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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in Ausnutria Dairy Corporation Ltd, you should at once hand this Prospectus Document to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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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 OPEN OFFER OF 113,430,230 OFFER SHARES**  
**AT HK\$2.20 PER OFFER SHARE**  
**ON THE BASIS OF ONE (1) OFFER SHARE**  
**FOR EVERY TEN (10) EXISTING SHARES**  
**HELD ON THE RECORD DATE**

**Financial Adviser to the Company**



**Underwriter of the Open Offer**

**Center Laboratories, Inc.**

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Terms used in this cover page have the same meanings as defined in this Prospectus.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m., on Friday, 11 December 2015. The procedures for application and payment for the Offer Shares are set out on pages 23 and 24 of this Prospectus and the procedures for application and payment for the excess Offer Shares are set out on pages 24 and 25 of this Prospectus.

The Underwriting Agreement contains provisions which entitle the Underwriter by notice in writing, to terminate the Underwriting Agreement prior to the Latest Time for Termination on the occurrence of certain events. These events are set out under the section headed “Termination of the Underwriting Agreement” on pages 6 and 7 of this Prospectus. **If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.**

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Monday, 9 November 2015 and that dealings in the Shares may take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at or before 4:00 p.m., on Monday, 14 December 2015) will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:*

“acting in concert”	has the meaning ascribed thereto under the Hong Kong Code on Takeovers and Mergers
“Announcement”	the Company’s announcement dated 28 October 2015 in relation to, inter alia, the Open Offer
“Application Form(s)”	the form(s) of application to be issued to the Qualifying Shareholders to apply for the Offer Shares for their assured entitlement under the Open Offer in the agreed form
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day”	a day (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning signal number 8 or above or black rainstorm warning is hoisted in Hong Kong between 9:00 a.m. to 4:00 p.m. (both Hong Kong time)) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Center Lab” or “Underwriter”	Center Laboratories, Inc., a company incorporated in Taiwan with limited liability and the shares of which are listed on Taiwan’s GreTai Securities Market and a substantial Shareholder of the Company
“Company”	Ausnutria Dairy Corporation Ltd (Stock code: 1717), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders, pursuant to which the Qualifying Shareholders may apply for the Offer Shares in excess of such Shareholders’ assured entitlement under the Open Offer in the agreed form
“Euro”	Euro, the legal currency of the member states of the European Union
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	28 October 2015, being the last trading day of the Shares prior to the release of the Announcement
“Latest Practicable Date”	23 November 2015, being the latest practicable date for ascertain certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. (Hong Kong time) on 11 December 2015 or such later date as the Company and the Underwriter may agree as the latest time for acceptance of the application and payment for the Offer Shares and application and payment for the excess Offer Shares
“Latest Time for Termination”	4:00 p.m. (Hong Kong time) on the second business day following (but excluding) the Latest Time for Acceptance, i.e. 14 December 2015, or such later time or date as may be agreed in writing between the Underwriter and the Company, being the latest time for the Underwriter to terminate the Underwriting Agreement
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Non-Qualifying Shareholder(s)”	Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Offer Shares where, in the opinion of the Board (having made relevant and necessary enquiries), it would or might be unlawful or impracticable to offer the Offer Shares in such places on account of any legal or regulatory restrictions or special formalities in such places
“Offer Shares”	113,430,230 new Shares to be issued pursuant to the Open Offer
“Open Offer”	the proposed issue of Offer Shares on the basis of one (1) Offer Share for every ten (10) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price, pursuant to the terms and subject to the conditions of the Underwriting Agreement and the Prospectus Documents
“Oversea Shareholder(s)”	Shareholders with registered addresses as shown in the register of members of the Company on the Record Date which are outside of Hong Kong
“PRC”	the People’s Republic of China, which, for the purpose of this Prospectus, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this Prospectus issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the Application Form(s) and the EAF(s)
“Prospectus Posting Date”	27 November 2015 or such other date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Non-Qualifying Shareholders, to the extent legally and practically permissible
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date

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## DEFINITIONS

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“Record Date”	17 November 2015 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Open Offer
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$2.20 per Offer Share
“Underwriting Agreement”	the underwriting agreement dated 28 October 2015 entered into between the Company and the Underwriter in relation to the underwriting of the Underwritten Shares and other arrangements in respect of the Open Offer
“Underwritten Shares”	the total number of Offer Shares underwritten by the Underwriter pursuant to terms of the Underwriting Agreement, being 82,997,798 Offer Shares
“%”	per cent

*For the purpose of this Prospectus, the exchange rate of RMB1.00 = Euro7.16 and RMB1.00 = HK\$1.22 has been used for currency conversion. This is for the purpose of illustration only and does not constitute a representation that any amounts in RMB, Euro and HK\$ have been, could have been or may be converted at such rate or any other exchange rate.*

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## EXPECTED TIMETABLE

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*The expected timetable for the Open Offer and the associated trading arrangement set out below is indicative only and has been prepared on the assumption that all the conditions set out under the paragraph headed “Conditions precedent to the Open Offer and the Underwriting Agreement” in this Prospectus will be fulfilled. The expected timetable for the Open Offer and the associated trading arrangement is as follows:*

Latest Time for Acceptance and latest time for payment of Offer Shares and application for excess Offer Shares . . . . .	4:00 p.m. on Friday, 11 December 2015
Latest time for the Open Offer to become unconditional (being the second business day following the Latest Time for Acceptance) and Latest Time for Termination . . . . .	4:00 p.m. on Monday, 14 December 2015
Announcement of the results of the Open Offer . . . . .	Friday, 18 December 2015
Despatch of share certificates for Offer Shares and refund cheques, if any . . . . .	Monday, 21 December 2015
Despatch of refund cheques in respect of wholly or partly unsuccessful excess applications or if the Open Offer is terminated . . . . .	Monday, 21 December 2015
Expected first day of dealings in Offer Shares commence . . . . .	9:00 a.m. on Tuesday, 22 December 2015

All times stated in this Prospectus refer to Hong Kong times. Dates stated in this Prospectus for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable will be announced as appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE**

The Latest Time for Acceptance will be postponed if there is:

- (i) a tropical cyclone warning signal number 8 or above; or
- (ii) a black rainstorm warning

in force in Hong Kong at any local time between 9:00 a.m. and 4:00 p.m. (both Hong Kong time) on Friday, 11 December 2015, the Latest Time for Acceptance will be postponed to 4:00 p.m. (Hong Kong time) on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. (both Hong Kong time).

If the Latest Time for Acceptance does not take place on Friday, 11 December 2015, the dates mentioned in the above section headed “Expected Timetable” in this Prospectus may be affected. An announcement will be made by the Company in such event.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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If, prior to the Latest Time for Termination (if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. (both Hong Kong time) on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. (both Hong Kong time) on that day):

- (1) (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or the prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or the prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or



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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or the prospects of the Group as a whole; or
- (5) any other material adverse change in relation to the business or the financial or trading position or the prospects of the Group as a whole whether or not *ejusdem generis* with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the reasonable opinion of any of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Underwriter shall also be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

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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

*Principal Place of business*

*In the PRC*

8th Floor, XinDaXin Building A

No. 168 Huangxing Middle Road

Changsha City, Hunan Province, the PRC

*Independent non-executive Directors*

Mr. Qiu Weifa

Mr. Jason Wan

Mr. Lau Chun Fai Douglas

*In Hong Kong*

Unit 16, 36/F, China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

*Registered Office:*

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*In the Netherlands*

Burgemeester Falkenaweg 58-1 (8442LE)

Heerenveen, the Netherlands

27 November 2015

*To the Qualifying Shareholders*

Dear Sirs,

**PROPOSED OPEN OFFER OF 113,430,230 OFFER SHARES  
AT HK\$2.20 PER OFFER SHARE  
ON THE BASIS OF ONE (1) OFFER SHARE  
FOR EVERY TEN (10) EXISTING SHARES  
HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement dated 28 October 2015 in relation to, inter alia, the Open Offer. The purpose of this Prospectus is to provide you with, inter alia, further details of the Open Offer, including the information on procedures for application and payment and certain financial information in respect of the Group.

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## LETTER FROM THE BOARD

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### PROPOSED OPEN OFFER

The Company proposes to raise approximately HK\$249.55 million (before expenses) by way of an Open Offer involving the issue of 113,430,230 Offer Shares at the Subscription Price of HK\$2.20 per Offer Share on the basis of one (1) Offer Share for every ten (10) existing Shares held by the Qualifying Shareholders on the Record Date.

