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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)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE REMAINING EQUITY INTEREST IN DAIRY PROTEIN COOPERATION**

### **THE ACQUISITION**

On 27 September 2024 (after trading hours), the Purchaser (being an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the Share Purchase Agreement in relation to the Acquisition, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 50.0% of the issued share capital of Dairy Protein Cooperation, at a cash consideration of EUR1.0. Subject to Completion and on the Completion Date, the Purchaser shall also repay to the Vendor the outstanding principal amount of the Shareholder's Loan of EUR2.0 million and any outstanding interest for and on behalf of Dairy Protein Cooperation.

Upon Completion, Dairy Protein Cooperation will become an indirect wholly-owned subsidiary of the Company and its financial results, assets and liabilities will be consolidated into the consolidated financial statements of the Company.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **THE ACQUISITION**

The Board is pleased to announce that on 27 September 2024 (after trading hours), the Purchaser (being an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the Share Purchase Agreement in relation to the Acquisition, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 50.0% of the issued shares of Dairy Protein Cooperation, at a cash consideration of EUR1.0. Subject to Completion and on the Completion date, the Purchaser shall also repay to the Vendor the outstanding principal amount of the Shareholder's Loan of EUR2.0 million and any outstanding interest for and on behalf of Dairy Protein Cooperation in full discharge of such loan.

## **THE SHARE PURCHASE AGREEMENT**

Principal terms of the Share Purchase Agreement are set out below:

Date : 27 September 2024 (after trading hours)

Parties : the Purchaser; and  
the Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are parties independent of the Company and its connected persons as at the date of this announcement.

### **Subject matter**

Pursuant to the Share Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 50.0% of the issued share capital of Dairy Protein Cooperation.

### **Consideration**

Pursuant to the Share Purchase Agreement, the consideration of EUR1.0 shall be payable by or on behalf of the Purchaser to the Vendor in cash on the Completion Date. Subject to Completion and on the Completion Date, the Purchaser shall also repay to the Vendor the outstanding principal amount of the Shareholder's Loan of EUR2.0 million and any outstanding interest for and on behalf of Dairy Protein Cooperation in full discharge of such loan.

The consideration is determined through arm's length negotiations between the parties with reference to, among other things, the (i) net asset value of Dairy Protein Cooperation of approximately EUR0.4 million as at 31 December 2023 according to the audited financial statements of Dairy Protein Cooperation; (ii) outstanding principal amount of the Shareholder's Loan of EUR2.0 million and any outstanding interest to be repaid by the Company to the Vendor for and on behalf of Dairy Protein Cooperation; (iii) dividend on cumulative preference shares in the amount of approximately EUR0.6 million payable to the Vendor by Dairy Protein Cooperation being waived by the Vendor upon Completion; and (iv) business development and prospects of Dairy Protein Cooperation.

## **Condition precedent**

Completion shall be conditional upon fulfilment of the following condition:

- (i) the fundamental warranties of the Vendor being true and correct in all respects on and as of the date of the Share Purchase Agreement and as of the Completion Date as though made on or as of such date, except to the extent any such warranty expressly speaks as of an earlier date, in which case such warranty shall be true and correct in all material respects as of such earlier date.

The Purchaser may in its absolute discretion at any time before Completion waive the above condition in full or in part by giving a written notice to the Vendor and such waiver may be subject to such terms and conditions as may be agreed between the Purchaser and the Vendor in writing. The Purchaser and the Vendor shall use their reasonable endeavours to procure the fulfilment of the condition precedent above as soon as practicable.

## **Completion**

Immediately prior to the Completion, the Purchaser is the legal and beneficial owner of 450 shares of Dairy Protein Cooperation, representing 50.0% of the issued share capital of Dairy Protein Cooperation. Dairy Protein Cooperation has been accounted for as a joint venture in the Company's consolidated financial statements using equity method.

