



(Incorporated in the Cayman Islands with limited liability)(Stock code: 1717)

Date: 2 January 2021

Lau Chun Fai Douglas (劉俊輝)
Flat A, 12/F., Block 1,
Sherwood Court, No. 18 Kwai Sing Lane,
Happy Valley, Hong Kong

Dear Mr. Lau,

Ausnutria Dairy Corporation Ltd 澳優乳業股份有限公司 (the “Company”)
Independent non-executive directorship

We write to confirm our appointment of your goodself as an independent non-executive director of the Company subject to the terms and conditions specified herein:

1. Appointment and term

Your appointment as an independent non-executive director of the Company shall be governed by the terms of this letter and shall be subject to the articles of association of the Company (“**Articles**”), the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (“**Companies Law**”) (as in force or applicable from time to time).

Subject to paragraph 3 below, your appointment shall take effect on 2 January 2021 (or such other date as agreed by the parties hereto) (“**Commencement Date**”) and shall continue for a term of two years therefrom unless otherwise agreed between you and us or terminated in accordance with the terms and conditions specified herein.

2. Responsibility

You will undertake the responsibilities of an independent non-executive director, as set out in the Listing Rules, the Companies Law and the Articles, and you will comply with all applicable laws and regulations, including but not limited to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”) and rules made thereunder, and in particular:

- (a) you will comply with the applicable provisions of the Listing Rules (as amended from time to time), including but not limited to the provisions relating to directors set out in Chapter 3 of the Listing Rules, the provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, the provisions of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases and other applicable laws and regulations, as amended from time to time;
- (b) you will perform your fiduciary duties to the Company, bring an objective and independent view borne



(Incorporated in the Cayman Islands with limited liability)(Stock code: 1717)

by your outside experience, help the board of directors of the Company (the “**Board**”) to provide the Company with effective leadership and ensuring the continuing effectiveness of the management team and the high standards of probity within the Company;

- (c) you will generally be required to attend general meetings of the Company, meetings of the Board and of any committees, including but not limited to the audit committee and the remuneration committee of the Company, to which you are or will be appointed as a member. If you are unavoidably unable to attend, as much prior notice as required under the Articles, the Companies Law, the Listing Rules or other applicable rules and regulations should be given to the Chairman of the Board;
- (d) you will disclose to the Board all other directorships and other (direct or indirect) interests, employment, consultancies or associations held by you including all interests in the shares required to be disclosed by you under the SFO and all interests in any business which competes or may be competing with the business of the Company and its subsidiaries from time to time. You will also keep the Board informed on a continuing basis of all changes to such arrangements;
- (e) you will not undertake any management function, nor have any financial or other interests in the business of the Company or any of its subsidiaries. A holding of not more than 1 per cent. of the shares of the Company or any of its subsidiaries is, however, permitted, so long as the share(s) is/are and was/were not acquired as a gift or by means of other financial assistance from any director, chief executive or substantial shareholder (as each of such terms are defined in the Listing Rules) of the Company or their respective associates (as defined in the Listing Rules) or from the Company. Nevertheless, you may receive shares or interests in securities from the Company or its subsidiaries (but not from connected persons (as defined in the Listing Rules)) as part of your director’s fee or pursuant to share option schemes established in accordance with Chapter 17 of the Listing Rules; and
- (f) you undertake to inform the Board if you cease to qualify, or if you come to know of any circumstances which may render you being no longer qualified as an independent non-executive director of the Company under the Listing Rules, the Companies Law or the Articles or other applicable rules and regulations. If the Board or the Stock Exchange considers that you are no longer qualified as an independent non-executive director of the Company and inform you thereof, your appointment will terminate automatically and you shall tender your resignation as an independent non-executive director or, at the absolute discretion of the Board, you will be redesignated as a non-executive director of the Company.

3. Termination

- 3.1 Your employment with this Company can be terminated by giving three (3) months written notice to other party or payment in lieu of salary thereof.
- 3.2 If you are at any time incapacitated by illness, injury or accident from performing his duties hereunder and (if so required) furnishes the Board with evidence satisfactory to it of such incapacity and the cause thereof you shall be entitled to receive your full salary for the first 3 months or any shorter period during which such

Ausnutria Dairy Corporation Ltd 澳優乳業股份有限公司

Unit 16, 36/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, H.K.
T +852 2545 1717 F +852 2545 1118



(Incorporated in the Cayman Islands with limited liability)(Stock code: 1717)

incapacity continues and if you are so incapacitated at different times for an aggregate period of more than 25 weeks in any one period of 52 consecutive weeks then and in either of such cases your employment may be determined by the Company by 1 month's notice in writing.

3.3 Your appointment will terminate automatically without any requirement for notice or compensation if:

- (a) you are disqualified to act as a director under the Articles, the Companies Law, the Listing Rules or other applicable rules and regulations;
- (b) you retire from the office as a director in accordance with the Articles or the Companies Law;
- (c) you are removed from office as a director in accordance with the Articles or the Companies Law; or
- (d) you are not re-elected as a director when you submit yourself to re-election.