On 28 October 2015 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement in respect of the proposed Open Offer. Further details of the Open Offer are set out below:

#### Issue Statistics

Basis of the Open Offer:	One (1) Offer Share for every ten (10) existing Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date:	1,134,302,300 Shares
Subscription Price:	HK\$2.20 per Offer Share
Number of Offer Shares:	113,430,230 Offer Shares
Underwriter:	Center Lab
Funds to be raised before expenses:	HK\$249,546,506
Enlarged issued share capital of the Company upon completion of the Open Offer:	1,247,732,530 Shares

Assuming there is no change to the issued share capital of the Company from the Latest Practicable Date up to the date when the Offer Shares are issued, the 113,430,230 Offer Shares represent (a) 10.00% of the Company's issued share capital as at the Latest Practicable Date; and (b) approximately 9.09% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

As at the Latest Practicable Date, the Company had no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

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## LETTER FROM THE BOARD

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### The Subscription Price

The Subscription Price is HK\$2.20 per Offer Share, payable in full upon acceptance of the relevant assured allotment of the Offer Shares and, where applicable, application for excess Offer Shares under the Open Offer.

The Subscription Price of HK\$2.20 per Offer Share represents:

- (a) a premium of approximately 6.28% to the closing price of HK\$2.07 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 1.85% to the average closing price of approximately HK\$2.16 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 5.77% to the theoretical ex-entitlement price of approximately HK\$2.08 per Share, based on the closing price of HK\$2.07 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a premium of approximately 83.33% to the unaudited consolidated net assets per Share of approximately HK\$1.20 as at 30 June 2015 (based on the Company's unaudited consolidated net assets attributable to owners of the Company of approximately RMB1,120,093,000 (equivalent to approximately HK\$1,366,513,460) as at 30 June 2015 and 1,134,302,300 Shares in issue as at the Last Trading Day); and
- (e) a discount of approximately 3.93% to the closing price of HK\$2.29 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after due consideration by the Board with reference to the recent fluctuation in the market price of the Shares, the offer price for the Shares under the mandatory general cash offer announced on 10 June 2015, the prevailing market price of the Shares prior to the Last Trading Day and the net assets value of the Company as at 30 June 2015. In determining the Subscription Price, the Board made reference to not only the closing price of the Shares on the Last Trading Day, but also the average closing price of the Shares for the last five consecutive trading days up to and including the Last Trading Day, which is HK\$2.16 per Share and approximates to the Subscription Price. Further, in determining the Subscription Price, the Board assessed the impact of the Open Offer to the Company's net assets value per Share, given the fact that the Subscription Price is above the Company's unaudited consolidated net assets per Share disclosed above, the Board is of the view that the Open Offer will enhance the Company's net assets value per Share.

Taking into account the estimated expense in connection with the Open Offer of approximately HK\$1.20 million, the net price per Offer Share is expected to be approximately HK\$2.19, upon full acceptance of the relevant assured allotment of Offer Shares.

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## LETTER FROM THE BOARD

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### Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders.

To qualify for the Open Offer, a Shareholder must:

- (a) be registered as a member of the Company at the close of business on the Record Date; and
- (b) not be a Non-Qualifying Shareholder.

The Company will send the Prospectus Documents to the Qualifying Shareholders.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable.

Save for the Underwriter, who has irrevocably undertaken to the Company to accept and pay for its respective Underwritten Shares (being all of its respective assured entitlements under the Open Offer based on its respective shareholdings in the Company as at the date of the Underwriting Agreement), as at the Latest Practicable Date, the Board had not received any information from any other substantial Shareholders of their intention to take up any Offer Shares under the Open Offer.

### Rights of the Overseas Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Open Offer.

Based on the register of members of the Company as at the Record Date, there were no Overseas Shareholders.

No action has been taken to permit the offering of the Offer Shares, or the distribution of the Prospectus Documents, in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving a copy of the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements.

It is the responsibility of any person (including but not limited to nominee, agent and trustee) outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself or herself or itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

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## LETTER FROM THE BOARD

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Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. Shareholders should consult their professional advisers if in doubt.

### **Rights of the Non-Qualifying Shareholders**

The Company will, subject to compliance with the relevant local laws, regulations and requirements, send copies of this Prospectus for information only to such Non-Qualifying Shareholders, if any, but the Company will not send the Application Form(s) and EAF(s) to such Non-Qualifying Shareholders.

Based on the register of members of the Company as at the Record Date, there was no Non-Qualifying Shareholders.

**Those Qualifying Shareholders who do not take up the Offer Shares in full to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.**

### **Basis of assured allotment**

The basis of the assured allotment shall be one (1) Offer Share for every ten (10) existing Shares held on the Record Date. Application for all or any part of a Qualifying Shareholder's assured allotment should be made by completing the Application Form(s) and lodging the same with a remittance for the Offer Shares being applied for.

### **Fractions of the Offer Shares**

Fractions of the Offer Shares will not be allotted to the Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of Offer Shares. Any Offer Shares created from the aggregation of fractions of the Offer Shares will be available for excess application by the Qualifying Shareholders. Should there be no excess application by the Qualifying Shareholders, those Offer Shares created from the aggregation of fractions of the Offer Shares will be taken up by the Underwriter.

### **Status of the Offer Shares**

The Offer Shares when allotted, issued and fully paid, will rank *pari passu* in all respects with the then existing Shares in issue. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment of the Offer Shares. Dealings in the Offer Shares will be subject to payment of stamp duty in Hong Kong, Stock Exchange trading fees, Securities and Futures Commission transaction levy and other applicable fees and charges in Hong Kong.

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## LETTER FROM THE BOARD

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### **Application for excess Offer Shares**

The Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled, any assured allotments of the Offer Shares which have not been accepted by the Qualifying Shareholders, and the Offer Shares created by aggregation of fractional Offer Shares, will be available for excess application by the Qualifying Shareholders. The Qualifying Shareholders are entitled to apply for any Offer Shares in excess of their own assured allotments by completing an EAF, but are not assured of being allocated any Offer Shares in excess of their assured allotments under the Application Forms.

The Company will allocate the excess Offer Shares of assured allotment at their discretion on a fair and equitable basis and on a pro-rata basis to excess Offer Shares being applied for under each application. The Directors consider allocating the excess Offer Shares in proportion to the number of excess Offer Shares applied for by the Qualifying Shareholders is an approach commonly adopted by companies having similar corporate actions which allows all of the Shareholders fair chance to receive excess Offer Shares.

There is no restriction to the Underwriter to apply for any excess Offer Shares by reason of its capacity as the underwriter for the Open Offer under Underwriting Agreement.

However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares. In deciding whether to give preference to topping-up odd lots to whole lots, the Company has considered whether such arrangement, if any, is fair to all Qualifying Shareholders.

Based on the information available to the Company, majority of the outstanding Shares as at 28 October 2015, the date when the Open Offer was announced, was registered under the name of HKSCC Nominees Limited, and the Company regards Shares of the Qualifying Shareholders held by HKSCC Nominees Limited as held by one single Shareholder. As such, even if there was topping-up odd lots arrangement under the Open Offer, the Qualifying Shareholders whose Shares are held by HKSCC Nominees Limited would not benefit from this topping-up odd lots arrangement while other Shareholders who have their Shares registered under their names and their names registered in the Company's register of members would be able to utilise the topping-up odd lots arrangement. Accordingly, the Company is of the view that topping-up arrangement is not necessary for the Open Offer.

Any Offer Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken up by the Underwriter.

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## LETTER FROM THE BOARD

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The Application Form and the EAF are enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to accept the Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. Application may be made only by the Qualifying Shareholders by completing an EAF and lodging the same with a separate remittance for the excess Offer Shares being applied for.

### **Share certificates for the Offer Shares and refund cheques for the Open Offer**

Subject to the fulfillment or waiver (as the case may be) of the conditions of the Open Offer, share certificates for all fully-paid Offer Shares (including the excess Offer Shares) are expected to be posted by ordinary post to the Qualifying Shareholders who have validly accepted and applied for and paid for the Offer Shares at their own risk on or before Monday, 21 December 2015. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Offer Shares (if any) are expected to be posted on or before Monday, 21 December 2015 by ordinary post to the applicants at their own risk.

Each successful applicant will receive one share certificate for all the fully-paid Offer Shares allotted and issued to him/her/it.

### **Application for listing of the Offer Shares**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Offer Shares.

No part of the securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares in their fully-paid form to be admitted into CCASS.