Upon Completion, Dairy Protein Cooperation will become an indirect wholly-owned subsidiary of the Company and its financial results, assets and liabilities will be consolidated into the consolidated financial statements of the Company.

## **Information of the Group, the Vendor and Dairy Protein Cooperation**

### ***The Group***

The Company was incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in (i) the dairy industry with activities ranging from the research and development, milk collection, processing, production, packaging, marketing and distribution of infant formula and other dairy products to customers in the PRC, the Netherlands, Australia, the Middle East and other overseas countries; and (ii) the research and development, production, marketing and distribution of nutrition products to customers principally located in the PRC and the Netherlands.

## ***The Vendor***

The Vendor is a private company with limited liability incorporated under the laws of the Netherlands. As at the date of this announcement, the Vendor is principally engaged in the business of an investment holding and is privately owned by Mr. J.L.M. de Groot as its sole director.

## ***Dairy Protein Cooperation***

Dairy Protein Cooperation is a private company with limited liability incorporated under the laws of the Netherlands. Dairy Protein Cooperation is a joint venture set up by the Company and the Vendor in 2019 and is owned as to 50.0% by the Company (through the Purchaser) and 50.0% by the Vendor immediately prior to the Completion. As at the date of this announcement, Dairy Protein Cooperation is principally engaged in the business of microfiltration of dairy products.

Set out below is the summary of the key financial information of Dairy Protein Cooperation based on the latest financial information available as at the date of this announcement:

	<b>Year ended 31 December 2023 EUR '000 (audited)</b>	<b>Year ended 31 December 2022 EUR '000 (audited)</b>
Revenue	49,271.8	25,682.9
Net profit before taxation	482.1	223.6
Net profit after taxation	414.6	252.5
	<b>As at 31 December 2023 EUR '000 (audited)</b>	<b>As at 31 December 2022 EUR '000 (audited)</b>
Net assets	424.7	248.5

## **Reasons for and benefits of the Acquisition**

Dairy Protein Cooperation is a joint venture set up by the Company and the Vendor in 2019 and engaged in the business of microfiltration of dairy products. The Directors are of the view that the Acquisition has synergy effect with the existing business of the Company, allowing the Group to consolidate its control in the microfiltration of dairy products and processing business. The Acquisition will further strengthen the strategic position of the Company's overall goat upstream operation.

Having considered the above reasons, the Directors consider that the terms and conditions of the Share Purchase Agreement are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares of Dairy Protein Cooperation pursuant to the Share Purchase Agreement
“Board”	the board of Directors
“Company”	Ausnutria Dairy Corporation Ltd, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1717)
“Completion”	completion of the Acquisition pursuant to the Share Purchase Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Dairy Protein Cooperation”	Dairy Protein Cooperation Food B.V., a private company with limited liability incorporated under the laws of the Netherlands
“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of the member states of the European Union
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Ausnutria B.V., a private company with limited liability incorporated under the laws of the Netherlands and a wholly-owned subsidiary of the Company
“Sale Shares”	450 issued shares of Dairy Protein Cooperation, representing 50.0% of the issued share capital of Dairy Protein Cooperation
“Share Purchase Agreement”	the sale and purchase agreement dated 27 September 2024 and entered into between the Purchaser and the Vendor in relation to the Acquisition
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	a subordinated loan with a principal amount of EUR2.0 million provided by the Vendor to Dairy Protein Cooperation which remained outstanding as at the date of the Share Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Centurion Food B.V., a private company with limited liability incorporated under the laws of the Netherlands

By order of the Board  
**Ausnutria Dairy Corporation Ltd**  
**Han Shixiu**  
*Chairman*

The PRC, 27 September 2024

*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. Han Shixiu (Chairman), Mr. Zou Ying and Ms. Yan Junrong as the non-executive Directors; and Mr. Ma Ji, Mr. Chen Fuquan and Mr. Aidan Maurice Coleman as the independent non-executive Directors.*