuesday, 22 November 2016.

The Notes and Explanatory Statement accompany and form part of this Notice of AGM. The Notes and Explanatory Statement provide additional information on matters to be considered at the AGM and should be read in their entirety.

## Items of Business

### 1. 2016 Financial Report, Directors’ Report and Auditor’s Report

To receive and consider the Company’s Financial Report, together with the Director’s Report and Auditor’s Report, for the year ended 30 June 2016 as set out in the Company’s 2016 Annual Report.

*No resolution is required by law in respect of this item. However, the Company would like to provide the shareholders with the opportunity to ask the Directors questions in relation to the reports.*

### 2. Resolution 1: Remuneration of Non-Executive Directors

The Directors propose that the following resolution be considered and, if thought fit, to pass the following resolution as an ordinary resolution:

#### **Resolution 1**

*That the maximum aggregate annual remuneration of the Non-Executive Directors be increased by A\$14,000, from A\$120,000 to A\$134,000.*

#### **Voting Exclusions**

Pursuant to ASX Listing Rules, Rules 10.17 and 14.11, Directors and their associates within the meaning of the ASX Listing Rules are excluded from voting on Resolution 1. The Company will disregard any votes cast on Resolution 1 by any Director and any associate of a Director.

However, the Company need not disregard a vote for the purposes of the ASX Listing Rules if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### 3. Resolution 2: Reappointment of Director – Mr. Enjia Liu

The Directors propose that the following resolution be passed as an ordinary resolution:

#### **Resolution 2**

*That Mr. Enjia Liu (Executive Director) who retires as a Director in accordance with article 27(1) of the Company's Articles of Association and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.*

### 4. Resolution 3: Reappointment of Director – The Hon. Andrew John Stoner

The Directors propose that the following resolution be passed as an ordinary resolution:

#### **Resolution 3**

*That The Hon. Andrew John Stoner (Independent Non-Executive Director) who retires as a Director in accordance with article 27(1) of the Company's Articles of Association and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.*

### 5. Resolution 4: Reappointment of Director – Mr. David Batten

The Directors propose that the following resolution be passed as an ordinary resolution:

#### **Resolution 4**

*That Mr. David Batten (Independent Non-Executive Director) who retires as a Director in accordance with article 27(1) of the Company's Articles of Association and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.*

### 6. Resolution 5: Reappointment of Director – Mr. Lidong Jiang

The Directors propose that the following resolution be passed as an ordinary resolution:

#### **Resolution 5**

*That Mr. Lidong Jiang (Independent Non-Executive Director) who retires as a Director in accordance with article 27(1) of the Company's Articles of Association and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.*

### 7. Resolution 6: General Mandate to Issue and Allot New Shares

The Directors propose that the following resolution be passed as an ordinary resolution:

#### **Resolution 6**

*That, subject to any restriction in the ASX Listing Rules in relation to issuing new capital (including ASX Listing Rules 7.1, 10.11 and 10.14), the Corporations Act 2001 (Cth), pursuant to Section 141 of the Companies Ordinance, Hong Kong, Cap 622, a general mandate be given to Directors to exercise any power of the Company to allot or issue, grant options over, offer or otherwise deal with or dispose of shares in the*

*Company on and subject to such terms as the directors may determine including to allot or issue further shares and to make or grant offers, agreements and options which would or might require shares to be allotted to persons other than existing members of the Company, or to members of the Company otherwise than in proportion to their existing shareholdings in the Company provided that the authority shall, unless earlier revoked or varied by members of the Company in general meeting expire on the earlier of (a) the conclusion of the next annual general meeting of the Company or (b) the expiration of the period within which the next annual general meeting of the Company is required in accordance with the Articles of Association of the Company, or any applicable law, to be held.*

## Notes

### Voting entitlements

The Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the AGM and CHESS Depository Interests (“CDI”) holding of CDI holders will be taken to be held by persons who are registered as members at 4:00pm China Standard Time (7:00pm Australian Eastern Daylight Time) on Tuesday, 22 November 2016. Accordingly, transfers registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

### Proxy Voting by holders of ordinary shares

Holders of ordinary shares in the Company are invited to attend and vote at the AGM in person or by their authorised corporate representative or appoint someone as their proxy to attend and vote at the meeting on their behalf.

Shareholders who are unable to attend the AGM are encouraged to complete, sign, date and return the proxy. A proxy will not be valid unless it is deposited by mail at the office of the Company, Unit D, 16/F, One Capital Place, 18 Luard Road, Wan Chai, Hong Kong or by fax on +852 2777 9733 by 11:00am China Standard Time (2:00pm Australian Eastern Daylight Time) on Wednesday, 23 November 2016.

