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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)

PROPOSED CHANGE OF AUDITOR

This announcement is made by Ausnutria Dairy Corporation Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the Company intends to remove Ernst & Young (“**EY**”) as the auditor of the Company (the “**Proposed Removal**”) upon passing relevant resolution at the extraordinary general meeting to be convened and held by the Company (the “**EGM**”). With the recommendation of the audit committee of the Company (the “**Audit Committee**”), the Board proposes to appoint PricewaterhouseCoopers (“**PwC**”) as the new auditor of the Company (the “**Proposed Appointment**”) to fill the vacancy following the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company.

PROPOSED REMOVAL OF AUDITOR

At the last annual general meeting of the Company held on 26 May 2022, EY was re-appointed as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

EY has been the auditor of the Company since its listing in 2009. For the purpose of maintaining good corporate governance practice and improving its standard, the Audit Committee considers that the auditor of the Company should be rotated after an appropriate period of time and it would be in the best interest of the Company and its shareholders (the “**Shareholders**”) as a whole to replace EY with another reputable accounting firm, and therefore made a recommendation to the Board to seek the approval of the Shareholders regarding the Proposed Removal and Proposed Appointment. The Proposed Removal is subject to the passing of a special resolution at the EGM pursuant to the articles of association of the Company (the “**Articles of Association**”). The Board would like to express its great appreciation to EY and thank them for the professionalism and care they have demonstrated in their external audit role with the Company for over a decade.

A letter received by the Company from EY confirmed that there are no other matters that need to be brought to the attention of the Shareholders or creditors of the Company in relation to the Proposed Removal. To the best of the Directors’ knowledge, information and belief, save as disclosed above, there are no other circumstances or matters that need to be brought to the attention of the Shareholders in relation to the Proposed Removal.

PROPOSED APPOINTMENT OF AUDITOR

The Audit Committee has assessed and considered that PwC are qualified and suitable to carry out duties of the auditor of the Company. The Board, with the recommendation by the Audit Committee, proposes to appoint PwC as the new auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company. The Proposed Appointment is subject to the Proposed Removal becoming effective and the passing of ordinary resolution in respect of the Proposed Appointment at the EGM.

IMPLICATIONS UNDER THE LISTING RULES

According to the article 152(2) of the Articles of Association, the Shareholders may, at any general meeting convened and held in accordance with the Articles of Association, by special resolution remove the auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term.

Under Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining shareholders' approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to shareholders with any written representations from the auditor, not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to shareholders at the general meeting.

In compliance with the Articles of Association and the Listing Rules, each of the Proposed Removal and the Proposed Appointment will be proposed as special resolution and ordinary resolution at the EGM, respectively.

Accordingly, the Company will despatch to the Shareholders a circular containing, among other things, the further information on the Proposed Removal and the Proposed Appointment together with the notice of EGM, and also despatch a copy of the same to EY to invite them to attend the EGM and make written or verbal representations (if any) to the Shareholders at the EGM.

THE EGM

The EGM will be convened and held to consider and, if thought fit, approve the Proposed Removal and the Proposed Appointment. A circular containing the further information on the Proposed Removal and the Proposed Appointment together with the notice of EGM is expected to be despatched to the Shareholders on or before 10 August 2022.

By order of the Board
Ausnutria Dairy Corporation Ltd
Yan Weibin
Chairman

The People's Republic of China, 29 July 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yan Weibin (Chairman), Mr. Bartle van der Meer (Chief Executive Officer) and Ms. Ng Siu Hung; three non-executive Directors, namely Mr. Sun Donghong (Vice-Chairman), Mr. Zhang Zhanqiang and Mr. Zhang Lingqi; and three independent non-executive Directors, namely Mr. Ma Ji, Mr. Ren Fazheng and Mr. Aidan Maurice Coleman.