
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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AUSNUTRIA DAIRY CORPORATION LTD
澳優乳業股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1717)

PROPOSED CHANGE OF AUDITOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of Ausnutria Dairy Corporation Ltd (“EGM”) to be held at 22nd Floor, Block A, Building 1, Ausnutria Building, Suncity, Purui East Road, Yueliangdao Street, Wangcheng District, Changsha City, Hunan Province, the PRC, on Monday, 5 September 2022 at 3:00 p.m. is set out on pages 8 to 9 of this circular. Whether or not you are able to attend the EGM, 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 EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

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

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

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

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company, as amended or supplemented from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Company”	Ausnutria Dairy Corporation Ltd (澳優乳業股份有限公司), a limited liability company incorporated and existing under the laws of the Cayman Islands on 8 June 2009 and the Shares are listed on the Main Board of the Stock Exchange (Stock code: 1717)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company to consider and, if appropriate, to approve the Proposed Change of Auditor, or any adjournment thereof
“EY”	Ernst & Young, the existing auditor of the Company proposed to be removed at the EGM
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	8 August 2022, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication
“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
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Proposed Appointment”	the proposed appointment of PwC as the new auditor of the Company, subject to the approval of the Shareholders at the EGM
“Proposed Change of Auditor”	collectively, the Proposed Removal and the Proposed Appointment
“Proposed Removal”	the proposed removal of EY as the auditor of the Company, subject to the approval of the Shareholders at the EGM
“PwC”	PricewaterhouseCoopers, the new auditor of the Company proposed to be appointed at the EGM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

PRECAUTIONARY MEASURES FOR THE EGM

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

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

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

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

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

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

Investor Relations

Contact Person: Ms. Tracy Sun

Email: tracy_sun@ausnutria.com

LETTER FROM THE BOARD



AUSNUTRIA DAIRY CORPORATION LTD

澳優乳業股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1717)

Executive Directors:

Mr. Yan Weibin (*Chairman*)
Mr. Bartle van der Meer (*Chief Executive Officer*)
Ms. Ng Siu Hung

Non-executive Directors:

Mr. Sun Donghong (*Vice-chairman*)
Mr. Zhang Zhanqiang
Mr. Zhang Lingqi

Independent Non-executive Directors:

Mr. Ma Ji
Mr. Ren Fazheng
Mr. Aidan Maurice Coleman

Registered Office:

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

*Principal Place of Business
in Hong Kong:*

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

10 August 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSED CHANGE OF AUDITOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 29 July 2022 in relation to the Proposed Change of Auditor.

The purpose of this circular is to provide you with (i) further details of the Proposed Change of Auditor to make an informed decision on whether to vote for or against the resolutions at the forthcoming EGM; and (ii) the notice of the EGM.

LETTER FROM THE BOARD

PROPOSED REMOVAL OF EY

At the last annual general meeting of the Company held on 26 May 2022, EY was re-appointed as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

EY has been the auditor of the Company since its listing in 2009. For the purpose of maintaining good corporate governance practice and improving its standard, the Audit Committee considers that the auditor of the Company should be rotated after an appropriate period of time and it would be in the best interest of the Company and the Shareholders as a whole in replacing EY with another reputable accounting firm, and therefore made a recommendation to the Board to seek the approval of the Shareholders regarding the Proposed Removal. The Proposed Removal is subject to the passing of a special resolution at the EGM pursuant to the Articles of Association. The Board would like to express its great appreciation to EY and thank them for the professionalism and care they have demonstrated in their external audit role with the Company for over a decade.

A letter received by the Company from EY confirmed that there are no other matters that need to be brought to the attention of the Shareholders or creditors of the Company in relation to the Proposed Removal. To the best of the Directors' knowledge, information and belief, save as disclosed above, there are no other circumstances or matters that need to be brought to the attention of the Shareholders in relation to the Proposed Removal.

