
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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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

A notice convening an annual general meeting of Ausnutria Dairy Corporation Ltd (“AGM”) to be held at 8th Floor, XinDaXin Building A, No. 168 Huangxing Middle Road, Changsha City, Hunan Province, the PRC, on Tuesday, 28 April 2020 at 10:00 a.m. is set out on pages 15 to 18 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.

PRECAUTIONARY MEASURES FOR THE AGM

Please see page 3 of this document for measures being taken by Ausnutria Dairy Corporation Ltd to try to prevent and control the spread of the coronavirus disease at the AGM, including:

- **compulsory temperature checks**
- **recommended wearing of surgical face masks**
- **no distribution of corporate gifts and/or refreshments**

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. In order to facilitate the prevention and control of the coronavirus disease, and to safeguard the health and safety of its shareholders, the Company encourages its shareholders to consider appointing the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

26 March 2020

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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 8th Floor, XinDaXin Building A, No. 168 Huangxing Middle Road, Changsha City, Hunan Province, the PRC, on Tuesday, 28 April 2020 at 10:00 a.m.
“Annual Report”	the annual report of the Company for the year ended 31 December 2019 despatched to the Shareholders together with this circular
“Articles of Association”	the articles of association of the Company, as amended or supplemented from time to time
“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, as amended or supplemented from time to time
“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 Main Board of 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 relevant proposed resolution, 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 number of total issued Shares as at the date of the said resolution
“Latest Practicable Date”	20 March 2020, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication

DEFINITIONS

“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 relevant proposed resolution, 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 number of total issued Shares as at the date of the said resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company
“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 approved by the Securities and Futures Commission as amended or supplemented from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing coronavirus disease (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect all attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) the Company encourages the Shareholders to consider appointing the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person;
- (ii) compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue;
- (iii) the Company encourages attendees to wear surgical face masks inside the AGM venue at all times, and to maintain a safe distance between seats; and
- (iv) no refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and consistent with recent pandemic guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising their voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

The proxy form is attached to the AGM Circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the "Investors – Circulars" section of the Company's website at <http://ausnutria.com.hk/en/ir/circulars.php>. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If the Shareholders choose not to attend the AGM in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company via its investors contact as follows:

Investor Relations

Contact Person: Ms. Tracy Sun

Email: tracy_sun@ausnutria.com

LETTER FROM THE BOARD



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. Bartle van der Meer (*Chief Executive Officer*)
Ms. Ng Siu Hung

Non-executive Directors:

Mr. Shi Liang (*Vice-chairman*)
Mr. Qiao Baijun
Mr. Tsai Chang-Hai

Independent Non-executive Directors:

Mr. Jason Wan
Mr. Lau Chun Fai Douglas
Mr. Aidan Maurice Coleman

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

26 March 2020

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.

LETTER FROM THE BOARD

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

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

1. General Mandate to Issue Shares

On 14 May 2019, a general mandate was granted to the Directors to exercise the powers of the Company to issue Shares. 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 yet.

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 number of total issued Shares on the date of passing this ordinary resolution (i.e. not exceeding 322,192,059 Shares based on the 1,610,960,299 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the number of issued Shares 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 15 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.

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 14 May 2019 to the Directors to exercise the powers of the Company to repurchase Shares, and thereafter, such mandate will lapse at the conclusion of the forthcoming AGM and has not been renewed yet.

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 number of total issued Shares on the date of passing of the resolution approving the Repurchase Mandate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had 1,610,960,299 Shares in issue. Assuming that there is no change in the number of issued Shares 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 161,096,029 Shares, which represent 10% of the then issued Shares.

Details of the Repurchase Mandate are set out in resolution 7 in the notice of the AGM set out on page 17 of this circular and the explanatory statement 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 the 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.

B. RE-ELECTION OF THE RETIRING DIRECTORS

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

Mr. Lau Chun Fai Douglas, being an Independent Non-executive Director, has given an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The nomination committee of the Board (the “**Nomination Committee**”) is of the view that Mr. Lau remains to be independent after assessing his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules against his latest position. Both the Board and the Nomination Committee consider that Mr. Lau has the required character, integrity and experience to fulfil and discharge the role and duties of an independent non-executive Director.

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.

LETTER FROM THE BOARD

C. FINAL DIVIDEND

The Board has recommended a final dividend of HK\$0.22 per Share for the year ended 31 December 2019 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 5 June 2020. Subject to the approval of the Shareholders at the forthcoming AGM, the proposed final dividend is expected to be paid on or around 23 June 2020.

D. AGM

A notice convening the AGM is set out on pages 15 to 18 of this circular.

The Annual Report incorporating, among other things, the audited consolidated financial statements of the Group for the year ended 31 December 2019 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 or the website of the Stock Exchange at 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.

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 and the website of the Stock Exchange at www.hkexnews.hk after 4:00 p.m. on the AGM date.

LETTER FROM THE BOARD

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 1,610,960,299 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 161,096,029 Shares, which represent 10% of the then number of total issued Shares.