### Direct voting by holders of CDIs

Holders of CDIs are invited to attend and speak at the AGM but are not entitled to vote personally at the AGM.

In order to have votes cast at the AGM on their behalf, CDI holders must complete, sign and return the enclosed CDI Voting Instructions Form to Boardroom Pty Limited, by mail at Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia, in person at Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 Australia, or by fax on +61 2 9290 9655, in order to direct CHESS Depository Nominees Pty Ltd (“CDN”) to vote the relevant ordinary shares on his or her behalf. The CDI Voting Instruction Form needs to be received at the address shown on the form before 11:00am China Standard Time (2:00pm Australian Eastern Daylight Time) on Tuesday, 22 November 2016.

## Explanatory Statement

### 2016 Financial Report, Directors’ Report and Auditor’s Report

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to Financial Report, Directors’ Report and the Auditor’s Report for the financial year ended 30 June 2016 as included in the Company’s 2016 Annual Report.

The Company's 2016 Annual Report was filed on the ASX electronic filing system for Market Announcements on 30 September 2016. It can also be accessed at the Company's website at: <http://chinadairyco.com/asx-announcements.shtml>.

## Resolution 1: Remuneration of Non-Executive Directors

Article 31(1) of the Company's Articles of Association ("AoA") requires that the Directors' remuneration must be determined by the Company at a general meeting and comply with the notice requirements of the ASX Listing Rules. Article 31(5) of the Company's AoA provides that the fees paid to Executive Directors do not require shareholder approval.

ASX Listing Rule 10.17 provides that an entity must not increase the total amount of Directors' fees payable by it or any of its controlled entities without the approval of holders of its ordinary securities. This rule does not apply to the salary of an Executive Director.

On 30 October 2015, prior to its listing on the ASX, the Company obtained shareholder approval to pay total fees to its Non-Executive Directors of A\$120,000 per annum. This resolution seeks to increase the aggregate amount of fees payable to Non-Executive Directors by A\$14,000 to A\$134,000. The increase is to allow for an increased fee payable to the Hon. Andrew Stoner, for his role as Deputy Chairman and Independent Non-Executive Director of the Company. The table below outlines the fees payable to the Company's Non-Executive Directors.

<i>Name</i>	<i>Role</i>	<i>Remuneration</i>
<i>The Hon. Andrew John Stoner</i>	<i>Deputy Chairman and Independent Non-Executive Director</i>	<i>A\$54,000</i>
<i>Mr. David Paul Batten</i>	<i>Independent Non-Executive Director</i>	<i>A\$40,000</i>
<i>Mr. Lidong Jiang</i>	<i>Independent Non-Executive Director</i>	<i>A\$40,000</i>
<b>Total</b>		<b>A\$134,000</b>

The Company believes that the aggregate fees paid to the Non-Executive Directors of A\$134,000 per year is reasonable given the scale and complexity of the Company's operations.

In addition to fees paid to Non-Executive Directors, Mr. David Batten is paid an additional A\$20,000 for services he provides to the Company as local agent. These fees are separate to the fees paid to him for acting as Director as they go beyond the ordinary duties of a Director. In accordance with article 31(6) of the Company's AoA, the fees paid to Mr. David Batten for his services as local agent are set by the Directors and do not require the approval of shareholders.

## Resolutions 2 to 5: Reappointment of Directors

Pursuant to article 27(1) of the Company's AoA, at the first annual general meeting, all the Directors must retire from office. Article 36(2) of the Company's AoA states that a Director appointed to the office of Managing Director is not, while holding office, subject to retirement by rotation under article 27 of the Company's AoA. Furthermore, under article 26(4) of the Company's AoA, a Director appointed by a decision of the Directors must retire from office at the next AGM.

Article 27(8) of the Company's AoA provides that a retiring Director is eligible for reappointment if the Company has not appointed a person to the vacated office and the retiring Director has not given notice to the Company of their intention to decline their reappointment to the office. All retiring Directors offer themselves for reappointment.

