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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)

### **ENTERING INTO A LETTER OF INTENT**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 30 November 2012, the Company, Ausnutria (Dutch), DDI and Ausnutria Hyproca entered into the Letter of Intent in relation to the Proposed Acquisition and the Proposed Share Swap.

**As at the date of this announcement, no legally binding agreement in relation to the Proposed Acquisition and the Proposed Share Swap has been entered into by the parties to the Letter of Intent and the Proposed Acquisition and the Proposed Share Swap may or may not proceed. Investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Proposed Acquisition and the Proposed Share Swap will be made by the Company should any legally binding agreement be entered into as and when appropriate in accordance with the Listing Rules.**

This announcement is made pursuant to Rule 13.09 of Listing Rules.

### **BACKGROUND**

Reference is made to the acquisition (the “**Acquisition**”) of 51% equity interest in Ausnutria Hyproca by Ausnutria (Dutch) as disclosed in the announcement dated 20 July 2011 and circular dated 23 September 2011 issued by the Company. Following the completion of the Acquisition, Ausnutria Hyproca is owned as to 51% by Ausnutria (Dutch) and 49% by DDI.

In connection with the Acquisition, 11,000,000 Shares were issued to DDI, representing approximately 1.11% of the issued share capital of the Company as at the date of this announcement.

With a view to further consolidate the business currently conducted by Ausnutria Hyproca Group into the Group, Ausnutria (Dutch) and DDI intend to undergo the Proposed Acquisition and the Proposed Share Swap pursuant to which Ausnutria Hyproca will become an indirect wholly-owned subsidiary of the Company.

## **PROPOSED ACQUISITION AND PROPOSED SHARE SWAP**

The Board is pleased to announce that on 30 November 2012, the Company, Ausnutria (Dutch), DDI and Ausnutria Hyproca entered into the Letter of Intent, pursuant to which (a) DDI has expressed its intention to sell to Ausnutria (Dutch) and Ausnutria (Dutch) has expressed its intention to purchase from DDI, 49% equity interests currently owned by DDI in Ausnutria Hyproca (the “**Proposed Acquisition**”); and (b) DDI, Ausnutria (Dutch) and the Company have expressed their intention that the Consideration for the Proposed Acquisition is to be settled by the Company allotting and issuing such number of Shares to DDI (the “**Proposed Share Swap**”). The Proposed Acquisition and the Proposed Share Swap is subject to the negotiation and agreement of the final contractual terms by Ausnutria (Dutch) and DDI as well as, upon others, the following conditions: (i) the resumption of trading of the Shares on the Stock Exchange; (ii) the compliance of relevant rules and regulations of the Securities and Futures Commission in Hong Kong and the Stock Exchange; and (iii) the approval by the shareholders at the shareholders’ meeting of the Company (if necessary).

Pursuant to the Letter of Intent, the parties thereto intended that the Consideration will be determined with reference to normal business practices and the valuation of the Company and Ausnutria Hyproca which will be based on the normalised operations of the two respective groups of companies on a basis to be agreed between the Group and DDI based on the advice of an independent financial adviser to be appointed.

## **GENERAL**

**As at the date of this announcement, no legally binding agreement in relation to the Proposed Acquisition and the Proposed Share Swap has been entered into by the parties to the Letter of Intent and the Proposed Acquisition and the Proposed Share Swap may or may not proceed. Investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Proposed Acquisition and the Proposed Share Swap will be made by the Company**

**should any legally binding agreement be entered into as and when appropriate in accordance with the Listing Rules.**

## **DEFINITIONS**

Unless the context otherwise requires, capitalised terms used herein shall have the following meanings:

“Acquisition”	the acquisition of 51% equity interest in Ausnutria Hyproca by Ausnutria (Dutch), as more particularly set out in the section headed “Background” in this announcement
“Ausnutria (Dutch)”	Ausnutria Dairy (Dutch) Coöperatief U.A., an indirect wholly-owned subsidiary of the Company incorporated under the laws of the Netherlands
“Ausnutria Hyproca”	Ausnutria Hyproca B.V. (formerly known as Hyproca Dairy Group B.V.), a private company with limited liability incorporated under the laws of the Netherlands and is owned as to 51% by Ausnutria (Dutch) and 49% by DDI as at the date of this announcement
“Ausnutria Hyproca Group”	Ausnutria Hyproca and its subsidiaries
“Board”	the board of Directors
“Company”	Ausnutria Dairy Corporation Ltd (澳優乳業股份有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1717)
“Consideration”	the proposed consideration for the Proposed Acquisition
“DDI”	Dutch Dairy Investments B.V., a private company with limited liability incorporated under the laws of the Netherlands

“Director(s)”	the director(s) of the Company (including independent non-executive Director(s))
“Group”	the Company and its subsidiaries
“Letter of Intent”	the letter of intent dated 30 November 2012 and entered into among the Company, Ausnutria (Dutch), DDI and Ausnutria Hyproca in relation to the Proposed Acquisition and the Proposed Share Swap
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Acquisition”	the proposed acquisition of 49% equity interests in Ausnutria Hyproca by Ausnutria (Dutch), as more particularly set out in the section headed “Proposed Acquisition and Proposed Share Swap” in this announcement
“Proposed Share Swap”	the proposed settlement of the Consideration in relation to the Proposed Acquisition, as more particularly set out in the section headed “Proposed Acquisition and Proposed Share Swap” in this announcement
“Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Ausnutria Dairy Corporation Ltd**  
**Wu Yueshi**  
*Chairman*

Changsha City, the People’s Republic of China, 30 November 2012

*As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Wu Yueshi, Mr. Yan Weibin, Mr. Chen Yuanrong and Ms. Ng Siu Hung, and three independent non-executive directors, namely, Mr. Qiu Weifa, Mr. Jason Wan and Mr. Chan Yuk Tong.*