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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)

DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDERS AND RESUMPTION OF TRADING

This announcement is made by Ausnutria Dairy Corporation Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDERS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has been informed by two of its substantial shareholders, being All Harmony International Limited (“**All Harmony**”) and Brave Leader Limited (“**Brave Leader**”) (collectively, the “**Vendors**”), that after the trading hours on 11 November 2014, a sale and purchase agreement (the “**SPA**”) has been entered into between the Vendors and Center Laboratories, Inc. (“**Center Lab**”) and Bioengine Capital Inc. (“**Bioengine**”) (collectively, the “**Purchasers**”). To the best knowledge of the Company, each of the Vendors is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Pursuant to the SPA, All Harmony has conditionally agreed to sell 107,000,000 shares of HK\$0.10 each of the Company (the “**Shares**”), representing its entire equity interest in the Company, to Center Lab at a consideration of HK\$321.00 million (equivalent to HK\$3.00 per Share) and Brave Leader has conditionally agreed to sell 24,671,075 Shares to Center Lab and 123,355,375 Shares to Bioengine at a consideration of approximately HK\$74.01 million (equivalent to HK\$3.00 per Share) and approximately HK\$370.07 million (equivalent to HK\$3.00 per Share), respectively (collectively, the “**Disposal**”). The aggregate consideration for the Disposal is approximately HK\$765.08 million. As at the date of the SPA, the Purchasers and parties acting in concert with them did not own any Shares.

Completion of the Disposal is subject to the conditions (the “**Conditions**”) that (i) the Purchasers have obtained approval from the Investment Commission of Ministry of Economic Affairs in the Republic of

China (“**Taiwan**”) for the Disposal and such approval not having been revoked or otherwise become invalid; and (ii) the Disposal not having been considered by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong as triggering an obligation on the part of the Purchasers to make a mandatory general offer for the Shares held other than by the Purchasers and the parties acting in concert with any of the Purchasers pursuant to the Code on Takeovers and Mergers of Hong Kong, and shall take place at the seventh business day following the date on which the Conditions are satisfied or (where applicable) waived. The Purchasers shall use reasonable endeavours to achieve satisfaction of the condition (i) set out above before 20 December 2014 (or another date agreed by the Vendors and the Purchasers in writing). The Purchasers may at any time at its discretion waive the condition (ii) above.

After the completion of the Disposal, the Vendors, together with their respective shareholders, will use their best efforts to cause an individual nominated by Center Lab to be appointed as the Director.

As at the date of this announcement, All Harmony and Brave Leader are interested in 107,000,000 Shares and 214,646,000 Shares, representing approximately 10.84% and approximately 21.75% of the issued share capital of the Company, respectively. The Vendors and the parties acting in concert with them are interested in an aggregate of 581,646,000 Shares, representing approximately 58.94% of the issued share capital of the Company.

Upon completion of the Disposal, (i) All Harmony will cease to be a shareholder of the Company; (ii) Brave Leader will be interested in 66,619,550 Shares, representing approximately 6.75% of issued share capital of the Company; (iii) the equity interest in the Company held by the Vendors and the parties acting in concert with them will decrease to 326,619,550 Shares, representing approximately 33.10% of the issued share capital of the Company; and (iv) the Purchasers and the parties acting in concert with them will be interested in an aggregate of 255,026,450 Shares, representing approximately 25.84% of the issued share capital of the Company.

INFORMATION ON THE PURCHASERS

Center Lab was founded in 1959 and is a limited liability company incorporated under the laws of Taiwan. The shares of Center Lab are listed on the GreTai Securities Market in Taiwan since 2003. Center Lab is an industrial biotechnological company which specializes in manufacturing liquid oral drugs including capsule and tablet formulations for infants, children, the elderly and special care patients.

Bioengine was founded in 2014 and is a limited liability company incorporated under the laws of Taiwan. It is a non-wholly-owned subsidiary of Center Lab and is principally engaged in investment, biotechnology, research and development as well as intellectual property activities.

INFORMATION ON THE COMPANY

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.

As completion of the Disposal is subject to the satisfaction of the Conditions as set out above, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted from 1:00 p.m. on Tuesday, 11 November 2014. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 13 November 2014.

By order of the Board
Ausnutria Dairy Corporation Ltd
Yan Weibin
Chairman

Changsha City, the PRC, 12 November 2014

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yan Weibin (Chairman), Mr. Bartle van der Meer (Chief Executive Officer) and Ms. Ng Siu Hung, and three independent non-executive Directors, namely Mr. Qiu Weifa, Mr. Jason Wan and Mr. Chan Yuk Tong.