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## LETTER FROM THE BOARD

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### THE UNDERWRITING AGREEMENT

Date:	28 October 2015 (after trading hours)
Issuer:	The Company
Underwriter:	Center Lab
Number of Shares being underwritten:	no more than 82,997,798 Underwritten Shares (assuming no new Shares being issued and there being no buy-back of Shares by the Company on or before the Record Date) which will be fully underwritten by the Underwriter, i.e. all Offer Shares other than those which have been irrevocably undertaken to be subscribed by the Underwriter in its capacity as the substantial Shareholder
Commission and expenses:	Under the Underwriting Agreement, Center Lab shall not be entitled to any underwriting commission in respect of its underwriting of the Open Offer. The Company will, by not later than the date of despatch of the share certificates in respect of the Offer Shares, pay and reimburse to the Underwriter all reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Open Offer.

As at the Latest Practicable Date, Center Lab is a Shareholder who holds 304,324,321 Shares, representing approximately 26.83% interest in the Company. Center Lab is held as to approximately 13.00% by Mr. Lin Jung-Chin (being the executive Director of both the Company and Center Lab). The ordinary course of business of Center Lab does not include underwriting.

#### **Irrevocable undertakings**

Pursuant to the Underwriting Agreement, the Underwriter irrevocably undertakes to the Company:

- (a) that it shall not dispose, or agree to dispose of, any Shares held by it from the date of the Underwriting Agreement until the announcement of the results of the Open Offer is published;
- (b) to accept its assured entitlements under the Open Offer for an aggregate of 30,432,432 Offer Shares; and

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## LETTER FROM THE BOARD

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- (c) to lodge the Application Form in respect of its assured entitlements under the Open Offer accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

### **Termination of the Underwriting Agreement**

If, prior to the Latest Time for Termination (if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. (both Hong Kong time) on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. (both Hong Kong time) on that day):

- (1) (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or the prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or the prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

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## LETTER FROM THE BOARD

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- (3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or the prospects of the Group as a whole; or
- (5) any other material adverse change in relation to the business or the financial or trading position or the prospects of the Group as a whole whether or not *ejusdem generis* with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in this Prospectus, would have constituted, in the reasonable opinion of any of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this Prospectus Documents or other announcements or circulars in connection with the Open Offer,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Underwriter shall also be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

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## LETTER FROM THE BOARD

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### Conditions precedent to the Open Offer and the Underwriting Agreement

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon, among other things,

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (2) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus only to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings on the Stock Exchange;
- (4) the obligations of the Underwriter becoming unconditional and the Underwriting Agreement is not terminated in accordance with its terms;
- (5) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (6) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands; and
- (7) the Underwriter having obtained all necessary consent and/or approval for entering into the Underwriting Agreement or the transactions contemplated therein.

The conditions precedent as set out above (other than condition (5) which can only be waived by the Underwriter) are incapable of being waived. If the conditions precedent are not satisfied and/or waived (as the case may be) in whole or in part by the Company and/or the Underwriter (as the case may be) by the Latest Time for Termination or such other date as the Company and the Underwriter may agree in writing, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches of the Underwriting Agreement.

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## LETTER FROM THE BOARD

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### WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND/OR TAKING UP THE OFFER SHARES

Dealings in the Offer Shares are expected to take place from 9:00 a.m. (Hong Kong time) on Tuesday, 22 December 2015. If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Open Offer will not proceed.

Any Shareholders or other persons contemplating selling or purchasing the Offer Shares who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions precedent to the Open Offer are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the Offer Shares will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed.

### CHANGES IN SHAREHOLDING STRUCTURE

The following is the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Open Offer assuming there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately after completion of the Open Offer (for illustrative purpose only):

Shareholder	As at the Latest Practicable Date		Immediately upon completion of the Open Offer			
			Assuming none of the Offer Shares are taken up by the Qualifying Shareholders		Assuming all of the Offer Shares are taken up by the Qualifying Shareholders	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Center Lab (the Underwriter) (Note 1)	304,324,321	26.83	417,754,551	33.48	334,756,753	26.83
BioEngine Capital Inc. (Note 2)	123,355,375	10.87	123,355,375	9.89	135,690,912	10.87
BioEngine Technology Development Inc. (Note 2)	<u>20,838,268</u>	<u>1.84</u>	<u>20,838,268</u>	<u>1.67</u>	<u>22,922,094</u>	<u>1.84</u>
<b>Sub-total</b>	448,517,964	39.54	561,948,194	45.04	493,369,759	39.54
Parties acting in concert with Center Lab (other than Center Lab and its subsidiaries) (Note 1)	<u>148,968,161</u>	<u>13.13</u>	<u>148,968,161</u>	<u>11.94</u>	<u>163,864,979</u>	<u>13.13</u>
<b>Sub-total</b>	597,486,125	52.67	710,916,355	56.98	657,234,738	52.67
Dutch Dairy Investments HK Limited (Note 3)	147,459,300	13.00	147,459,300	11.82	162,205,230	13.00
Ausnutria Holdings Co Ltd (Note 4)	86,805,450	7.65	86,805,450	6.96	95,485,995	7.65
Other Shareholders	<u>302,551,425</u>	<u>26.68</u>	<u>302,551,425</u>	<u>24.24</u>	<u>332,806,567</u>	<u>26.68</u>
<b>Total</b>	<u>1,134,302,300</u>	<u>100.00</u>	<u>1,247,732,530</u>	<u>100.00</u>	<u>1,247,732,530</u>	<u>100.00</u>
Public Shareholders (Note 5)	<u>443,381,634</u>	<u>39.09</u>	<u>443,381,634</u>	<u>35.53</u>	<u>487,719,799</u>	<u>39.09</u>

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## LETTER FROM THE BOARD

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*Notes:*

1. As at the Latest Practicable Date, Center Lab, together with parties acting in concert with it, holds 597,486,125 Shares, representing 52.67% of the total issued share capital of the Company. For illustrative purpose only, immediately upon the completion of the Open Offer, Center Lab, together with parties acting in concert with it, will hold (i) 710,916,355 Shares, representing 56.98% of the total issued share capital of the Company (assuming none of the Offer Shares are taken up by the Qualifying Shareholders); or (ii) 657,234,738 Shares, representing 52.67% of the total issued share capital of the Company (assuming all of the Offer Shares are taken up by the Qualifying Shareholders). For details of the parties acting in concert with Center Lab, please refer to the Company's announcement dated 6 August 2015. As at the Latest Practicable Date, among 148,968,161 Shares held by parties acting in concert with Center Lab (other than Center Lab and its subsidiaries), 140,830,209 Shares were held by the public (as defined under the Listing Rules). Assuming all of the Offer Shares are taken up by the Qualifying Shareholders, these public Shareholders will hold 154,913,232 Shares.
2. Both BioEngine Capital Inc. and BioEngine Technology Development Inc. are non-wholly owned subsidiaries of Center Lab.
3. Dutch Dairy Investments HK Limited is non-wholly owned by Mr. Bartle van der Meer, the executive Director and chief executive officer of the Company.
4. Ausnutria Holdings Co Ltd is wholly-owned by Mr. Yan Weibin, the executive Director and chairman of the Company.
5. Public shareholding of 443,381,634 Shares as at the Latest Practicable Date and upon completion of the Open Offer, assuming none of the Offer Shares taken up by the Qualifying Shareholders includes 140,830,209 Shares held by parties acting in concert with Center Lab (other than Center Lab and its subsidiaries) and 302,551,425 Shares held by other Shareholders.

Public shareholding of 487,719,799 Shares immediately upon completion of the Open Offer, assuming all of the Offer Shares are taken up by the Qualifying Shareholders, includes 154,913,232 Shares held by parties acting in concert with Center Lab (other than Center Lab and its subsidiaries) and 332,806,567 Shares held by other Shareholders.

**Shareholders and public investors should note that the above changes in shareholding structure of the Company are for illustration purpose only and the actual change in the shareholding structure of the Company upon completion of the Open Offer is subject to various factors including, among other things, the results of acceptance of the Open Offer.**

### **REASONS FOR THE OPEN OFFER AND INTENDED USE OF PROCEEDS**

The Company acts as an investment holding company of the Group. The Group is principally engaged in the production, marketing and distribution of paediatric milk formula products. The Group is also engaged in the dairy industry in the Netherlands with activities ranging from research and development, milk collection, processing, production, packaging, marketing and sales of dairy products to customers in the Netherlands and other overseas countries.

