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

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Ausnutria Dairy Corporation Ltd, 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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**澳优·海普诺凯**  
**Ausnutria**  
**AUSNUTRIA DAIRY CORPORATION LTD**  
**澳優乳業股份有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1717)**

**PROPOSED GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
PROPOSED FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of Ausnutria Dairy Corporation Ltd (“AGM”) to be held at Metro Suite, Level B1, Shangri-La’s Far Eastern Plaza Hotel, Taipei, 201 Tun Hwa South Road, Section 2, Taipei, Taiwan on Thursday, 1 June 2017 at 9:30 a.m. is set out on pages 14 to 17 of this circular. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the commencement of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

24 April 2017

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## DEFINITIONS

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*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 Metro Suite, Level B1, Shangri-La’s Far Eastern Plaza Hotel, Taipei, 201 Tun Hwa South Road, Section 2, Taipei, Taiwan, on Thursday, 1 June 2017 at 9:30 a.m.
“Annual Report”	the annual report of the Company for the financial year ended 31 December 2016 despatched to the Shareholders together with this circular
“Articles of Association”	the articles of association of the Company
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Company Law, Chapter 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Ausnutria Dairy Corporation Ltd (澳優乳業股份有限公司), a limited liability company incorporated and existing under the laws of the Cayman Islands on 8 June 2009 and the Shares are listed on the Stock Exchange (Stock code: 1717)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	subject to the conditions set out in the proposed resolution approving the Issue Mandate at the AGM, the general and unconditional mandate granted to the Board to exercise the power to allot, issue and deal with Shares up to a maximum of 20% of the aggregate nominal value of the issued share capital of the Company as at the date of the said resolution

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## DEFINITIONS

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“Latest Practicable Date”	18 April 2017, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“PRC”	the People’s Republic of China. For the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the Repurchase Mandate at the AGM, the general and unconditional mandate granted to the Board to exercise the power to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the date of the said resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme conditionally adopted by the Company pursuant to a resolution of the Board on 19 September 2009
“Shareholder(s)”	registered shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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LETTER FROM THE BOARD

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**AUSNUTRIA DAIRY CORPORATION LTD**

**澳優乳業股份有限公司**

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

**(Stock code: 1717)**

*Executive Directors:*

Mr. Yan Weibin (*Chairman*)  
Mr. Lin Jung-Chin  
Mr. Bartle van der Meer (*Chief Executive Officer*)  
Ms. Ng Siu Hung

*Non-executive Directors:*

Mr. Tsai Chang-Hai  
Mr. Zeng Xiaojun

*Independent Non-executive Directors:*

Ms. Ho Mei-Yueh  
Mr. Jason Wan  
Mr. Lau Chun Fai Douglas

*Registered Office:*

Cricket Square  
Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business*

*in Hong Kong:*

Unit 16, 36/F., China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

24 April 2017

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
PROPOSED FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to (i) provide you with information regarding the Issue Mandate and the Repurchase Mandate; (ii) provide you with information regarding the re-election of the retiring Directors; (iii) provide you with information regarding the proposed final dividend; and (iv) give you notice of the AGM.

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## LETTER FROM THE BOARD

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### **A. GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

This circular gives details regarding the granting of general mandate to issue Shares and repurchase Shares in compliance with the Listing Rules.

#### ***1. GENERAL MANDATE TO ISSUE SHARES***

On 26 May 2016, a general mandate was granted to the Directors to exercise the powers of the Company to issue Shares, and thereafter, such mandate has not been exercised or renewed. In accordance with conditions of the general mandate granted, such mandate will lapse at the conclusion of the forthcoming AGM and has not been renewed.

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, the grant of the Issue Mandate to the Directors to allot, issue and deal with Shares up to 20% of the aggregate nominal value of the issued share capital of the Company on the date of passing this ordinary resolution (i.e. not exceeding 249,546,506 Shares based on the issued share capital of the Company of 1,247,732,530 Shares as at the Latest Practicable Date and assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Issue Mandate). In addition, an ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate the number of Shares purchased under the Repurchase Mandate (refer to section 2 below), if granted.

