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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Ausnutria Dairy Corporation Ltd, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**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 GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
PROPOSED FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of Ausnutria Dairy Corporation Ltd (“AGM”) to be held at South Gate, Level B1, Shangri-La’s Far Eastern Plaza Hotel, Taipei, 201 Tun Hwa South Road, Section 2, Taipei, Taiwan on Thursday, 26 May 2016 at 9:30 a.m. is set out on pages 15 to 18 of this circular. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the commencement of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

21 April 2016

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at South Gate, Level B1, Shangri-La’s Far Eastern Plaza Hotel, Taipei, 201 Tun Hwa South Road, Section 2, Taipei, Taiwan, on Thursday, 26 May 2016 at 9:30 a.m.
“Annual Report”	the annual report of the Company for the financial year ended 31 December 2015 despatched to the Shareholders together with this circular
“Articles of Association”	the articles of association of the Company
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Companies Law”	the Company Law, Chapter 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Ausnutria Dairy Corporation Ltd (澳優乳業股份有限公司), a limited liability company incorporated and existing under the laws of the Cayman Islands on 8 June 2009 and the Shares are listed on the Stock Exchange (Stock code: 1717)
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	subject to the conditions set out in the proposed resolution approving the Issue Mandate at the AGM, the general and unconditional mandate granted to the Board to exercise the power to allot, issue and deal with Shares up to a maximum of 20% of the aggregate nominal value of the issued share capital of the Company as at the date of the said resolution
“Latest Practicable Date”	18 April 2016, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“PRC”	the People’s Republic of China. For the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the Repurchase Mandate at the AGM, the general and unconditional mandate granted to the Board to exercise the power to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the date of the said resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme conditionally adopted by the Company pursuant to a resolution of the Board on 19 September 2009
“Shareholder(s)”	registered shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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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

*Non-executive Directors:*

Mr. Tsai Chang-Hai  
Mr. Zeng Xiaojun

*Independent Non-executive Directors:*

Ms. Ho Mei-Yueh  
Mr. Jason Wan  
Mr. Lau Chun Fai Douglas

*Registered Office:*

Cricket Square  
Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business*

*in Hong Kong:*

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

21 April 2016

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS,  
PROPOSED FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to (i) provide you with information regarding the Issue Mandate and the Repurchase Mandate; (ii) provide you with information regarding the re-election of the retiring Directors; (iii) provide you with information regarding the proposed final dividend; and (iv) give you notice of the AGM.

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## LETTER FROM THE BOARD

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

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

#### ***1. GENERAL MANDATE TO ISSUE SHARES***

On 20 July 2015, a general mandate was granted to the Directors to exercise the powers of the Company to issue Shares, and thereafter, such mandate has not been exercised or renewed. In accordance with conditions of the general mandate granted, such mandate will lapse at the conclusion of the forthcoming AGM and has not been renewed.

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, the grant of the Issue Mandate to the Directors to allot, issue and deal with Shares up to 20% of the aggregate nominal value of the issued share capital of the Company on the date of passing this ordinary resolution (i.e. not exceeding 249,546,506 Shares based on the issued share capital of the Company of 1,247,732,530 Shares as at the Latest Practicable Date and assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Issue Mandate). In addition, an ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate the number of Shares purchased under the Repurchase Mandate (refer to section 2 below), if granted.

Details of the Issue Mandate and the extension of the Issue Mandate are respectively set out in resolutions 6 and 8 in the notice of the AGM set out on pages 15 to 17 of this circular. The Issue Mandate will remain in effect until whichever is the earliest of (a) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either unconditionally or subject to conditions by ordinary resolution passed at that meeting; or (b) the expiration of the period within which the next annual general meeting of the Company is required by Articles of Association or the applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying such mandate.

The Directors wish to state that they have no immediate plans to allot and issue any new Shares other than such Shares which may fall to be allotted and issued upon the exercise of any options to be granted under the Share Option Scheme.