The Board unanimously recommends that shareholders vote in favour of Resolutions 2 to 5. The profiles of the retiring Directors are as follows:

**Name, role/s and independence status**

**Experience and other directorships**

Name, role/s and independence status	Experience and other directorships
<p><b>Mr. Enjia Liu</b> <i>Executive Chairman</i></p> <p>Director since 10 August 2015</p>	<p>Mr. Enjia Liu is the Executive Chairman of the Company and China Modern Agricultural Information, Inc. He possesses a broad base of knowledge and experience in the agriculture industry.</p> <p>Between 1985 and 1991, Mr. Enjia Liu served as the chairman of the Board for Hong Kong Yunli Development (Heilongjiang) Co. Since 1991, Mr. Enjia Liu has served as the chairman and President of Hong Kong Yunli Group.</p> <p>Since 1994, Mr. Enjia Liu has served as a Guest Lecturer and Visiting Professor at the Social Development Institute at Peking University as well as a Visiting Professor at Shenzhen University.</p> <p>Since 1995, Mr. Enjia Liu has been a Guest Researcher with the State Economic System Reform Committee, a Consultant for the Heilongjiang Provincial Government System, as well as the Honorary President of the Chamber of Commerce of the Heilongjiang Province.</p> <p>In 1996, at the National Agricultural Conference, Mr. Enjia Liu proposed the business model for agricultural enterprise, which was published in the People's Forum. Mr. Enjia Liu also established the "Zhongxian Agriculture" theory and the harmonious ecological agricultural practice model which has been implemented in the Heilongjiang Province, winning high praise from State leaders and the State Council. He is advancing the "Zhongxian Agriculture" model and business commercialization theory.</p> <p>Mr. Enjia Liu is a Dedicated Researcher of China's economic behaviour and reform, and has served as the director of China's Economic Behaviour Centre since 2007. Mr. Enjia Liu holds a Doctor of Social Science from Beijing University and a Master of Economics from the Heilongjiang Commercial College.</p>
<p><b>The Hon. Andrew John Stoner</b> <i>Deputy Chairman and Independent Non-Executive Director</i></p> <p>Chairman of the Audit and Risk Committee</p> <p>Secretary of the Nomination and Remuneration Committee</p> <p>Director since 30 June 2016</p>	<p>The Hon. Andrew John Stoner serves as the Deputy Chairman and an Independent Non-Executive Director of the Company.</p> <p>He was a member of the New South Wales Legislative Assembly, representing the electorate of Oxley from 1999 to 2015. He has also performed in the role as the Leader of the Nationals NSW (2003 - 2014) and Deputy Premier of NSW and Minister for Trade &amp; Investment, Tourism &amp; Major Events, Small Business, Regional Infrastructure &amp; Services (2011 - 2014).</p> <p>Mr Stoner currently holds several directorships including Director &amp; CEO, Andrew Stoner &amp; Associates Pty Ltd; Director, Sports Aviation Flight School Australia Ltd; Director, Slasherteck Pty Ltd; Director, Aquaculture Industries Australia Ltd; Director, Future Asset Management International Ltd; Director, Drone Innovation Ltd; and Director, Accessible Publishing Systems Pty Ltd;</p> <p>In addition, Mr Stoner is a Senior Adviser, Moelis &amp; Company Pty Ltd; Senior Adviser, Yuhu Group (Australia) Ltd; Senior Honorary Adviser, Australia China Investment Group; Patron, Australia China Enterprise Trade and Cultural Association; Senior Adviser, Australia China Entrepreneurs Club; and Advisory</p>

Name, role/s and independence status	Experience and other directorships
	Board Member, NSW Leaders.
<p><b>Mr. David Paul Batten</b> <i>Independent Non-Executive Director and Local Agent</i></p> <p>Chairman of the Nomination and Remuneration Committee</p> <p>Secretary of the Audit and Risk Committee</p> <p>Director since 10 August 2015</p>	<p>Mr David Batten serves as an Independent Non-Executive Director of the Company and has more than 25 years of experience in financial markets with more than half of those years spent in a managerial role. His specialty has been in derivatives where he has experience in the bullion, equities, commodities, foreign exchange and interest rate markets.</p> <p>Mr Batten has primarily worked for large foreign banking institutions such as Bankers Trust Australia, Goldman Sachs, JBWere and the Republic Bank of New York (both in Sydney and New York) within the corporate arena and is currently the non-executive chairman and company secretary of ASX-listed business advisory and enterprise management consulting business, Victor Group Holdings Limited.</p>
<p><b>Mr. Lidong Jiang</b> <i>Independent Non-Executive Director</i></p> <p>Member of the Audit and Risk Committee</p> <p>Director since 10 August 2015</p>	<p>Mr Lidong Jiang serves as an Independent Non-Executive Director of the Company and holds a Master of Economics from Beijing University. Mr Jiang is the deputy secretary general and executive member of the council in Border Area Economic Society of China.</p> <p>Mr Jiang is also the deputy secretary general and executive member of the council in Heilongjiang Animal Husbandry Economy Society and a member of the council in China Animal Husbandry Economy Society.</p> <p>He is the vice president of Rural Development Research Institute in Heilongjiang Province, the vice-chairman of Economic Societies in Heilongjiang Province and a member of the Scientific Advisory Committee in Heilongjiang Province. Mr Jiang is also a member of the Audit and Risk Committee of the Company.</p>

## Resolutions 6: General Mandate to Issue and Allot New Shares

Pursuant to Section 141 of the Companies Ordinance, Hong Kong, Cap 622, a general mandate must be given to Directors to issue any unissued shares in the capital of a company.