Details of the Issue Mandate and the extension of the Issue Mandate are respectively set out in resolutions 6 and 8 in the notice of the AGM set out on pages 14 to 17 of this circular. The Issue Mandate will remain in effect until whichever is the earliest of (a) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either unconditionally or subject to conditions by ordinary resolution passed at that meeting; or (b) the expiration of the period within which the next annual general meeting of the Company is required by Articles of Association or the applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying such mandate.

The Directors wish to state that they have no immediate plans to allot and issue any new Shares other than such Shares which may fall to be allotted and issued upon the exercise of any options to be granted under the Share Option Scheme.

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## LETTER FROM THE BOARD

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### **2. GENERAL MANDATE TO REPURCHASE SHARES**

A general mandate to repurchase Shares was granted by the Shareholders in the annual general meeting of the Company held on 26 May 2016 to the Directors to exercise the powers of the Company to repurchase Shares, and thereafter, such mandate has lapsed and has not been renewed.

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, renew the grant of the Repurchase Mandate to the Directors to repurchase Shares up to 10% of the issued share capital of the Company on the date of passing this ordinary resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,247,732,530 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate on the date of passing the resolution approving the Repurchase Mandate will be 124,773,253 Shares, which represent 10% of the then issued share capital of the Company.

An explanatory statement, giving certain information regarding the Repurchase Mandate, is set out in Appendix 1 to this circular. The Repurchase Mandate will remain in effect until whichever is the earliest of (a) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either unconditionally or subject to conditions by ordinary resolution passed at that meeting; or (b) the expiration of the period within which the next annual general meeting of the Company is required by Articles of Association or the applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying such mandate.

### **3. EXPLANATORY STATEMENT**

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix 1 to this circular. The information in the explanatory statement is to provide you with the information reasonable necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

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## LETTER FROM THE BOARD

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### **B. RE-ELECTION OF THE RETIRING DIRECTORS**

In accordance with Article 84 of the Articles of Association, Mr. Yan Weibin, Mr. Bartle van der Meer and Mr. Lau Chun Fai Douglas will retire by rotation at the conclusion of the AGM and being eligible, offer themselves for re-election.

The biographical details of the aforesaid Directors proposed to be re-elected are set out in Appendix 2 to this circular. An ordinary resolution approving their re-elections will be proposed at the AGM.

### **C. FINAL DIVIDEND**

The Board has recommended a final dividend of HK\$0.05 per Share to be distributed from the Company's share premium account to the Shareholders whose names appear on the register of members of the company on 6 July 2017, subject to approval by the Shareholders at the forthcoming AGM.

### **D. AGM**

A notice convening the AGM is set out on pages 14 to 17 of this circular.

The Annual Report incorporating, among other things, the audited consolidated financial statements of the Group for the year ended 31 December 2016 and the reports of the Directors and the auditors thereon are despatched to the Shareholders together with this circular.

A proxy form for use at the AGM is enclosed, a copy of which can also be obtained via the website of the Company at [www.ausnutria.com.hk](http://www.ausnutria.com.hk) or the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

Whether or not you are able to attend the AGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the commencement of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending in person and voting at the AGM or any adjourned meeting if you so wish.

### **E. PROCEDURES AND RESULTS FOR POLL VOTING**

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles of Association, at any general meeting, a resolution put to the vote of a meeting shall be taken by 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 authorised representative, shall have one vote for every Share held which is fully paid or credited as fully paid.

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## LETTER FROM THE BOARD

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The results of the poll on all the resolutions as set out in the notice of the AGM in both English and Chinese will be published on the website of the Company at [www.ausnutria.com.hk](http://www.ausnutria.com.hk) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) after 4:00 p.m. on the AGM date.