#### ***2. GENERAL MANDATE TO REPURCHASE SHARES***

A general mandate to repurchase Shares was granted by the Shareholders in the annual general meeting of the Company held on 20 July 2015 to the Directors to exercise the powers of the Company to repurchase Shares, and thereafter, such mandate has lapsed and has not been renewed.

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## LETTER FROM THE BOARD

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At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, renew the grant of the Repurchase Mandate to the Directors to repurchase Shares up to 10% of the issued share capital of the Company on the date of passing this ordinary resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,247,732,530 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate on the date of passing the resolution approving the Repurchase Mandate will be 124,773,253 Shares, which represent 10% of the then issued share capital of the Company.

An explanatory statement, giving certain information regarding the Repurchase Mandate, is set out in Appendix 1 to this circular. The Repurchase Mandate will remain in effect until whichever is the earliest of (a) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either unconditionally or subject to conditions by ordinary resolution passed at that meeting; or (b) the expiration of the period within which the next annual general meeting of the Company is required by Articles of Association or the applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying such mandate.

### **3. EXPLANATORY STATEMENT**

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix 1 to this circular. The information in the explanatory statement is to provide you with the information reasonable necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

## **B. RE-ELECTION OF THE RETIRING DIRECTORS**

In accordance with Article 83(3) of the Articles of Association, Mr. Tsai Chang-Hai, Mr. Zeng Xiaojun and Ms. Ho Mei-Yueh who were appointed as Directors to fill casual vacancy of or as an addition to the Board shall hold office until the forthcoming AGM and being eligible, offer themselves for re-election.

Further, in accordance with Article 84 of the Articles of Association, Ms. Ng Siu Hung and Mr. Jason Wan will retire by rotation at the conclusion of the AGM and being eligible, offer themselves for re-election.

The biographical details of the aforesaid Directors proposed to be re-elected are set out in Appendix 2 to this circular. An ordinary resolution approving their re-elections will be proposed at the AGM.

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## LETTER FROM THE BOARD

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### **C. FINAL DIVIDEND**

The Board has recommended a final dividend of HK\$0.03 per Share to be distributed from the Company's share premium account to the Shareholders whose names appear on the register of members of the company on 30 June 2016, subject to approval by the Shareholders at the forthcoming AGM.

### **D. AGM**

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

The Annual Report incorporating, among other things, the audited consolidated financial statements of the Group for the year ended 31 December 2015 and the reports of the Directors and the auditors thereon are despatched to the Shareholders together with this circular.

A proxy form for use at the AGM is enclosed, a copy of which can also be obtained via the website of the Company at [www.ausnutria.com.hk](http://www.ausnutria.com.hk) or the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

Whether or not you are able to attend the AGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the commencement of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending in person and voting at the AGM or any adjourned meeting if you so wish.

### **E. PROCEDURES AND RESULTS FOR POLL VOTING**

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles of Association, at any general meeting, a resolution put to the vote of a meeting shall be taken by poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every Share held which is fully paid or credited as fully paid.

The results of the poll on all the resolutions as set out in the notice of the AGM in both English and Chinese will be published on the website of the Company at [www.ausnutria.com.hk](http://www.ausnutria.com.hk) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) after 4:00 p.m. on the AGM date.



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## LETTER FROM THE BOARD

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### **F. RECOMMENDATION**

The Directors believe that the resolutions of (i) the granting of the Issue Mandate and Repurchase Mandate; (ii) the re-election of the retiring Directors; and (iii) the final dividend to be proposed at the AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends you to vote in favour of the resolutions to be proposed at the AGM.

### **G. MISCELLANEOUS**

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

*This Explanatory Statement includes information required under Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders in connection with the proposed Repurchase Mandate.*

**(I) LISTING RULES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions.

**(II) SHAREHOLDER'S APPROVAL**

The Listing Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by specific approval of a particular transaction or by a general mandate to the directors of the company to make such repurchases and that the shares to be repurchased must be fully paid up.

**(III) EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, there were 1,247,732,530 Shares in issue. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued and no Shares are repurchased prior to the AGM, the Directors would be authorized under the Repurchase Mandate to repurchase a maximum of 124,773,253 Shares, which represent 10% of the then issued share capital of the Company.