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## LETTER FROM THE BOARD

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The gross proceeds of the Open Offer (before expenses) are approximately HK\$249.55 million and net proceeds of the Open Offer (after expenses) are estimated to be approximately HK\$248.35 million. The net proceeds from the Open Offer will be applied as to (i) approximately HK\$130.00 million for financing the construction of the Group's new production facilities in the Netherlands, (ii) approximately HK\$50.00 million for the repayment of the Group's borrowings in the Netherlands and (iii) approximately HK\$50.00 million for the investment in any potential investment opportunities as may be identified from time to time. The balance of the net proceeds from the Open Offer will be applied as the Group's general working capital.

### **Construction of the Group's new production facilities in the Netherlands**

The Group approved and commenced the construction of a new factory in Heerenveen, the Netherlands (the "**New Factory**") in 2014. The total investment cost (including the cost of a plot of land with approximately 140,000 square meters and all the production facilities) is estimated to be approximately Euro 83.0 million (equivalent to approximately RMB618.8 million).

The construction of the New Factory, which is being financed by banking facilities granted to Ausnutria Hyproca B.V. ("**Ausnutria Hyproca**") and its subsidiaries (collectively the "**Ausnutria Hyproca Group**") as well as the Group's internal working capital, is expected to commence operation in the second half of 2016. The New Factory has a maximum blending and packaging capacity of approximately 90,000 tons of milk products per annum.

### **Repayment of the Group's borrowings in the Netherlands**

As at 30 September 2015, the Group has overdrafts facility granted by a bank in the Netherlands of Euro 20.0 million (equivalent to RMB143.2 million) of which approximately Euro 12.2 million (equivalent to RMB87.1 million) has been utilized. The Company intends to apply HK\$50.0 million from the proceeds of the Open Offer in repaying part of the said bank facility in order to reduce the finance costs arising from the said bank facility and to rationalize the capital structure of the Ausnutria Hyproca Group.

### **Investment in potential investment opportunities**

As set out in the Company's interim report 2015, the Group has been continuing to make use of its internal resources and global network to explore potential investment opportunities in upstream dairy related assets and operations to broaden the Group's milk powder supply sources and related dairy products (e.g. nutrition products, specialty liquid milk and healthcare products) to meet the global demand, in particular that of the PRC, of quality dairy products. In this aspect, the Company will assess the potential targets, if any, by their overall profitability and their quality of assets.

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## LETTER FROM THE BOARD

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### General working capital

As at 30 September 2015, the Group has cash and bank balances (including pledged deposits and time deposits) of approximately HK\$1,321.5 million (equivalent to RMB1,084.7 million). Of the bank deposits, approximately HK\$1,272.1 million (equivalent to RMB1,044.1 million) or 96.3%, was placed with banks in the PRC and denominated in RMB. In the meantime, as at 30 September 2015, the Group had an outstanding interest-bearing bank and other borrowings of approximately RMB964.1 million. The table below sets out the terms of the Group's outstanding interest-bearing bank and other borrowings:

Nature	Currency	Interest rate	Maturity	Outstanding balance <i>RMB (million)</i>
Finance lease payables	Euro	3.0-4.56	2016-2020	19.5
Bank overdrafts – secured	Euro	1 month EURIBOR+2.00	2016	87.1
Bank loan – secured	Euro	3 month LIBOR+1.55	2016	89.5
Bank loan – secured	HK\$	3 month HIBOR+2.1	2016	90.3
Bank loan – secured	Euro	3 month LIBOR+2.00	2016	71.6
Bank loan – secured	HK\$	12 month HIBOR+1.70	2016	110.3
Bank loan – secured	Euro	3 month LIBOR+1.00	2016	114.6
Bank loan – secured	Euro	3 month LIBOR+2.20	2016	71.6
Bank loan – secured	Euro	3 month LIBOR+1.00	2016	94.3
Bank loan – secured	Euro	3 month EURIBOR+2.35	2017	148.4
Other loan – unsecured	Euro	2.0	2016	63.2
Other loan – unsecured	Euro	6.0	2018	0.5
Other loan – unsecured	Euro	3 month EURIBOR+3.00	2017	<u>3.2</u>
				<u><u>964.1</u></u>

Further details of the borrowings of the Group are set out in the paragraph headed “Statement of Indebtedness” in Appendix I of this Prospectus.

As shown above, much of the Group's interest-bearing bank and other borrowings as at 30 September 2015 was denominated in Euro while majority of the Group's cash and bank balances were denominated in RMB, which is not freely exchangeable in the international market. This disparity may expose the Group to currency and short-term liquidity risk.

As such, the Company intends to maintain the remaining balance of the proceeds from the Open Offer of approximately HK\$18.3 million in Hong Kong or countries other than the PRC to enhance the overall liquidity of the Group.



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## LETTER FROM THE BOARD

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The Board considers that it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. In addition, the Board believes that the Open Offer will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments as and when such opportunities arise.

The Board considers that the Open Offer will give the Qualifying Shareholders the opportunity to maintain their shareholding interests in the Company. Although a rights issue will allow the Shareholders to trade their nil-paid entitlements in the market in nil-paid form, the Board views that such trading arrangements will increase the administrative work and expenses for the proposed fund raising exercise. The Board considers raising funds by way of the Open Offer is more cost-effective and efficient as compared to a rights issue.

Having taken into account the above reasons, the Directors are of the view that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole. Further, the Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THE ANNOUNCEMENT**

The Company has not conducted any equity fund raising exercise during the past twelve months immediately preceding the date of the Announcement.

### **PROCEDURES FOR APPLICATION AND PAYMENT FOR THE OFFER SHARES**

If you are a Qualifying Shareholder, you will find the Application Form enclosed with this Prospectus which entitles you to apply for the number of Offer Shares in your assured entitlement shown thereon. If you wish to apply for such Offer Shares or any lesser number of such Offer Shares, you must complete, sign and lodge the same in accordance with the instructions printed thereon, together with the remittance for the full amount payable on application with the Registrar by not later than 4:00 p.m. (Hong Kong time) on Friday, 11 December 2015. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Ausnutria Dairy Corporation Ltd – Open Offer Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed Application Form, together with the appropriate remittance, has been lodged with the Registrar, by not later than 4:00 p.m. (Hong Kong time) on Friday, 11 December 2015 by the Qualifying Shareholder, the relevant assured allotments and rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Offer Shares will be available for application by the Qualifying Shareholders through the EAF for excess Offer Shares.

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## LETTER FROM THE BOARD

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All cheques or banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such application monies will be retained for the benefit of the Company. Any Application Form in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the relevant entitlements of the Qualifying Shareholder under the Open Offer will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination and/or if any of the conditions to which the Open Offer is subject are not fulfilled in accordance with the section headed "Conditions precedent to the Open Offer and the Underwriting Agreement", the application monies will be refunded, without interest, by cheques made out to the applicants (or in the case of joint applicants, to the first named applicant) and crossed "Account Payee Only", through ordinary post at the risk of the applicants to the addresses as registered in the registers of members of the Company on or before Monday, 21 December 2015.

The Application Form is for use only by the person(s) named therein and is not transferable. All documents, including refund cheques, will be sent at the risk of the persons entitled thereto to their registered addresses. No receipt will be issued in respect of any application monies received.

### **PROCEDURES FOR APPLICATION AND PAYMENT FOR EXCESS OFFER SHARES**

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the Company will regard the nominee (including HKSCC) as a single Shareholder according to the register of members of the Company. If you as a Qualifying Shareholder wish to apply for any Offer Shares in excess of your assured allotment indicated on the Application Form enclosed with this Prospectus, you must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Offer Shares applied for, with the Registrar by not later than 4:00 p.m. on Friday, 11 December 2015. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Ausnutria Dairy Corporation Ltd – Excess Application Account" and crossed "Account Payee Only".

If no excess Offer Shares are allotted to the Qualifying Shareholders, the amount tendered on application (without interest) is expected to be refunded to such Qualifying Shareholders in full by ordinary post at their own risk to their registered addresses on or before Monday, 21 December 2015. If the number of excess Offer Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application money (without interest) is also expected to be refunded to such Qualifying Shareholders by ordinary post at their own risk to their registered addresses on or before Monday, 21 December 2015. All cheques or banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF together with a

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## LETTER FROM THE BOARD

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cheque or banker's cashier order in payment for the excess Offer Shares applied for will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. If any cheque or banker's cashier order is dishonoured on first presentation, the application for excess Offer Shares is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. If any of the conditions of the Open Offer mentioned in the section headed "Conditions precedent to the Open Offer and the Underwriting Agreement" is not fulfilled, the Open Offer will not proceed and the application monies received in respect of application for excess Offer Shares will be refunded to the applicants by means of cheques to be despatched by ordinary post to their registered addresses at their own risk on or before Monday, 21 December 2015.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

On behalf of the Board  
**Ausnutria Dairy Corporation Ltd**  
**Yan Weibin**  
*Chairman*

**SUMMARY OF FINANCIAL INFORMATION**

Financial information of the Group for the three years ended 31 December 2012, 2013 and 2014 is set out in the annual reports of the Company for the three years ended 31 December 2012 (pages 66 to 154), 31 December 2013 (pages 60 to 148) and 31 December 2014 (pages 65 to 154) respectively. Financial information of the Group for six months ended 30 June 2015 is set out in the interim report of the Company for the six months ended 30 June 2015 (pages 27 to 48). The annual reports and the interim report of the Company are available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.ausnutria.com.hk>).