3.4 Your appointment may be terminated by the Company by summary notice in writing if you:

- (a) have become guilty of any serious misconduct or committed any material or repeated breach of your obligations as a director;
- (b) are guilty of conduct tending to bring the Company into disrepute;
- (c) become bankrupt or have an interim order made against you, or if you compound with your creditors generally;
- (d) are disqualified from being a director by reason of any court order; or
- (e) have been convicted of a criminal offence relating to integrity or honesty or of market abuse or insider dealing.

3.5 Termination of this appointment shall be without prejudice to any rights which have accrued to the parties hereto prior to such termination or to the provision of paragraph 8 below.

4. Remuneration

Your ordinary remuneration will be fixed from time to time in accordance with the Articles by the shareholders at the Company's general meetings and your remuneration during the initial term of appointment hereunder shall be HKD400,000 per year or a pro rata amount for any incomplete year payable in arrears on the first day of each contract year or upon termination of this appointment. The Company shall reimburse you for all reasonable out-of-pocket costs, fees and expenses properly incurred in the performance of your duties as an independent non-executive director and you will, if so required, provide the Company with receipts or other evidence to the payment of such costs, fees and expenses.



(Incorporated in the Cayman Islands with limited liability)(Stock code: 1717)

5. Insurance

You will be covered by any directors' and officers' liability insurance that the Company (in its absolutely discretion) purchases for the rest of the Board.

6. Independent Advice

If any circumstances should arise in which it becomes necessary for you to seek separate independent legal or other professional advice about your responsibilities as an independent non-executive director of the Company, you will be reimbursed for your legal costs of doing so.

7. Obligations of the Company

The Company shall, as from time to time reasonably required, disclose to your goodself the information regarding the business and financial position and affairs of the Company (which includes all subsidiaries) and details of any actual or prospective material change in the business or the financial position and affairs of the Company.

8. Duty of Confidentiality

- (a) You are aware that the information in relation to the Company's business, finance and the transactions proceeded by the Company which you may have access to during your directorship are confidential information.
- (b) Subject to paragraph (c) below, you shall not disclose to any third party or use the confidential information in relation to the Company's business and finance (and shall endeavor to avoid it being divulged and made available to the public) during your directorship or after your directorship has ended.
- (c) You shall not at any time (including during your directorship or after your directorship has terminated):
- disclose in any form the confidential information in relation to the Company to any third party but disclosure to the relevant employees of the Company and the professionals, advisers and other agents employed by the Company if such disclosure is necessary for the performance of your responsibilities as a director shall not fall within this restriction;
 - use the confidential information in any form for the benefit of yourself and your relatives; and
 - knowingly let the confidential information of the Company be divulged but the information which may be obtained by the public without using any manpower resources (which is not due to your fault or omissions) do not fall within this restriction.
- (d) All the records, memorandum, reports, documents, etc. which you may have access to during your



(Incorporated in the Cayman Islands with limited liability)(Stock code: 1717)

directorship are the properties of the Company. You shall return the same to the persons designated by the Board upon the expiry or termination of your directorship or the request of the Board during your directorship.

- (e) At the request of the Company and on the condition that the Company is liable for the expenses, you agree to execute contracts or confirmations with the Company in which you accept the restrictions set up by the Company in relation to its products, services, districts and time limit (or whatever is applicable under that condition) in order to protect the reasonable interests of the Company.

9. Competing interests

You shall not, during the term of your appointment and for two years thereafter, be a director or employee or agent of, or have any other material financial interest or involvement in, any business or enterprise which competes or is likely to compete or has a significant business relation with the Company or any of its subsidiaries without the prior written consent of the Board.

10. Entire agreement

This letter of appointment constitutes the entire agreement of the parties about its subject matter and supersedes all previous letters of appointment, agreements, understandings and negotiations on that subject matter.

11. Governing Law

This letter of appointment shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and the parties hereby submit to the non-exclusive jurisdiction of the Hong Kong courts in connection herewith.

Please confirm your acceptance of appointment as an independent non-executive director of the Company by signing, dating and returning to us the attached form of acceptance.

Yours faithfully

For and on behalf of

Ausnutria Dairy Corporation Ltd

澳優乳業股份有限公司

Yan Weibin

Chairman



(Incorporated in the Cayman Islands with limited liability)(Stock code: 1717)

Form of Acceptance

I hereby confirm that I accept the appointment as an independent non-executive director of **Ausnutria Dairy Corporation Ltd** 澳優乳業股份有限公司 (the “**Company**”) on the terms and conditions set out in this letter of appointment. I further confirm that I fully understand the contents of this letter of appointment and my duties and obligations as an independent non-executive director of the Company.

Lau Chun Fai Douglas (劉俊輝)

Date: 2 January 2021