**(IV) REASONS FOR THE REPURCHASE OF SHARES**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per Share. The Directors are seeking in the grant of Repurchase Mandate to give the Company flexibility to do so if and when appropriate. The timing and the numbers(s), the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

**(V) SOURCE OF FUNDS**

Repurchases must be made out of funds which are legally available for such purpose in accordance with all applicable laws of the Cayman Islands and the Articles of Association. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

Under the Companies Law, repurchases by the Company may only be made out of the reserves of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

There could be adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements of the Group contained in the Annual Report) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level.

#### (VI) SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange monthly during the year and up to the Latest Practicable Date were as follows:

	Share prices	
	Highest <i>HKD</i>	Lowest <i>HKD</i>
<b>2015</b>		
January	2.80	2.38
February	2.74	2.60
March	2.85	2.68
April	2.99	2.55
May	2.95	2.75
June	3.19	3.00
July	3.11	2.99
August	3.03	1.80
September	2.49	1.98
October	2.71	2.02
November	2.35	2.01
December	2.30	2.06
<b>2016</b>		
January	2.60	2.10
February	2.50	2.13
March	2.41	2.13
April (up to the Latest Practicable Date)	2.50	2.23

**(VII) UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. The Directors have also undertaken not to repurchase any Shares if there is less than a minimum of 25% of the total issued share capital of the Company in public hands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their associate(s), currently intends to sell the Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

No Connected Person has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

**(VIII) TAKEOVERS CODE**

Pursuant to Rule 32 of the Takeovers Code, if as a result of a Share repurchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and may in certain circumstances give rise to an obligation to make a mandatory offer for the Shares under Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, nothing has come to the attention of the Directors that there will be any consequences arise under the Takeovers Code if the Repurchase Mandate is exercised.

**(IX) SHARES REPURCHASE BY THE COMPANY**

The Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

*At the AGM, an ordinary resolution to re-elect the following persons as Directors will be proposed. In compliance with Rule 13.51(2) of the Listing Rules, details of the relevant persons are as follows:*

**Ms. Ng Siu Hung (“Ms. Ng”), Executive Director**

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.

Saved as disclosed above, Ms. Ng did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Ms. Ng did not have any relationship with other Directors, senior management, substantial or controlling Shareholders. As at the Latest Practicable Date, Ms. Ng was interested in 1,000,000 Shares (within the meaning of Part XV of SFO) which were granted by the Company on 21 January 2016 under the Share Option Scheme. Save as disclosed above, Ms. Ng had no interest in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

There is a service contract between the Company and Ms. Ng for a term of three years with effect from 8 October 2015. Ms. Ng is entitled to an annual director’s fee of HK\$240,000 (Year 2014: HK\$180,000) and a monthly salary of HK\$39,900 (Year 2014: HK\$38,000). Ms. Ng’s remuneration is determined with reference to her qualifications, experience, duties and responsibilities with the Company as well as market rate.

**Mr. Jason Wan (“Mr. Wan”), Independent Non-executive Director**

Mr Wan, aged 52, 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, a research professor in food microbiology and biotechnology at the Illinois Institute of Technology, USA from 2009 to 2015, and a tenured full professor and Associate Chair for the Department of Food Science and Nutrition since 2015, and currently the Associate Director for the Institute for Food Safety and Health, Illinois Institute of Technology, USA. 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, including those supporting a number of PhD scholars relating to whey proteins and biological properties, as well as major research grants for research relating to dairy processing.

Save as disclosed above, Mr. Wan did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Wan did not have any relationship with other Directors, senior management, substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Wan was interested in 300,000 Shares (within the meaning of Part XV of SFO) which were granted by the Company on 21 January 2016 under the Share Option Scheme. Save as disclosed above, Mr. Wan had no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

There is a service contract between the Company and Mr. Wan for a term of two years with effect from 1 October 2015. Mr. Wan is entitled to an annual director's fee of HK\$240,000 (Year 2014: HK\$180,000). Mr. Wan's remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