**STATEMENT OF INDEBTEDNESS****Borrowings**

As at the close of business on 30 September 2015, being the latest practicable date for inclusion of information in this paragraph prior to the publication of this Prospectus, the Group had outstanding interest-bearing bank and other borrowings of approximately RMB964,098,000, as follows:

	<b>As at 30 September 2015 RMB'000</b>
Secured bank borrowings	790,620
Secured bank overdrafts	87,148
Finance leases	19,490
Loans from shareholder/minority shareholders of subsidiaries	<u>66,840</u>
<b>Total</b>	<u><u>964,098</u></u>

As at 30 September 2015, the Group had total available banking facilities of approximately RMB1,256,686,000 of which approximately RMB897,258,000 had been utilized as at 30 September 2015.

**Collateral**

As at 30 September 2015, the Group's bank loans, bank overdrafts and finance leases were secured by the pledge of the followings:

	<b>As at 30 September 2015 RMB'000</b>
Land and buildings	106,097
Property, plant and equipment	234,516
Inventories	488,362
Trade and other receivables	125,339
Time deposits	<u>769,732</u>
<b>Total</b>	<b><u><u>1,724,046</u></u></b>

**Contingent liabilities**

As at the close of business on 30 September 2015, the Group had no material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables, as at the close of business on 30 September 2015, the Group did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or debt securities or other material contingent liabilities.

The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 30 September 2015 up to and including the Latest Practicable Date.

For the purpose of the above statement of indebtedness, foreign currency denominated amounts have been translated into RMB at the rates of exchange prevailing at the close of business on 30 September 2015.

**WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account of the net proceeds from the Open Offer, the internal resources of the Group and the available banking facilities granted to the Group, the Group has sufficient working capital for its normal business for at least the next 12 months from the date of publication of this Prospectus.

**MATERIAL ADVERSE CHANGE**

On 28 October 2015, the Company issued a profit warning to inform the Shareholders and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2015, it is anticipated that the Group will record a substantial decrease in profit attributable to the Shareholders, or even a small loss for the year ending 31 December 2015 as compared to a profit attributable to the Shareholders of RMB90.2 million for the corresponding period in 2014.

The Directors believe that the incurrence of the expected decline in financial performance is primarily attributable to the one-off write-down of inventory in the Netherlands of approximately RMB97.8 million for the year ending 31 December 2015.

Save for the profit warning disclosed above, as at the Latest Practicable Date, the Directors confirm that there had been no other material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated accounts of the Group were made up.

**TRANSACTION THE COMPANY ENTERED INTO AFTER THE PUBLICATION OF THE LATEST AUDITED FINANCIAL STATEMENTS****Acquisition of 49% equity interest in Ausnutria Hyproca B.V.**

As disclosed in the Company's circular dated 30 June 2015, the Company, Ausnutria Dairy (Dutch) Coöperatief U.A. ("**Ausnutria (Dutch)**") and Dutch Dairy Investments B.V. ("**DDI**") entered into the share purchase agreement, pursuant to which Ausnutria (Dutch) agreed to purchase from DDI 49% equity interest in Ausnutria Hyproca at a consideration of HK\$470,316,241. The acquisition was completed in September 2015 and the consideration was settled by: (i) payment of cash of HK\$100,193,398; and (ii) the issue and allotment of 147,459,300 Shares at the issue price of HK\$2.51 per Share.

Ausnutria Hyproca is an investment holding company with limited liability incorporated under the laws of the Netherlands and, together with its subsidiaries, is principally engaged in the dairy industry from research and development, milk collection, processing, production and packaging of dairy products with production facilities and milk sources in the Netherlands for its own brands as well as under contract manufacturing and private label arrangements. The Ausnutria Hyproca Group is one of the leading producers and distributors of goat milk products in the world.

There was no variation to the aggregate of the remuneration payable to and benefits in kind receivable by the Directors in consequence of the abovementioned acquisition.

**MANAGEMENT FORECAST AND PROSPECT**

The Group is principally engaged in the production, marketing and distribution of paediatric nutrition products in the PRC and in the dairy industry with production facilities based in the Netherlands which conduct activities ranging from research and development, milk collection, processing, production, packaging, marketing and sales of dairy products to customers in the Netherlands and other overseas countries. In recent years, the Group has been undergoing significant changes which lay solid foundation for the Group's long-term future growth.

As set out in the joint announcement issued by the Company dated 11 June 2015, Center Lab, together with the parties acting in concert with it, has obtained the Company's controlling stake. The Company believes that it can leverage on Center Lab's management expertise in enhancing its production, quality controls and research capabilities.

In respect of the expansion of the global distribution networks for its infant formula, in particular, the goat milk-based Kabrita series products, the Group, after launching the Kabrita series products in the PRC, Russia and the Commonwealth of Independent States, the Middle East countries, the United States of America and Canada, is in the process of exploring the market potential of launching the Kabrita series products in other major parts of the world, including but not limited to Taiwan and South America.

In future, the Group will, apart from the acquisition of 49% equity interest in Ausnutria Hyproca, continue to explore investment opportunities in upstream milk powder-related assets and operations to broaden the Group's milk powder supply sources. The Group will also focus on increasing its production capacity in the Netherlands and expanding its global distribution network for its dairy products.

**QUALIFICATION CONTAINED IN THE AUDITORS' REPORT**

Ernst & Young, being the auditors of the Company, issued a disclaimer of opinion on the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2012. Ernst & Young did not issue any qualifications in respect of the Group's financial statements for the years ended 31 December 2013 and 31 December 2014.

The qualification contained in the auditors' report in respect of the Company's financial statements for the year ended 31 December 2012 is reproduced below:

**Basis for disclaimer of opinion on the Profit and Cash Flows**

As further explained in our report dated 5 December 2013 on the Group's consolidated financial statements for the year ended 31 December 2011, during the course of our audit, we noticed, among other matters, certain irregularities in the accounting records of a wholly-owned subsidiary of the Company, Ausnutria Dairy (China) Co., Ltd. "**Ausnutria China**"). These

irregularities mainly related to certain sales transactions and related accounts, including but not limited to, revenue, cost of sales, trade receivable, inventories and other payables (collectively referred to as the “**Unresolved Issues**”). The Unresolved Issues raised our concern over the authenticity of Ausnutria China’s accounting records and supporting documents, including those relating to sales transactions in the amount of approximately RMB123 million (RMB143.5 million inclusive of value added-tax) recorded in the month of December 2011.

The Unresolved Issues mainly included the following:

- there were inconsistencies between goods delivery documents and the accounting records for certain sales transactions in December 2011, and replies from distributors (who are customers of the Group) to supplementary confirmation procedures initiated by Ausnutria China regarding the December 2011 sales transactions revealed further anomalies;
- there were discrepancies during 2011 between the quantity of inventories sold in the accounting records and the quantity of inventories delivered to the distributors in summary delivery records provided by the Group’s logistic service provider; and
- data in the old sales order system, which should have ceased to be used from October 2011, had been manually altered after that time, and data in the inventory barcode system had been manually altered without reasonable cause.

We reported the Unresolved Issues to the board of directors of the Company (the “**Board**”) in March 2012. This led to the establishment by the Board of a special review committee of the Company (the “**SRC**”) on 29 March 2012, whose findings cast doubts over the completeness and authenticity of certain records and documents of Ausnutria China and over the reliability of the information and explanations provided to us by certain members of management of Ausnutria China.

As further explained in note 2.1 to the financial statements, at the request of the SRC, the chief financial officer of the Company and several senior managers of Ausnutria China (the “**Management**”) performed certain procedures to quantify the financial impact of the Unresolved Issues on the financial statements. As a result of these procedures, the Management, the SRC and the Board identified adjustments for the reduction of accounts receivable amounting to RMB236 million and the increase in inventory amounting to RMB63 million that were required to be put through to the financial statements for the year ended 31 December 2012.

