

Letter of Undertaking

Date: 27 October 2021

HONGKONG JINGANG TRADE HOLDING CO., LIMITED
ROOM 1802B 18/F
18 HYSAN AVENUE
CAUSEWAY BAY
HONG KONG

Attn.: The Board of Directors

Proposed mandatory conditional cash offers to acquire all the issued share capital of AUSNUTRIA DAIRY CORPORATION LTD (stock code: 1717) (the "Company") and for the cancellation of all the outstanding options of the Company

1 Background

I refer to the proposed mandatory conditional cash offers (the "**Offers**") which include the "**Share Offer**" and "**Option Offer**") to be made by CLSA Limited for and on behalf of Hongkong Jingang Trade Holding Co., Limited (the "**Offeror**") to acquire all the issued share capital of the Company (the "**Shares**") (other than those Shares already owned by or to be acquired by the Offeror and parties acting in concert with it) and for the cancellation of all the outstanding options of the Company (the "**Options**"), details of which will be set out in an announcement to be issued jointly by the Company and the Offeror on or about 27 October 2021 (the "**Announcement**") (an advanced copy of which is attached for your reference).

As at the date of this deed, I am interested in an aggregate of 120,439,085 Shares, of which 1,700,000 Share are directly held by me and 118,739,085 Shares are held by a company wholly owned by me (i.e. Ausnutria Holding Co. Ltd.) respectively.

2 Irrevocable Undertakings

2.1 I hereby irrevocably undertake to the Offeror that before the expiry of the offer period (as defined under the Code on Takeovers and Mergers (the "**Takeovers Code**")) in respect of the Offers:

2.1.1 I shall not accept or procure not to accept the Share Offer in respect of:

(i) 120,439,085 Shares in which I am either the registered holder or beneficial owner ;and

(ii) any other Shares of which I may become the registered holder or beneficial owner or in which I may become so interested after the date of this deed (together with Shares in paragraph 2.1.1 (i), being the "**Relevant Shares**");

2.1.2 I shall neither exercise nor accept the Option Offer in respect of:

(i) 1, 000,000 outstanding Options granted to me (whether vested or unvested during the offer period);and

(ii) any other Options of which I may become the registered holder or beneficial owner or in which I may become so interested after the date of this deed (together with Options in paragraph 2.1.2(i), being the “**Relevant Options**”, Relevant Shares and Relevant Options, collectively “**Relevant Securities**”).

2.2 The undertaking under paragraph 2.1 is conditional upon the release of the Announcement.

3 Dealing in Securities

3.1 I undertake and will procure the holder of the Relevant Securities in case I am non-registered holder of such Shares or Options:

- 3.1.1 not dispose of, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal in any of the Relevant Securities or any interest in them (whether conditionally or unconditionally) or enter into any transaction having a similar economic effect;
- 3.1.2 exercise (or, where relevant, procure the exercise of) all voting rights attaching to the Relevant Securities to vote in favour of the special deal(s) (if any) as disclosed in the Announcement or any other disclosure in relation to the Offers, and otherwise in such manner as to enable the Offers to be made and become or be declared unconditional;
- 3.1.3 save for any arrangement stipulated in this deed, refrain from, and oppose the taking of, any action which might result in any condition of the Offers not being satisfied; and
- 3.1.4 not enter into any agreement or arrangement or allow to arise any obligation with any person, whether conditionally or unconditionally, to do any of the acts prohibited by the above terms of this paragraph 3 which would or might restrict or impede the Offers becoming unconditional or my ability to comply with this deed.