**Mr. Tsai Chang-Hai (“Mr. Tsai”), Non-executive Director**

Mr. Tsai, aged 66, was appointed as the non-executive Director on 19 January 2016. Mr. Tsai graduated with a bachelor's degree in medical science from China Medical University and holds a Doctor of Medical Science from the University of Tokyo. Mr. Tsai has extensive knowledge and expertise in the biomedical areas. Mr. Tsai is the founder and chairman of Asia University. He is also a professor and the chairman of China Medical University. Mr. Tsai serves the role of director in Taiwan Fertilizer Co., Ltd. and Taiwan Optical Platform, the shares of which are listed on the Taiwan Stock Exchange. He is also the director of Lumosa Therapeutics Co., Ltd. and Medeon Biodesign, Inc., which are listed on the GreTai Securities Market (證券櫃檯買賣中心) in Taiwan. Mr. Tsai is also a director of BioEngine Capital Inc. Mr. Tsai was a member of Supervisory Committee of the Central Health Insurance Administration (中央健康保險署之監理委員會) of Ministry of Health and Welfare Taiwan, the deputy convener of the Central Medical Review Committee (中區醫療審查委員會), a counselor of Ministry of Health and Welfare, a director of the Board of National Health Research Institutes and the chairman of Taiwan Hospital Association.

Save as disclosed above, Mr. Tsai did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date and saved as disclosed above, Mr. Tsai did not have any relationship with other Directors, senior management, substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Tsai was interested in 300,000 Shares (within the meaning of Part XV of SFO) which were granted by the Company on 21 January 2016 under the Share Option Scheme. Save as disclosed above, Mr. Tsai had no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

There is a service contract between the Company and Mr. Tsai for a term of two years with effect from 19 January 2016. Mr. Tsai is entitled to an annual director's fee of HK\$240,000 (Year 2014: N/A). Mr. Tsai's remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

**Mr. Zeng Xiaojun (“Mr. Zeng”), Non-executive Director**

Mr. Zeng, aged 41, was appointed as the non-executive Director on 19 January 2016. He graduated from Jiangxi University of Finance and Economics in international trade economics. Mr. Zeng is currently a member of the executive management team, the chief strategy officer and the managing partner of Shenzhen GTJA Investment Group Co., Ltd. He is responsible for investment research, investment management, public relations in branding and corporate strategies. Mr. Zeng has extensive knowledge and expertise in the biotechnology industry. He served as senior management of several pharmaceutical companies, namely China Resource Sanjiu OTC Introduction Group and Zhejiang Conba Pharmaceutical Sales Co. from 1996 to 2014. He was mainly responsible for market research, participating in sale, corporate strategies and new products introduction.

Save as disclosed above, Mr. Zeng did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Zeng did not have any relationship with other Directors, senior management, substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Zeng was interested in 300,000 Shares (within the meaning of Part XV of SFO) which were granted by the Company on 21 January 2016 under the Share Option Scheme. Save as disclosed above, Mr. Zeng had no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

There is a service contract between the Company and Mr. Zeng for a term of two years with effect from 19 January 2016. Mr. Zeng is entitled to an annual director's fee of HK\$240,000 (Year 2014: N/A). Mr. Zeng's remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

**Ms. Ho Mei-Yueh (“Ms. Ho”), Independent Non-executive Director**

Ms. Ho, aged 65, was appointed as the independent non-executive Director on 19 January 2016. She graduated from the National Taiwan University with a bachelor of agricultural chemistry. She is currently an independent director of AU Optronics Corporation, Advanced Semiconductor Engineering Inc., Kinpo Electronics, Inc. and Bank of Kaohsiung Ltd, the shares of which are listed on the Taiwan Stock Exchange. Ms. Ho has over 30 years of experience of working as a government officer in Taiwan, with a focus on economic affairs. Ms. Ho was the Minister of Ministry of Economic Affairs Taiwan from May 2004 to January 2006. She was the chairperson of The Council for Economic Planning and Development Taiwan from May 2007 to May 2008. During her tenure of service as a civil servant, Ms. Ho involved in the formation of various national policies, including Plans for National Development (國家發展計劃) for Taiwan. From May 2013 to May 2015, Ms. Ho was also the independent director of Taiwan Pelican Express Co., Ltd, the shares of which are listed on the Taiwan Stock Exchange.