The Management, the SRC and the Board considered that the best available information on hand for the purpose of quantifying the financial impact of such adjustments on the year ended 31 December 2011 and prior years was the order books (the “**Order Books**”) maintained by the staff in the sales accounting department to keep track of the sales order status of, and cash receipts from, distributors. The Company estimated the adjustments required for revenue for the year ended 31 December 2011 and prior years using the total monetary amounts of sales orders



received as recorded in the Order Books, after adjusting for those orders received around the respective year end dates to allow for the estimated timing of delivery to distributors. Regarding the cost of sales adjustments, the Company separately estimated the average gross margin rates which it considered to be reasonable for the year ended 31 December 2011 and prior years. Based on these estimations, the Management considered that RMB190 million of the RMB236 million adjustment to the accounts receivable should be adjusted to the accounts receivable at 31 December 2011 as a reduction of revenue and RMB53 million of the RMB63 million adjustment to inventory should be adjusted to the inventory at 31 December 2011 as a reduction of cost of sales, and the remaining adjustment on accounts receivable of RMB46 million and the remaining inventory adjustment of RMB10 million should be adjusted in the consolidated financial statements for the year ended 31 December 2012 as reduction of revenue and cost of sales.

For reasons described below, we were not able to satisfy ourselves on the validity, completeness and accuracy of the adjustments made by the Company for the year ended 31 December 2011 and prior years as a result of the above investigation and quantification. In particular, the procedures to restate the revenue amounts for the year ended 31 December 2011 and prior years by the Company were primarily based on the Order Books, which recorded the monetary amounts of sales orders, dates of orders received and dates of cash receipts using computer spreadsheets, but did not contain any information on the inventory type, quantity, unit price nor date of delivery. In addition, the Order Books were not part of Ausnutria China's financial reporting system, were not subject to the process of internal controls, and had not been reconciled with any other accounting-related documentation such as warehouse records or delivery documents. Furthermore, we have not been provided with sufficient documentation and explanations to support such estimates of average gross margin rates to our satisfaction. Accordingly, the adjustments made to cost of sales might not have the appropriate correlation to the above revenue adjustments, and the resulting gross profit might not have properly reflected the results of sales transactions for the respective years. In addition, the corresponding adjustments made to inventories, trade receivable and other payables might not reflect the amounts of inventories held and amounts due from and due to distributors at the respective year end dates. Due to the break down of the computer hard disk hosting the old sales system and lack of back-up data, there was no practical way for us to verify the authenticity and completeness of the sales order information in the Order Books and the sales cut-off estimates at the respective year end dates, as well as assessing whether the restated revenue amounts appropriately reflected the goods sold and delivered in the respective years.

In summary, we were unable to perform practicable audit procedures to satisfy ourselves on the reliability of information originated from the Order Books and estimates used in the determination of the sales transactions and related accounts. As a result, we disclaimed our opinion on the Group's consolidated financial statements for the year ended 31 December 2011 accordingly.

Furthermore, we were unable to perform practical audit procedures to ascertain whether the adjustments of RMB46 million and RMB10 million adjusted to the profit and loss account for the year ended 31 December 2012 should be adjusted in 2012 or prior years.

Any adjustments that might have been found necessary in respect of the above would have a consequential impact on the Group's opening balances of the consolidated financial statements as at 1 January 2012 and the Group's results for the year ended 31 December 2012 and the information presented in respect of the corresponding figures for the year ended 31 December 2011 in the consolidated financial statements for the year ended 31 December 2012.

**Disclaimer of opinion on the Profit and Cash Flows**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion on the Profit and Cash Flows paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the profit and cash flows of the Group. Accordingly, we do not express an opinion on the Group's profit and cash flows for the year ended 31 December 2012.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET  
TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Open Offer on the unaudited consolidated net tangible assets of the Group as if the Open Offer had taken place on 30 June 2015.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net assets of the Group as at 30 June 2015, as extracted from the published interim report of the Company for the six months ended 30 June 2015, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the unaudited consolidated net tangible assets of the Group following the Open Offer.

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2015	Estimated net proceeds from the Open Offer	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after completion of the Open Offer	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 June 2015	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share after completion of the Open Offer
RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000	RMB (Note 3)	RMB (Note 4)
Based on 113,430,230 Offer Shares at the Subscription				
Price of HK\$2.20 per Offer Share	1,027,528	203,562	1.041	1.119

*Notes:*

1. Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2015 is calculated as follows:

	<i>RMB'000</i>
Unaudited consolidated net assets of the Group as at 30 June 2015	1,232,408
<i>Less: Goodwill</i>	(69,765)
<i>Other intangible assets</i>	(39,839)
<i>Non-controlling interests</i>	(112,315)
 <i>Add: Other intangible assets attributable to the Group's non-controlling interests (note (a))</i>	 <u>17,039</u>
	 <u><u>1,027,528</u></u>

- (a) As part of the other intangible assets were held by non-wholly owned subsidiaries of the Group as at 30 June 2015, the adjustment is made to reflect the fact that a portion of interests in these other intangible assets is attributable to the Group's non-controlling interests but not to the owners of the Company.
2. The estimated net proceeds from the Open Offer are based on the 113,430,230 Offer Shares to be issued at the Subscription Price of HK\$2.20 (equivalent to approximately RMB1.80) per Offer Share after deduction of the estimated related expenses, including mainly professional fees, which are directly attributable to the Open Offer, of approximately HK\$1,200,000 (equivalent to approximately RMB984,000). No commission is to be charged by the Underwriter, being the substantial shareholder of the Company, in this Open Offer.
3. The calculation of unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share is based on 986,843,000 Shares, being the Shares in issue as at 30 June 2015.
4. The calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share after the completion of the Open Offer is based on 1,100,273,230 Shares which comprise the 113,430,230 Offer Shares to be issued.
5. Save as disclosed above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2015.

**B. REPORT ON THE UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET  
TANGIBLE ASSETS OF THE GROUP**

*The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, in respect of the unaudited pro forma financial information of the Group for the sole purpose of incorporation in this prospectus.*



22/F, CITIC Tower  
1 Tim Mei Avenue  
Hong Kong

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of Ausnutria Dairy Corporation Ltd**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Ausnutria Dairy Corporation Ltd (the “**Company**”) and its subsidiaries (hereinafter collectively referred to the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets of the Group as at 30 June 2015 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages 33 to 34 of the prospectus dated 27 November 2015 (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages 33 to 34 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed open offer of 113,430,230 new shares of the Company (the “**Offer Shares**”) at the subscription price of HK\$2.20 per Offer Share (the “**Open Offer**”) on the Group’s financial position as at 30 June 2015 as if the proposed Open Offer had taken place at 30 June 2015. As part of this process, information about the Group’s unaudited consolidated net tangible assets has been extracted by the Directors from the unaudited consolidated statement of financial position of the Group as at 30 June 2015, on which an interim result announcement has been published.

**Directors' responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 (“**AG 7**”) *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Reporting Accountants' responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to *AG 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the proposed Open Offer on unadjusted financial information of the Group as if the proposed Open Offer had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Open Offer at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Proposed Open Offer, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the proposed Open Offer in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully

**Ernst & Young**

*Certified Public Accountants*

Hong Kong

27 November 2015

**RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in the compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would made any statement herein or this Prospectus misleading.

**SHARE CAPITAL**

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following the completion of the Open Offer were as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>1,500,000,000</u>	Shares (of HK\$0.1 each)	<u>150,000,000</u>
 <i>Issued and fully paid or credited as fully paid:</i>		
1,134,302,300	Shares in issue as at the Latest Practicable Date	113,430,230
113,430,230	Offer Shares to be allotted and issued upon completion of the Open Offer	11,343,023
<u>1,247,732,530</u>	Shares in issue immediately following the completion of the Open Offer	<u>124,773,253</u>

All the Shares in issue rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital.

The Offer Shares to be allotted and issued will, when issued and fully paid, rank pari passu in all respects with all the Shares in issue as at the date of allotment and issue of the Offer Shares, including the right to any dividends or distributions made or declared on or after the date of allotment and issue of the Offer Shares.

The Shares in issue are listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

There are no arrangements under which future dividends will be waived or agreed to be waived.