(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>HK\$</i>	Lowest <i>HK\$</i>
2019		
March	10.80	9.37
April	12.80	10.10
May	15.06	12.50
June	16.06	14.14
July	16.68	13.62
August	14.20	9.63
September	12.42	8.69
October	12.12	9.85
November	12.06	9.68
December	11.36	9.04
2020		
January	11.76	9.34
February	13.40	9.45
March (up to the Latest Practicable Date)	13.50	10.04

(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

Details of the Shares repurchased by the Company on the Stock Exchange in the six months immediately and up to the Latest Practicable Date which were cancelled on 28 February 2020 are set out as follows:

Date of repurchase	Number of Shares repurchased on the Stock Exchange	Price paid per Share		Aggregate consideration paid (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
2019.09.27	300,000	9.70	9.22	2,817,640
2019.09.30	300,000	10.26	10.20	3,072,000
2019.10.02	284,000	10.24	10.04	2,888,480
2019.10.03	47,000	10.24	10.24	481,280
2019.10.04	260,000	10.34	10.20	2,681,300
2019.10.08	600,000	10.36	10.22	6,182,580
2019.10.09	336,000	10.50	10.22	3,488,520
2019.10.10	189,000	10.62	10.46	1,989,140
2019.10.11	363,000	10.76	10.64	3,883,100
Total	2,679,000			27,484,040

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”)
EXECUTIVE DIRECTOR, CHAIRMAN**

Mr. Yan, aged 54, was appointed as an executive Director on 8 June 2009 and elected as the Chairman 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. (“**Ausnutria China**”). He joined the Group in September 2003 when Ausnutria China was established. Mr. Yan is responsible for leading the Board and ensuring that 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. He also acts as Chancellor of Ausnutria University. Mr. Yan was elected as a member of the twelfth Hunan committee of the Chinese People’s Political Consultative Conference in January 2018. 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), a company listed on the Shenzhen Stock Exchange, from 2004 to January 2016. At Yuan Longping High-tech Agriculture Co., Ltd, 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.

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 2018. Mr. Yan is entitled to an annual director’s fee of HK\$300,000 and annual emoluments of RMB2,148,000. Mr. Yan’s remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

As far as the Directors are aware, there is no information of Mr. Yan to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Yan that need to be brought to the attention of the Shareholders.

**MR. TSAI CHANG-HAI (“MR. TSAI”)
NON-EXECUTIVE DIRECTOR**

Mr. Tsai, aged 70, was appointed as a non-executive Director on 19 January 2016. Mr. Tsai graduated with a bachelor’s degree in medicine from China Medical University and holds a doctorate of medical science from The University of Tokyo. Mr. Tsai has extensive knowledge and expertise in biomedicine. Mr. Tsai is the founder and chairman of Asia University and its affiliated hospital. He is also a professor and chairman of China Medical University. Mr. Tsai serves the role of chairman of the board of directors of Lumosa Therapeutics Co., Ltd., a company listed on the Taiwan Stock Exchange. Mr. Tsai is also a director of BioEngine Capital Inc. Mr. Tsai was a member of Supervisory Committee (監理委員會) of the National Health Insurance Administration of the Ministry of Health and Welfare of Taiwan, deputy convener of the Central Medical Review Committee (中區醫療審查委員會), a counsellor of the Ministry of Health and Welfare, a director of the board of directors of the National Health Research Institutes and chairman of Taiwan Hospital Association.

Save as disclosed above, Mr. Tsai 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, save as disclosed above, Mr. Tsai did not have any relationship with other Directors, senior management, substantial or controlling Shareholders. The details of Mr. Tsai’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. Tsai for a term of two years with effect from 19 January 2020. Mr. Tsai is entitled to an annual director’s fee of HK\$300,000. Mr. Tsai’s remuneration is determined with reference to her qualifications, experience, duties and responsibilities with the Company as well as market rate.

As far as the Directors are aware, there is no information of Mr. Tsai to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Tsai that need to be brought to the attention of the Shareholders.

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

Mr. Lau, aged 47, was appointed as an independent non-executive Director on 2 January 2015. Mr. Lau has over 20 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, Chartered Accountants Australia and New Zealand and 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, save as disclosed above, 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 2019. Mr. Lau is entitled to an annual director’s fee of HK\$400,000. Mr. Lau’s remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

As far as the Directors are aware, there is no information of Mr. Lau to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Lau that need to be brought to the attention of the Shareholders.

**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 8th Floor, XinDaXin Building A, No. 168 Huangxing Middle Road, Changsha City, Hunan Province, the PRC, on Tuesday, 28 April 2020 at 10:00 a.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and of the auditors for the year ended 31 December 2019;
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\$0.22 per share for the year ended 31 December 2019 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;

To consider as special business, and if thought fit, pass the following resolutions as ordinary resolutions with or without amendments:

ORDINARY RESOLUTIONS

6. “**THAT:**
 - (a) subject to paragraph (c) of this resolution, 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) of this resolution 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 number of Shares 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) of this resolution, 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 number of Shares in issue at the date of passing 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 exclusions 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 repurchase 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 number of Shares so purchased or otherwise acquired shall not exceed ten per cent (10%) of the aggregate number of Shares in issue at the date of passing 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 number of Shares which are purchased or otherwise acquired by the Company pursuant to resolution 7 shall be added to the aggregate number of Shares which may be issued pursuant to resolution 6.”

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

People’s Republic of China, 26 March 2020

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 notarially certified copy of that power of attorney, must be deposited not less than 48 hours before the time appointed for 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) Entitlement to attend and vote at the forthcoming AGM

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 Thursday, 23 April 2020 to Tuesday, 28 April 2020 (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 Wednesday, 22 April 2020.

(b) Entitlement for the proposed final dividend

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 Monday, 8 June 2020 to Wednesday, 10 June 2020 (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 Friday, 5 June 2020.

6. In order to facilitate the prevention and control of the coronavirus disease (COVID-19), and to safeguard the health and safety of its shareholders, the Company encourages its shareholders to consider appointing the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.