### **F. RECOMMENDATION**

The Directors believe that the resolutions of (i) the granting of the Issue Mandate and Repurchase Mandate; (ii) the re-election of the retiring Directors; and (iii) the final dividend to be proposed at the AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends you to vote in favour of the resolutions to be proposed at the AGM.

### **G. MISCELLANEOUS**

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully  
By Order of the Board  
**Ausnutria Dairy Corporation Ltd**  
**Yan Weibin**  
*Chairman*

*This Explanatory Statement includes information required under Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders in connection with the proposed Repurchase Mandate.*

**(I) LISTING RULES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions.

**(II) SHAREHOLDER'S APPROVAL**

The Listing Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by specific approval of a particular transaction or by a general mandate to the directors of the company to make such repurchases and that the shares to be repurchased must be fully paid up.

**(III) EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, there were 1,247,732,530 Shares in issue. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued and no Shares are repurchased prior to the AGM, the Directors would be authorised under the Repurchase Mandate to repurchase a maximum of 124,773,253 Shares, which represent 10% of the then issued share capital of the Company.

**(IV) REASONS FOR THE REPURCHASE OF SHARES**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per Share. The Directors are seeking in the grant of Repurchase Mandate to give the Company flexibility to do so if and when appropriate. The timing and the numbers(s), the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

**(V) SOURCE OF FUNDS**

Repurchases must be made out of funds which are legally available for such purpose in accordance with all applicable laws of the Cayman Islands and the Articles of Association. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

Under the Companies Law, repurchases by the Company may only be made out of the reserves of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

There could be adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements of the Group contained in the Annual Report) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level.

#### (VI) SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during each of the previous twelve months and up to the Latest Practicable Date were as follows:

	Share prices	
	Highest <i>HKD</i>	Lowest <i>HKD</i>
<b>2016</b>		
April	2.50	2.23
May	2.50	2.23
June	2.39	2.21
July	2.85	2.21
August	3.06	2.60
September	2.96	2.75
October	3.06	2.70
November	3.05	2.80
December	3.13	2.81
<b>2017</b>		
January	3.09	2.93
February	3.44	2.96
March	3.38	3.16
April (up to the Latest Practicable Date)	3.33	3.11

**(VII) UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. The Directors have also undertaken not to repurchase any Shares if there is less than a minimum of 25% of the total issued share capital of the Company in public hands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their close associate(s), currently intends to sell the Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected person (as defined in the Listing Rules)\_has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

**(VIII) TAKEOVERS CODE**

Pursuant to Rule 32 of the Takeovers Code, if as a result of a Share repurchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and may in certain circumstances give rise to an obligation to make a mandatory offer for the Shares under Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, nothing has come to the attention of the Directors that there will be any consequences arise under the Takeovers Code if the Repurchase Mandate is exercised.

**(IX) SHARES REPURCHASE BY THE COMPANY**

The Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

*At the AGM, an ordinary resolution to re-elect the following persons as Directors will be proposed. In compliance with Rule 13.51(2) of the Listing Rules, details of the relevant persons are as follows:*

**MR. YAN WEIBIN (“Mr. Yan”)  
CHAIRMAN & EXECUTIVE DIRECTOR**

Mr. Yan, aged 51, was appointed as executive director of the Company (the “Director”) on 8 June 2009 and elected as chairman of the board of Directors (the “Board”) on 7 June 2013. Mr. Yan is the sole shareholder and director of Ausnutria Holding Co Ltd, one of the substantial Shareholders, and also a director of a number of the Company’s subsidiaries, including Ausnutria Dairy (China) Co., Ltd.. He joined the Group in September 2003 when Ausnutria Dairy (China) Co., Ltd. is established. Mr. Yan is responsible for leading the Board and ensuring it works effectively and discharges its responsibilities and that all key and appropriate issues are discussed by the Board in a timely manner. Mr. Yan is also primarily responsible for the overall corporate strategy, planning and business development of the Group. Mr. Yan graduated from Hunan University with a bachelor’s degree in engineering and a master’s degree in business administration. Mr. Yan was a director of Yuan Longping High-tech Agriculture Co., Ltd\* (袁隆平農業高科技股份有限公司) (“Longping High-tech”), a company listed on the Shenzhen Stock Exchange, from 2004 to January 2016. At Longping High-tech, he served as chief executive officer from 2004 to April 2010, vice chairman and chief financial officer from April 2010 to December 2011, chief executive officer and chief financial officer from December 2011 to June 2012 and vice president from June 2012 to January 2016. Mr. Yan resigned all his duties in Longping High-tech in January 2016. Mr. Yan is currently a shareholder and director of Hunan Xin Da Xin Co., Ltd.\* (湖南新大新股份有限公司).