4 Action to Facilitate the Offers

4.1 I, using my best endeavours, undertake and will procure the holder of the Relevant Securities in case I am non-registered holder of such Shares or Options to:

- 4.1.1 co-operate in the production of the formal document containing the Offers (the “**Offer Document**”) and the formal document containing the response of the Company to the Offer (if separate from the Offer Document), including, among other things, the provision of information required by Schedules I and II to the Takeovers Code that relates to me (including but not limited to the relevant details of holdings and dealings in the Shares or Options by me (or the holder of the Relevant Securities in case I am non-registered holder of such Shares or Options)) and, if so required by the Executive or the Takeovers Code, my concert parties as soon as reasonably practicable;
- 4.1.2 exercise the voting rights attached to the Relevant Securities to vote against any resolutions put to shareholders of the Company pursuant to which the Company or any of its subsidiaries would:
 - (i) take any actions as described in Rule 4 of the Takeovers Code (“*No frustrating action*”), including (without limitation) paying any dividends and issuing any shares or securities convertible or exchangeable into shares;
 - (ii) cease to carry on its business in the ordinary course and as a going concern;
or

- (iii) take any action which is reasonably likely to be prejudicial to the successful outcome of the Offers;
- 4.1.3 save for any arrangement stipulated in this deed, in the capacity as a shareholder of the Company, take no action which is reasonably likely to be prejudicial to the successful outcome of the Offers;
- 4.1.4 without prejudice to the generality of paragraph 4.1.3 above, not solicit or enter into discussions regarding any offer for the Shares or Options from any third party or any proposal for a merger of the Company with any other entity;
- 4.1.5 subject to my confidentiality obligations and fiduciary duty and any director who is an employee of any of my affiliated entities on the board of directors of the Company as well as compliance with all applicable laws and regulation, notify you of any matter or circumstance which might be reasonably likely to cause or result in any of the pre-conditions or conditions to which the Announcement indicates the Offers will be subject to be unfulfilled or incapable of fulfilment, or in the Offers otherwise not being successfully completed, as soon as reasonably practicable after I become aware of it, provided always that I will not give any notification to you if the facts involve inside information (as defined under the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong) in relation to the Company; and
- 4.1.6 agree to any extensions of the time limits set out in rules 8, 15, 16 and 17 of the Takeovers Code which you may consider desirable and to co-operate with you in seeking such waivers of those rules and other rulings of the Executive as you may consider to be necessary or desirable to secure such extensions.

5 Warranties and Undertakings

5.1 I warrant and undertake to the Offeror that:

- 5.1.1 Ausnutria Holding Co. Ltd. is duly incorporated, validly existing and in good standing under its laws of incorporation (if applicable);
- 5.1.2 I have the requisite power and authority to enter into, and to perform my Obligations under this deed and any other documents to be executed by it pursuant to or in connection with the Offers;
- 5.1.3 I have obtained or satisfied all corporate, regulatory and other approvals, necessary to execute and perform our Obligations under this deed;
- 5.1.4 this deed constitutes a legal, valid and binding agreement of me and is enforceable against me in accordance with its terms;
- 5.1.5 the execution and delivery of this deed, the consummation of the transaction herein, and my fulfilment by of the terms hereof do not and will not conflict with, or result in a breach or violation of (i) constitutional documents or business license (if applicable) of Ausnutria Holding Co. Ltd.; and (ii) any laws, rules or regulations applicable;
- 5.1.6 the Relevant Securities registered in my name, beneficially owned by me or in respect of which I am interested;
- 5.1.7 I have full power and authority not to accept the Offers, or to undertake that the Offers will not be accepted, in respect of all the Relevant Securities; and

Such warranties and undertakings shall be true and accurate in all material respects throughout the offer period (as defined under the Takeovers Code) and shall not be extinguished or affected by no sale of the Relevant Securities pursuant to the Offers.