### DISCLOSURE OF DIRECTOR'S INTERESTS AND SHORT POSITION IN THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

Name of Directors	Nature of Interest	Number of Shares held	Number of underlying Shares held	Total	Approximately % of the issued share capital of the Company
Mr. Yan Weibin (Note 1)	Interest of controlled corporation	86,805,450	–	86,805,450	7.65%
Mr. Bartle van der Meer (Note 2)	Interest of controlled corporation	147,459,300	–	147,459,300	13.00%
Mr. Lin Jung-Chin (Note 3)	Interest of spouse	538,000	–	538,000	0.05%

*Notes:*

- (1) The Shares are held by Ausnutria Holding Co Ltd, a company wholly-owned by Mr. Yan Weibin. Mr. Yan Weibin is therefore deemed interested in 86,805,450 Shares under the SFO.
- (2) The Shares are held by Dutch Dairy Investments HK Limited, a company indirectly and non-wholly owned by Mr. Bartle van der Meer. Mr. Bartle van der Meer is therefore deemed interested in 147,459,300 Shares under the SFO.
- (3) The Shares are held by Ms. Lin O, Li-Chu, the wife of Mr. Lin Jung-Chin. Mr. Lin Jung-Chin is therefore deemed to be interested in 538,000 Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as was known to, or can be ascertained after reasonable enquiry by the Directors, the following persons (other than the Directors and chief executives of the Company) had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the Shares or the issued voting shares of any member of the Group:

Name of Shareholders	Nature of interest	Number of Shares held	Number of underlying Shares held	Total	Approximately % of the issued share capital of the Company
Ausnutria Holding Co Ltd (Note 1)	Registered owner	86,805,450	–	86,805,450	7.65%
Ms. Chen Miaoyuan (Note 2)	Interest of spouse	86,805,450	–	86,805,450	7.65%
Center Lab (Note 3)	Registered owner	417,754,551	–	417,754,551	36.83%
	Interest of controlled corporation	144,193,643	–	144,193,643	12.71%
BioEngine Capital Inc. (Note 3)	Registered owner	123,355,375	–	123,355,375	10.87%
BioEngine Technology Development Inc. (Note 3)	Registered owner	20,838,268	–	20,838,268	1.84%
Mr. Durk Andrius van der Meer (Notes 4, 5, 7 and 9)	Interest of controlled corporation	147,459,300	–	147,459,300	13.00%
Mr. Ignatius Petrus Jorna (Notes 4, 6 and 9)	Interest of controlled corporation	147,459,300	–	147,459,300	13.00%
Reditus Holding BV (Notes 4, 5, 7 and 9)	Interest of controlled corporation	147,459,300	–	147,459,300	13.00%
Fan Deming BV (Notes 4, 5, 8 and 9)	Interest of controlled corporation	147,459,300	–	147,459,300	13.00%
PMH Investments BV (Notes 4, 5 and 9)	Interest of controlled corporation	147,459,300	–	147,459,300	13.00%
Manids B.V. (Notes 4, 6 and 9)	Interest of controlled corporation	147,459,300	–	147,459,300	13.00%
Dutch Dairy Investments B.V. (Notes 4 and 9)	Interest of controlled corporation	147,459,300	–	147,459,300	13.00%
Dutch Dairy Investments HK Limited (Note 9)	Registered owner	147,459,300	–	147,459,300	13.00%

*Notes:*

- (1) Ausnutria Holding Co Ltd is wholly-owned by Mr. Yan Weibin. Mr. Yan Weibin is therefore deemed interested in 86,805,450 Shares under the SFO.
- (2) Ms. Chen Miaoyuan is the spouse of Mr. Yan Weibin. Ms. Chen Miaoyuan is therefore deemed interested in 86,805,450 Shares under the SFO.
- (3) Both BioEngine Capital Inc. and BioEngine Technology Development Inc. are non-wholly-owned subsidiaries of Center Lab. Center Lab is therefore deemed interested in 123,355,375 Shares and 20,838,268 Shares owned by BioEngine Capital Inc. and BioEngine Technology Development Inc., respectively, under the SFO.
- (4) Dutch Dairy Investments HK Limited is wholly-owned by Dutch Dairy Investments B.V., which is owned as to 46.55% and 46.55% by PMH Investments BV and Manids B.V., respectively.
- (5) PMH Investments BV is owned as to 39.90% and 56.50% by Reditus Holding BV and Fan Deming BV, respectively.
- (6) Manids B.V. is owned as to 99.84% by Mr. Ignatius Petrus Jorna.
- (7) Reditus Holding BV is wholly-owned by Mr. Durk Andries van der Meer.
- (8) Fan Deming BV is wholly-owned by Mr. Bartle van der Meer.
- (9) Dutch Dairy Investments B.V., PMH Investments BV, Manids B.V., Reditus Holding BV, Fan Deming BV, Mr. Durk Andries van der Meer, Mr. Bartle van der Meer and Mr. Ignatius Petrus Jorna are deemed to be interested in 147,459,300 Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executives of the Company were not aware of any other persons (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would require to be disclosed to the Company pursuant to provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the Shares or the issued voting shares of any member of the Group, or which were recorded in the register required to be kept under Section 336 of the SFO.

**DIRECTORS' INTEREST IN CONTRACTS AND/OR ARRANGEMENT**

As at the Latest Practicable Date, none of the Directors, proposed Directors or experts, directly or indirectly, had any interest in any assets which had since 31 December 2014 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

**SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

**LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors was pending or threatened against any member of the Group.

**THE EXPERT AND CONSENT**

The following are the qualification of the expert who has given opinion and advice, which are contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Ernst & Young	Certified Public Accountants

Ernst & Young has given and has not withdrawn their written consent to the issue of this Prospectus with the inclusion of their letter dated 27 November 2015 and references to their name in the form and context in which they appear. As at the Latest Practicable Date, Ernst & Young:

- (1) did not have any shareholding in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (2) did not have any direct or indirect interest in any assets which have been, since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**MATERIAL CONTRACTS**

The following contracts, not being contracts in the ordinary course of business, have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

- (1) the shareholders' loan agreement dated 16 September 2014 entered into among Ausnutria Dutch, Ausnutria Hyproca and DDI in relation to the granting of the shareholders' loan of Euro10.0 million (equivalent to approximately HK\$99.8 million) by Ausnutria (Dutch) and DDI to Ausnutria Hyproca;

- (2) the shareholders' loan agreement dated 29 December 2014 entered into among Ausnutria (Dutch), Ausnutria Hyproca and DDI in relation to the granting of the shareholders' loan of Euro 8.0 million (equivalent to approximately HK\$75.0 million) by Ausnutria (Dutch) and DDI to Ausnutria Hyproca;
- (3) the share purchase agreement (including its supplemental agreement dated 28 May 2015) dated 12 January 2015 entered into among DDI, Ausnutria (Dutch), the Company and the shareholders of DDI in relation to the acquisition of 49% of the issued share capital of Ausnutria Hyproca, at the consideration amounted to HK\$470,316,241; and
- (4) the Underwriting Agreement.

**CORPORATE INFORMATION AND PARTIES INVOLVED IN THE OPEN OFFER**

<b>Registered office</b>	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Principal place of business</b>	<b>In the PRC</b> 8th Floor, XinDaXin Building A No. 168 Huangxing Middle Road Changsha City, Hunan Province, the PRC  <b>In Hong Kong</b> Unit 16, 36/F., China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong  <b>In the Netherlands</b> Burgemeester Falkenaweg 58-1 (8442LE) Heerenveen, the Netherlands
<b>Company's website</b>	<a href="http://www.ausnutria.com.hk">www.ausnutria.com.hk</a>
<b>Authorised representatives</b>	Ms. Ng Siu Hung Mr. Wong Wei Hua Derek
<b>Executive Directors</b>	Mr. Yan Weibin ( <i>Chairman</i> ) Mr. Lin Jung-Chin Mr. Bartle van der Meer ( <i>Chief Executive Officer</i> ) Ms. Ng Siu Hung

<b>Independent non-executive Directors</b>	Mr. Qiu Weifa Mr. Jason Wan Mr. Lau Chun Fai Douglas
<b>Company secretary</b>	Mr. Wong Wei Hua Derek Unit 16, 36/F., China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong
<b>Cayman Islands principal share registrar and transfer office</b>	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Hong Kong Share Registrar</b>	Computershare Hong Kong Investor Services Limited 17M Floor, Hopewell Centre 183 Queen's Road East, Wanchai Hong Kong
<b>Principal bankers</b>	Bank of China, Hunan Province branch, Changsha, the PRC No. 593, 1 Duan Furong Road (M) Changsha, Hunan Province, the PRC  China Construction Bank, Huangxing Road branch, Changsha, the PRC 1F, Xindaxin Building 168 Huangxing Rd (M) Changsha, Hunan Province, the PRC  ABN AMRO Bank N.V. Grote Voort 247, Zwolle The Netherlands
<b>Legal advisor (As to Hong Kong law)</b>	Kwok Yih & Chan Suites 2103-05, 21st Floor 9 Queen's Road, Central Hong Kong