Saved as disclosed above, Mr. Yan did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Yan did not have any relationship with other Directors, senior management, substantial or controlling Shareholders. The details of Mr. Yan’s interests in the Shares within the meaning of Part XV of the SFO are set out in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares and Underlying Shares” of the Annual Report.

There is a service contract between the Company and Mr. Yan for a term of three years with effect from 8 October 2015. Mr. Yan is entitled to an annual director’s fee of HK\$240,000 (Year 2015: HK\$240,000) and emoluments of HK\$1,200,000 (Year 2015: HK\$482,677). Mr. Yan’s remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

**MR. BARTLE VAN DER MEER (“Mr. van der Meer”)  
CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR**

Mr. van der Meer, aged 71, was appointed as the executive Director and chief executive officer of the Company on 7 June 2013. Mr. van der Meer is one of the founders of Ausnutria Hyproca B.V. and has been involved in the strategic management since the establishment of Ausnutria Hyproca B.V. in 1994. He was also a member of the board of directors and chief executive officer of Ausnutria Hyproca B.V. since 2012 to April 2015. Mr. van der Meer is primarily responsible for managing and executing the Group’s overall business directions and corporate operation decisions. He graduated with a business administration degree in the Netherlands with a major in banking in 1966. He worked for Rabobank, a multinational banking and financial services group in the Netherlands for more than 25 years. He is serving as the executive director of PMH Investments B.V., a private equity which owned 50.00% equity interests in Dutch Dairy Investments B.V., a substantial Shareholder, and Vegelin Group B.V. since 1994. Mr. van der Meer has been the chairman of supervisory board of sc Heerenveen NV (a soccer club which plays in the premier division in the Netherlands) since 1998 to 2012, and a member of Foundation Accell Group (a company listed on Euronext Amsterdam (formerly known as Amsterdam Stock Exchange) since 1998.

Save as disclosed above, Mr. van der Meer did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. van der Meer did not have any relationship with other Directors, senior management, substantial or controlling Shareholders. The details of Mr. van der Meer’s interests in the Shares within the meaning of Part XV of the SFO are set out in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares and Underlying Shares” of the Annual Report.

There is a service contract between the Company and Mr. van der Meer for a term of three years with effect from 7 June 2016. Mr. van der Meer is entitled to an annual director’s fee of HK\$240,000 (Year 2015: HK\$240,000) and emoluments of HK\$600,000 (Year 2015: HK\$339,310). Mr. van der Meer’s remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

**MR. LAU CHUN FAI DOUGLAS (“Mr. Lau”)  
INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Lau, aged 44, was appointed as the independent non-executive director on 2 January 2015. Mr. Lau has over 18 years of experience in auditing, accounting and financial and corporate management. Mr. Lau graduated from the University of New South Wales with a bachelor of commerce degree in accounting and finance. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants in Australia, CPA Australia and a founding member of the Institute of Accountants Exchange. Before joining the Group, Mr. Lau was a partner at Ernst & Young (Assurance and Advisory Business Services) Hong Kong and Beijing and a regional director (China and Hong Kong) of the Institute of Chartered Accountants in English and Wales. Mr. Lau is an independent non-executive director of Chanjet Information Technology Company Limited (Stock code: 1588) since 2011, and GME Group Holdings Limited (Stock code: 8188) since February 2017.

