

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

## **UPDATES ON THE HBC ACQUISITION**

Reference is made to the announcement of the Company dated 9 April 2020 (the “**Announcement**”) in relation to the acquisition of the 15% equity interests in Hyproca Bio-Science (Hong Kong) Company Limited by Ausnutria Dairy Company Limited (the “**HBC Purchaser**”, being an indirect wholly-owned subsidiary of the Company) (the “**HBC Acquisition**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

### **BACKGROUND**

On 9 April 2020 (after trading hours), the HBC Purchaser, the HBC Vendors and the Company entered into the HBC Sale and Purchase Agreement in relation to the HBC Acquisition, pursuant to which the HBC Purchaser had conditionally agreed to acquire and the HBC Vendors had conditionally agreed to sell the HBC Sale Shares, representing 15.0% of all the issued shares of HBHK, at the HBC Consideration of HK\$896.0 million by way of issuance and allotment of 70,000,000 HBC Consideration Shares at the HBC Consideration Share Price of HK\$12.8 each by the Company to the HBC Vendors. The HBC Consideration is subject to a downward adjustment by the HBC Call Option which can be exercised by the HBC Purchaser in its absolute discretion should the future financial performance of the HBC Group fail to meet certain performance indicators for the three years ending 31 December 2022 pursuant to the terms as set out in the HBC Sale and Purchase Agreement. Completion of the HBC Acquisition took place on 27 August 2020.

### **DOWNWARD ADJUSTMENT ARRANGEMENT**

As confirmed by the HBC Vendors on 3 July 2023, the HBC Average Growth Rate fell below the minimum threshold of 20%. Accordingly, the HBC Purchaser shall have the right to exercise the HBC Call Option to require the HBC Vendors to sell 20,000,000 HBC Consideration Shares to the HBC Purchaser at nil consideration pursuant to the terms of the HBC Sale and Purchase Agreement.

The Board wishes to announce that on 31 October 2023, the Company has exercised the HBC Call Option and repurchased the 20,000,000 HBC Consideration Shares from the HBC Vendors at nil consideration and will deliver the certificates for the 20,000,000 HBC Consideration Shares to its Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, for cancellation.

## SHARE BUY-BACKS CODE IMPLICATIONS

As the repurchase of the 20,000,000 HBC Consideration Shares was made in accordance with the terms and conditions attached to those HBC Consideration Shares being bought back, which was permitted without the prior agreement of the HBC Vendors (being the owners of those HBC Consideration Shares), it falls within the definition of exempt share buy-back under the Hong Kong Code on Share Buy-backs (the “**Share Buy-backs Code**”) issued by the Securities and Futures Commission (the “**SFC**”) and no prior approvals from the Executive Director of the Corporate Finance Division of the SFC and the Shareholders are required.

Prior to the cancellation of the 20,000,000 HBC Consideration Shares, the total number of issued Shares was 1,800,111,841 and the 20,000,000 HBC Consideration Shares represented approximately 1.11% of the issued share capital of the Company prior to their cancellation. Following the cancellation of the 20,000,000 HBC Consideration Shares, the total number of issued Shares will be 1,780,111,841 and the net assets per share of the Group will accordingly be increased. Save for the aforementioned, the Company is not aware of any impact on the consolidated statements of profit or loss of the Group resulted from the share repurchase and share cancellation.

By order of the Board  
**Ausnutria Dairy Corporation Ltd**  
**ZHANG Zhanqiang**  
*Chairman*

The PRC, 31 October 2023

*As at the date of this announcement, the Board comprises Mr. Ren Zhijian (CEO), Mr. Bartle van der Meer and Mr. Zhang Zhi as the executive Directors; Mr. Zhang Zhanqiang (Chairman), Mr. Sun Donghong (Vice-Chairman) and Mr. Zhang Lingqi as the non-executive Directors; and Mr. Ma Ji, Mr. Song Kungang and Mr. Aidan Maurice Coleman as the independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*