Save as disclosed above, Ms. Ho did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Ms. Ho did not have any relationship with other Directors, senior management, substantial or controlling Shareholders. As at the Latest Practicable Date, Ms. Ho was interested in 300,000 Shares (within the meaning of Part XV of SFO) which were granted by the Company on 21 January 2016 under the Share Option Scheme. Save as disclosed above, Ms. Ho had no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

There is a service contract between the Company and Ms. Ho for a term of two years with effect from 19 January 2016. Ms. Ho is entitled to an annual director's fee of HK\$240,000 (Year 2014: N/A). Ms. Ho's remuneration is determined with reference to her qualifications, experience, duties and responsibilities with the Company as well as market rate.



**AUSNUTRIA DAIRY CORPORATION LTD****澳優乳業股份有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock code: 1717)****NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**AGM**”) of Ausnutria Dairy Corporation Ltd (the “**Company**”) will be held at South Gate, Level B1, Shangri-La’s Far Eastern Plaza Hotel, Taipei, 201 Tun Hwa South Road, Section 2, Taipei, Taiwan, on Thursday, 26 May 2016 at 9:30 a.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements and the Reports of the directors (the “**Directors**”) of the Company and of the auditors for the year ended 31 December 2015;
2. To re-elect the retiring Directors;
3. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration and emolument;
4. To declare a final dividend of HK\$0.03 per share for the year ended 31 December 2015 from the share premium account of the Company;
5. To re-appoint Ernst & Young as auditors and to authorise the Board to fix their remuneration;
6. “**THAT:**
  - (a) subject to paragraph (c), a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to allot, issue and dispose of shares of the Company (the “**Shares**”) of HK\$0.10 each in the share capital of the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;
  - (b) the mandate in paragraph (a) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire Shares, or (iii) any scrip dividend or similar arrangement pursuant to the articles of association of the Company (the “**Articles of Association**”) from time to time, or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said mandate shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next AGM unless the mandate is renewed either unconditionally or subject to conditions by ordinary resolution passed at that meeting;
- (ii) the expiration of the period within which the next AGM is required by the Articles of Association or the applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in a general meeting revoking or varying such mandate.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any jurisdiction outside Hong Kong, any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”;

7. “**THAT:**

- (a) a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution; and
- (b) for the purpose of this Resolution;

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next AGM unless the mandate is renewed either unconditionally or subject to conditions by ordinary resolution passed at that meeting;
- (ii) the expiration of the period within which the next AGM is required by the Articles of Association or the applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in a general meeting revoking or varying such mandate.”;

8. “**THAT:**

conditional upon the passing of Resolutions 6 and 7 set out in the notice convening this meeting, the aggregate nominal amount of the shares which are purchased or otherwise acquired by the Company pursuant to Resolution 7 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to Resolution 6.”

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

Changsha City, People’s Republic of China, 21 April 2016

*Notes:*

1. Any member entitled to attend and vote at the AGM is entitled to appoint one or more person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of attorney, must be deposited not less than 48 hours before the time appointed for the holding of the AGM at the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
3. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the AGM if the member so desires, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Information containing further details regarding the proposed Resolutions 2 and 6 set out in the above notice as required by the Listing Rules are set out in Appendices 2 and 1 to this circular respectively.
5. The register of members of the Company in Hong Kong will be closed for the following periods:
  - (a) For the purpose of determining shareholders of the Company who are eligible to attend and vote and the forthcoming AGM, the register of members of the Company will be closed from 24 May 2016 to 26 May 2016 (both dates inclusive) during which period no transfer of Shares will be registered. To be qualified to attend the forthcoming AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investors Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 23 May 2016.
  - (b) For the purpose of determining shareholders of the Company who are qualified for the proposed final dividend, the register of members of the Company will be closed from 4 July 2016 to 6 July 2016 (both dates inclusive) during which period no transfer of Shares will be registered. To be qualified for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investors Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 30 June 2016.