Save as disclosed above, Mr. Lau did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Lau did not have any relationship with other Directors, senior management, substantial or controlling Shareholders. The details of Mr. Lau’s interests in the Shares within the meaning of Part XV of the SFO are set out in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares and Underlying Shares” of the Annual Report.

There is a service contract between the Company and Mr. Lau for a term of two years with effect from 2 January 2017. Mr. Lau is entitled to an annual director’s fee of HK\$300,000 (Year 2015: HK\$300,000). Mr. Lau’s remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

**AUSNUTRIA DAIRY CORPORATION LTD****澳優乳業股份有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock code: 1717)****NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**AGM**”) of Ausnutria Dairy Corporation Ltd (the “**Company**”) will be held at Metro Suite, Level B1, Shangri-La’s Far Eastern Plaza Hotel, Taipei, 201 Tun Hwa South Road, Section 2, Taipei, Taiwan, on Thursday, 1 June 2017 at 9:30 a.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements and the Reports of the directors (the “**Directors**”) of the Company and of the auditors for the year ended 31 December 2016;
2. To re-elect the retiring Directors;
3. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration and emolument;
4. To declare a final dividend of HK\$0.05 per share for the year ended 31 December 2016 from the share premium account of the Company;
5. To re-appoint Ernst & Young as auditors and to authorise the Board to fix their remuneration;
6. “**THAT:**
  - (a) subject to paragraph (c), a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to allot, issue and dispose of shares of the Company (the “**Shares**”) of HK\$0.10 each in the share capital of the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;
  - (b) the mandate in paragraph (a) shall authorise the Directors during the Relevant Period 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;

- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) 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, or (iii) any scrip dividend or similar arrangement pursuant to the articles of association of the Company (the “**Articles of Association**”) from time to time, or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution and the said mandate shall be limited accordingly; and
- (d) for the purpose 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 AGM unless the mandate is renewed either unconditionally or subject to conditions by ordinary resolution passed at that meeting;
- (ii) the expiration of the period within which the next AGM is required by the Articles of Association or the applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in a general meeting revoking or varying such mandate.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares 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 exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any jurisdiction outside Hong Kong, any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”;

7. “**THAT:**

- (a) a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution; and
- (b) for the purpose 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 AGM unless the mandate is renewed either unconditionally or subject to conditions by ordinary resolution passed at that meeting;
- (ii) the expiration of the period within which the next AGM is required by the Articles of Association or the applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in a general meeting revoking or varying such mandate.”;

8. “**THAT:**

conditional upon the passing of resolutions 6 and 7 set out in the notice convening this meeting, the aggregate nominal amount of the shares which are purchased or otherwise acquired by the Company pursuant to resolution 7 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to resolution 6.”

Yours faithfully  
By Order of the Board  
**Ausnutria Dairy Corporation Ltd**  
**Yan Weibin**  
*Chairman*

Changsha City, People’s Republic of China, 24 April 2017

*Notes:*

1. Any member entitled to attend and vote at the AGM is entitled to appoint one or more person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a 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, must be deposited not less than 48 hours before the time appointed for the holding of the AGM at the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
3. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the AGM if the member so desires, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Information containing further details regarding the proposed Resolutions 2 and 6 set out in the above notice as required by the Listing Rules are set out in Appendices 2 and 1 to this circular respectively.
5. The register of members of the Company in Hong Kong will be closed for the following periods:
  - (a) For the purpose of determining shareholders of the Company who are eligible to attend and vote and the forthcoming AGM, the register of members of the Company will be closed from 26 May 2017 to 1 June 2017 (both dates inclusive) during which period no transfer of Shares will be registered. To be qualified to attend the forthcoming AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investors Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 25 May 2017.
  - (b) For the purpose of determining shareholders of the Company who are qualified for the proposed final dividend, the register of members of the Company will be closed from 7 July 2017 to 11 July 2017 (both dates inclusive) during which period no transfer of Shares will be registered. To be qualified for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investors Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 6 July 2017.