PROPOSED APPOINTMENT OF PWC

The Audit Committee has assessed and considered that PwC are qualified and suitable to carry out duties of the auditor of the Company. The Board, with the recommendation by the Audit Committee, proposes to appoint PwC as the new auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company. The Proposed Appointment is subject to the Proposed Removal becoming effective and the passing of ordinary resolution in respect of the Proposed Appointment at the EGM.

IMPLICATIONS UNDER THE LISTING RULES AND THE ARTICLES OF ASSOCIATION

According to the article 152(2) of the Articles of Association, the Shareholders may, at any general meeting convened and held in accordance with these Articles of Association, by special resolution remove the auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another auditor in his stead for the remainder of his term.

Under Rule 13.88 of the Listing Rules, the Company must (a) not remove its auditor before the end of the auditor's term of office without first obtaining shareholders' approval at a general meeting; (b) send a circular proposing the removal of the auditor to shareholders with any written representations from the auditor, not less than 10 business days before the general meeting; and (c) allow the auditor to attend the general meeting and make written and/or verbal representations to shareholders at the general meeting.

In compliance with the Articles of Association and the Listing Rules, each of the Proposed Removal and the Proposed Appointment will be proposed as special resolution and ordinary resolution at the EGM, respectively.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend and vote at the EGM, the transfer books and register of members of the Company will be closed from 31 August 2022 to 5 September 2022, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 30 August 2022.

EGM

A notice convening the EGM is set out on pages 8 to 9 of this circular.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder was required to abstain from voting on the resolutions to be proposed at the EGM.

A proxy form for use at the EGM is enclosed, a copy of which can also be obtained via the website of the Company at www.ausnutria.com.hk or the website of the Stock Exchange at www.hkexnews.hk.

Whether or not you are able to attend the EGM, 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 EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending in person and voting at the EGM or any adjourned meeting if you so wish.

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 EGM in both English and Chinese will be published on the website of the Company at www.ausnutria.com.hk and the website of the Stock Exchange at www.hkexnews.hk after 4:00 p.m. on the EGM date.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors considered that each of the Proposed Removal and the Proposed Appointment is 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 EGM.

RESPONSIBILITY STATEMENT

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

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



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Ausnutria Dairy Corporation Ltd (the “Company”) will be held at 22nd Floor, Block A, Building 1, Ausnutria Building, Suncity, Purui East Road, Yueliangdao Street, Wangcheng District, Changsha City, Hunan Province, the PRC, on Monday, 5 September 2022 at 3:00 p.m. to consider and, if through fit, pass the following resolutions: –

SPECIAL RESOLUTION

1. **“THAT:**

Ernst & Young be and is hereby removed as the auditor of the Company and its subsidiaries pursuant to the Article 152(2) of the articles of association of the Company with immediate effect (the “Removal”) and any of the directors of the Company be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they may consider necessary, desirable or expedient or in the interest of the Company to give effect to the Removal.”

ORDINARY RESOLUTION

2. “THAT:

conditional upon the passing of the special resolution (1) above, PricewaterhouseCoopers be and is hereby appointed as the auditor of the Company pursuant to article 152(2) of the articles and association of the Company in place of Ernst & Young immediately following its removal and to hold office until the conclusion of the forthcoming annual general meeting of the Company, and that the board of directors of the Company be and is hereby authorised to fix its remuneration.”

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

People’s Republic of China, 10 August 2022

Notes:

1. Any member entitled to attend and vote at the EGM is entitled to appoint one or more person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney, must be deposited not less than 48 hours before the time appointed for holding of the EGM 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 EGM if the member so desires, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For the purpose of determining shareholders of the Company who are eligible to attend and vote and the forthcoming EGM, the register of members of the Company will be closed from Wednesday, 31 August 2022 to Monday, 5 September 2022 (both dates inclusive) during which period no transfer of Shares will be registered. To be qualified to attend the forthcoming EGM, 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 Tuesday, 30 August 2022.
5. In order to facilitate the prevention and control of the coronavirus disease (COVID-19), and to safeguard the health and safety of its shareholders, the Company encourages its shareholders to consider appointing the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.