<b>Underwriter</b>	Center Lab 7/F, No. 3-2, Yuanqu St. Nangang District Taipei City 115, Taiwan
<b>Financial adviser to the Company</b>	Asian Capital (Corporate Finance) Limited Suite 601, Bank of America Tower 12 Harcourt Road, Central Hong Kong
<b>Auditors and reporting accountants</b>	Ernst & Young Certified Public Accountants 22/F., Citic Tower 1 Tim Mei Avenue Central, Hong Kong

## PROFILE OF DIRECTORS AND THE SENIOR MANAGEMENT

### EXECUTIVE DIRECTORS

Mr. Yan Weibin (“**Mr. Yan**”), aged 49, was appointed as the executive Director on 8 June 2009 and was elected Chairman of the Board on 7 June 2013. Mr. Yan is a shareholder and director of Ausnutria Holdings Co Ltd., one of the Shareholders, and also a director of a number of the Company’s subsidiaries, including Ausnutria Dairy (China) Co., Ltd (“**Ausnutria China**”) and Ausnutria Hyproca. He joined the Group since the establishment of Ausnutria China in September 2003. Mr. Yan is responsible for leading the Board and making sure 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 of engineering degree and the Master of Business Administration. Mr. Yan has been 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 whose shares are listed on the Shenzhen Stock Exchange, from 2004. He was Longping High-tech’s chief officer from 2004 to April 2010, the vice chairman and the chief financial officer from April 2010 to December 2011, the chief executive officer and chief financial officer from December 2011 to June 2012 and has become the vice chairman since June 2012. Mr. Yan resigned as the chief executive officer and the chief financial officer (remains as the vice chairman) of Longping High-tech in June 2012.

Mr. Lin Jung-Chin (“**Mr. Lin**”), aged 62, was appointed as the executive Director on 12 December 2014. Mr. Lin is a shareholder and director of Center Lab and BioEngine Capital Inc., both being the substantial Shareholders. Mr. Lin is mainly responsible for the overall corporate strategy, planning and business development of the Group. Mr. Lin graduated with a bachelor degree in pharmacy from Taipei Medical University and was rewarded an honorary doctor in

medical by Taipei Medical University in 2010. Mr. Lin also serves the chairmanship of several companies listed on the Emerging Stock Market in Taiwan, namely Center Lab, Medeon Biodesign, Inc., Lumosa Therapeutics Co., Ltd and TPG Biologics, Inc. He also holds the directorship or as a member of the senior management of over ten companies. Mr. Lin has extensive experience in directing the reorganisation and restructuring of enterprises. He is actively engaged in the investment planning and integration of the biotechnology industry.

Mr. Bartle van der Meer (“**Mr. van der Meer**”), aged 69, was appointed as the executive Director and Chief Executive Officer on 7 June 2013. Mr. van der Meer is one of the founders of Ausnutria Hyproca. He indirectly held 49% equity interests in Ausnutria Hyproca through the shareholding in DDI and has been involved in the strategic management since the establishment of Ausnutria Hyproca in 1994. He has also been a member of the board of directors and chief executive officer of Ausnutria Hyproca since 2012. 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 company which owned 46.55% equity interests in DDI, 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.

Ms. Ng Siu Hung (“**Ms. Ng**”), aged 46, was appointed as the executive Director on 19 September 2009. Ms. Ng is primarily responsible for the Group’s investor relations. She studied applied English language at Changsha University and graduated at The University of Westminster, the United Kingdom with a master of arts degree in human resource management. She was the representative of a computer network company and then, a manager of a trading company for about 2 years. Ms. Ng has been a director of Hunan Yukai Real Estate Development Co., Ltd\* (湖南宇凱房地產有限公司) since 2004. She is the officer of Public Relations of Hunan XinDaXin Co., Ltd\* (湖南新大新股份有限公司).

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qiu Weifa (“**Mr. Qiu**”), aged 70, was appointed as the independent non-executive Director on 19 September 2009. Mr. Qiu graduated from the Central University of Finance and Economics\* (中央財政金融學院) and has senior economist qualifications\* (高級經濟師). Mr. Qiu was the vice general manager of the Bank of China (Singapore branch), the alternate general manager of the Bank of Guangdong province (Singapore branch) and the head of branch (行長) of the Bank of China (Hunan province branch). He has over 33 years of experience in the banking sector, holding management positions at various banking institutions.



Mr. Jason Wan (“**Mr. Wan**”), aged 51, was appointed as the independent non-executive Director on 19 September 2009. Mr. Wan completed a PhD at Deakin University, Australia in 1992. Prior to that, he graduated with a bachelor of science at Hunan Agricultural University in 1983 and a master of science in dairy science and processing at Northeast Agricultural University in 1986. Mr. Wan was a lecturer in the department of food science and technology at the Northeast Agricultural University from 1986 to 1988, and a visiting scientist at the Food Research Institute at the Department of Agriculture in Victoria, Australia in 1989. Mr. Wan was a post-doctoral researcher in the department of biochemistry at the University of Melbourne from 1992 to 1995, a senior research scientist at CSIRO Food Science Australia from 1995 to 2009 and a research professor in food microbiology and biotechnology at the Illinois Institute of Technology, USA since 2009. Mr. Wan has extensive knowledge and expertise in the areas of processing technologies for food safety, dairy processing and the functionality of various ingredients of dairy products. He has written many articles over the years on various subjects, including microbiology and biotechnology, and continues to develop his expertise in these subjects. Mr. Wan has also received numerous scholarships and research grants, many relating to whey proteins and biological properties, as well as dairy processing.

Mr. Lau Chun Fai Douglas (“**Mr. Lau**”), aged 43, 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.

#### **COMPANY SECRETARY**

Mr. Wong Wei Hua Derek (“**Mr. Wong**”), aged 43, is the Chief Financial Officer and the Company Secretary of the Company. Mr. Wong has over 18 years of experience in auditing and financial and corporate management. Mr. Wong graduated from York University with a bachelor degree in accounting and a bachelor degree in mathematics. He is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group in July 2011, he was an audit manager with an international accounting firm, the financial controller of a manufacturing group of companies and the general manager of an investment company principally engaged in mining business in Indonesia. Mr. Wong joined the Group as Deputy Chief Financial Officer of the Company in July 2011 and was appointed as the Joint Company Secretary (later redesignated as Company Secretary on 3 December 2012) and the Chief Financial Officer of the Company on 26 September 2011.

None of the Directors or members of senior management mentioned above have any relationship with each other.

The business addresses of the Directors and authorised representatives are as follows:

**Executive Directors**

Mr. Yan Weibin  
8/F., XinDaXin Building A  
168 Huangxing Middle Road  
Changsha, Hunan Province, the PRC

Mr. Lin Jung-Chin  
7/F, No. 3-2, Yuanqu St.  
Nangang District  
Taipei City 115, Taiwan

Mr. Bartle van der Meer  
De Opslach 79  
8448 GV Heerenveen  
The Netherlands

Ms. Ng Siu Hung  
8/F., XinDaXin Building A  
168 Huangxing Middle Road  
Changsha, Hunan Province, the PRC

**Independent non-executive Directors**

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

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

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

**Authorised representatives**

Ms. Ng Siu Hung	8/F., XinDaXin Building A 168 Huangxing Middle Road Changsha, Hunan Province, the PRC
Mr. Wong Wei Hua Derek	Unit 16, 36/F., China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong

**BINDING EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the Laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the consent letter referred to in the paragraph headed “The expert and consent” in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company’s principal place of business in Hong Kong at Unit 16, 36/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong from 27 November 2015 and up to and including 11 December 2015:

- (a) the memorandum of association and articles of association of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2012, 2013 and 2014 and the interim report of the Company for the six months ended 30 June 2015;
- (c) the report from Ernst & Young on the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;

- (d) the material contracts referred to in the section headed “Material contracts” in this appendix;
- (e) the written consent referred to in the section headed “The expert and consent” in this appendix;
- (f) the Company’s circular dated 30 June 2015; and
- (g) this Prospectus.

**MISCELLANEOUS**

- (1) The expenses in connection with the Open Offer, including legal and other professional fees payable to financial advisers, lawyers, registrar and financial printer, are estimated to be not more than approximately HK\$1.2 million and will be payable by the Company. No underwriting commission is payable under the Open Offer.
- (2) In the event of inconsistency, the English version of this Prospectus shall prevail over the Chinese text.
- (3) As at the Latest Practicable Date, there was no capital of any member of the Group which was under option, or agreed conditionally or unconditionally to be put under option.