Resolution 6 allows the Directors to issue further unissued shares in the capital of the Company. This resolution is, however, subject to the ASX Listing Rules and, in particular to:

- (a) ASX Listing Rule 7.1 which restricts the Company from issuing new securities in the Company which would dilute the interests of existing Shareholders or CDI holders, to a maximum of 15% of the issued capital of the Company in any 12 month period without shareholder approval;
- (b) ASX Listing Rule 10.11 which restricts the Company from issuing new securities in the Company to a related party without shareholder approval; and
- (c) ASX Listing Rule 10.14 which restricts the Company from issuing new securities in the Company under an employee share plan to a Director or an associate of a Director without shareholder approval.

# CDI VOTING INSTRUCTION FORM FOR SHAREHOLDERS WHO HOLD SHARES THROUGH CHESS DEPOSITARY NOMINEES PTY LTD

## All Correspondence to:

-  **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
-  **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before before 11:00am China Standard Time (2:00pm Australian Eastern Daylight Time) on Tuesday, 22 November 2016.**

### TO VOTE ONLINE

### BY SMARTPHONE

**STEP 1: VISIT** [www.votingonline.com.au/chinadairyagm2016](http://www.votingonline.com.au/chinadairyagm2016)

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**



Scan QR Code using smartphone  
QR Reader App

## CDI VOTING INSTRUCTION FORM

### CHINA DAIRY CORPORATION LIMITED GENERAL MEETING

For your vote to be effective it must be recorded **before 11:00am China Standard Time (2:00pm Australian Eastern Daylight Time) on Tuesday, 22 November 2016.**

### TO VOTE BY COMPLETING THE CDI VOTING INSTRUCTION FORM

#### STEP 1 HOW TO VOTE ON ITEMS OF BUSINESS

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESD Depository Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESD Depository Nominees Pty Ltd enough time to tabulate all CHESD Depository Interest votes and to vote on the underlying shares

#### STEP 2 SIGN THE FORM

**Individual:** Where the holding is in one name, the security holder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the security holders should sign.





**Power of Attorney:** If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory. i.e. Sole Director, Sole Company Secretary or Director and Company Secretary.

#### STEP 3 LODGEMENT

This form (and any Power of Attorney under which it is signed) must be received no later than 72 hours before the commencement of the meeting, therefore by **11:00am China Standard Time (2:00pm Australian Eastern Daylight Time) on Tuesday, 22 November 2016.** Any form received after that time will not be valid for the scheduled meeting.

#### Forms may be lodged:

-  **By Fax** + 61 2 9290 9655
-  **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
-  **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia
-  **Online** [www.votingonline.com.au/chinadairyagm2016](http://www.votingonline.com.au/chinadairyagm2016)

#### Comments and Questions

If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Turn over to complete the form**



**Your Address**  
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**CDI VOTING INSTRUCTION FORM**

**STEP 1 CHESS DEPOSITARY NOMINEES WILL VOTE AS DIRECTED**

**Voting Instructions to CHESS Depository Nominees Pty Ltd**

I/We being a holder of CHESS Depository Interests of the above Company hereby direct CHESS Depository Nominees Pty Ltd to vote the shares underlying my/our holding at the **Annual General Meeting of China Dairy Corporation Limited** to be held at **The Ritz-Carlton, 83A Jian Guo Road, China Central Place, Chaoyang District Beijing, 100025 China, on Friday, 25 November 2016 at 11:00am China Standard Time (2:00pm Australian Eastern Daylight Time)** and at any adjournment of that meeting.

By execution of this CDI Voting Form the undersigned hereby authorises CHESS Depository Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

**STEP 2 VOTING DIRECTIONS**

\* If you mark the Abstain box for a particular item, you are directing CHESS Depository Nominees Pty Ltd not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Remuneration of Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Reappointment of Director – Mr. Enjia Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Reappointment of Director – The Hon. Andrew John Stoner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Reappointment of Director – Mr. David Batten	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Reappointment of Director – Mr. Lidong Jiang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	General Mandate to Issue and Allot New Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2016