6 Confidentiality

6.1 In consideration of any information provided by the Offeror to me in relation to the Offers, I undertake to keep confidential all the terms and conditions of the Offers and the existence of this deed (collectively, the "Confidential Information"), unless the Offeror agrees in writing and until the Announcement is released or the Confidential Information has otherwise become generally available to the public, provided that nothing in this paragraph shall restrict the disclosure of the Confidential Information by me:

6.1.1 if required by applicable laws or regulations or the requirements of the Securities and Futures Commission, or the Stock Exchange of Hong Kong Limited or any other authority; or

6.1.2 to directors, officers, employees (as applicable), affiliates, agent or professional advisers of Ausnutria Holding Co. Ltd. on a need to know and strictly confidential basis, provided that such individual or entity (a) is under a similar obligation of confidentiality; or (b) is otherwise under a binding professional obligation of confidentiality;

provided that Confidential Information shall not include (i) information which the recipient already had in its possession without confidential limitation at the time of disclosure by the me; (ii) information known or that becomes known to the general public without breach of this letter by me; and (iii) information that is received rightfully and without confidential limitation by the recipient from a third party, provided that such third party source was not prohibited from disclosing such information to any party or its representatives by any legal, contractual or fiduciary obligation or another party.

The obligations in this paragraph shall immediately terminate upon the earlier of (i) the Announcement is released to or available to the public or (ii) the Announcement is aborted.

6.2 To the extent any of the Confidential Information is inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), I will comply with the applicable restrictions on dealing in securities and disclosing inside information in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

7 Publicity

7.1 I consent to:

7.1.1 the disclosure of the contents of this deed and/or anything in connection thereto to the Securities and Futures Commission of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and The Stock Exchange of Hong Kong Limited; and

7.1.2 the issue of any announcements, circulars and documents incorporating a reference to this deed, to be made by you and/or the Company relating to the Offers pursuant to the Takeovers Code and the Listing Rules. I acknowledge that, if the Offers are made, this deed will be available for inspection during the offer period.

8 Termination

8.1 This deed shall terminate immediately if the Offers are not made in accordance with the requirements under the Takeovers Code in all material respects or the Offers close, lapse or are withdrawn. In the event of the termination of this deed, this deed shall terminate in all respects with immediate effect, and no party shall have any obligations and liabilities hereunder or any claim under this deed against any other party, save that:

8.1.1 the provisions of paragraphs 7, 8, 9 and 10 hereof shall continue to apply in full force and effect thereafter; and

8.1.2 such termination shall be without prejudice to a party's accrued rights, remedies, obligations and liabilities under this deed as at the date of such termination.

9 Enforcement

9.1 Governing law etc.

This deed and any non-contractual obligations arising out of or in connection with this deed shall be governed by and construed in accordance with the laws of Hong Kong. All disputes arising out of or in connection with this deed shall be submitted to the exclusive jurisdiction of the courts of Hong Kong.

9.2 Remedies

Without prejudice to any other rights or remedies which you may have, I acknowledge and agree that monetary damages would not be an adequate remedy for any breach by me of this deed, including any of my Obligations. You shall be entitled to the remedies of injunction, specific performance and/or other equitable relief (without posting bond or other security) for any threatened or actual breach of this deed, including any such Obligation and no proof of special damages shall be necessary for the enforcement by you of your rights under this deed.

10 Interpretation

10.1 Meaning

In this deed:

10.1.1 references to the "**Obligations**" are to my undertakings, agreements, warranties, appointments, consents and waivers set out in it;

10.1.2 references to "**subsidiaries**" have the same meaning as in the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and the Takeovers Code.

11 Waiver and Variation

- 11.1** No failure or delay by either party in exercising its rights under this deed shall operate as a waiver.
- 11.2** No variation of this deed shall be effective unless in writing and signed by or on behalf of each of the parties.

12 No third party rights

A person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce the terms of this deed.

In witness whereof this deed has been duly executed and delivered as a deed on the day and year first written above.

EXECUTED AND DELIVERED AS A DEED)
By Mr. Yan Weibin)



in the presence of:)




Name: WONG KA LEUNG

In witness whereof this deed has been duly executed and delivered as a deed on the day and year first written above.

EXECUTED AND DELIVERED AS A DEED)
By Hongkong Jingang Trade Holding CO., Limited)
acting by)
in the presence of:)


Name:  CHEN, Tianxiao


Director

Director/Secretary