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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)

SUPPLEMENTAL ANNOUNCEMENT – CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE

(1) LOGISTICS SERVICE FRAMEWORK AGREEMENT; (2) CONTRACT MANUFACTURING FRAMEWORK AGREEMENT; AND (3) 2026 PROBIOTICS SUPPLY FRAMEWORK AGREEMENT

Reference is made to the Company's announcement dated 27 April 2026 (the "Announcement") in relation to, among other things, (i) the Logistics Service Framework Agreement; (ii) the Contract Manufacturing Framework Agreement; and (iii) the 2026 Probiotics Supply Framework Agreement. Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless otherwise specified.

In addition to the information provided in the Announcement, the Company would like to provide supplemental information regarding the pricing policies under each of the Agreements and the basis of determining the annual caps in respect of the transactions contemplated under the Logistics Service Framework Agreement and the Contract Manufacturing Framework Agreement.

(1) THE LOGISTICS SERVICE FRAMEWORK AGREEMENT

Pricing Policies

The fees charged for the logistics services provided by the Yishun Group in each individual transaction shall be determined on normal commercial terms, through arm's length negotiations and with reference to the following:

- (i) the bidding price at which Yishun was selected as successful bidder in a competitive tendering process participated by Yishun and three other independent third party logistics service providers. The tendering process was conducted in accordance with the Group's internal bidding procedures with bids evaluated based on comprehensive criteria including price, service quality, technical capability, industry expertise and operational synergy; and

- (ii) all relevant costs, including labour cost, fuel costs and administrative costs incurred for the provision of similar logistics services of comparable scope, volume, distance, cargo type and service location.

For the avoidance of doubt, the terms (including price) offered by the Yishun Group to the Group shall be no less favourable than those offered by independent third-party logistics service providers for the same or similar services under comparable circumstances.

Basis of determination of the annual caps

The annual caps for the transactions contemplated under the Logistics Service Framework Agreement were determined after taking into account the following:

- (i) the historical transaction amounts of logistics services received by the Group from the Yishun Group and other independent service providers for the year ended 31 December 2025 and for the three months ended 31 March 2026;
- (ii) the historical transaction amounts of logistics services provided by the Yishun Group to the Group for the year ended 31 December 2025 and for the three months ended 31 March 2026. For the avoidance of doubt, the logistics services provided by the Yishun Group only became connected transaction during the second half of 2025 and the transaction amounts of which have been below the de minimis threshold under Rule 14A.76 of the Listing Rules;
- (iii) the potential increase in costs of provision of logistics services such as increase in fuel price; and
- (iv) a reasonable buffer of 10% to cater for unexpected surges in demand for the logistics services to be provided by the Yishun Group during the term of the Logistics Service Framework Agreement.

(2) THE CONTRACT MANUFACTURING FRAMEWORK AGREEMENT

Pricing Policies

The manufacturing fee for the provision of manufacturing services by the Group under the Contract Manufacturing Framework Agreement shall be negotiated on an arm's length basis and determined in the ordinary course of business on normal commercial terms with reference to the following:

- (i) all relevant costs directly and indirectly attributable to the provision of the manufacturing services (including but not limited to raw material costs, direct labour costs, manufacturing overheads, utilities, depreciation of production equipment, quality control costs and other allocable production costs); and
- (ii) a reasonable profit margin that is comparable to the profit margin charged by the Group to independent third-party customers for similar manufacturing services. Such profit margin shall be determined with reference to factors including but not limited to the nature and prevailing market price of similar products and the aforementioned relevant costs attributable to the provision of the manufacturing services. The Company shall endeavour to set the profit margin for the relevant products under the Contract Manufacturing Framework Agreement at a level no less favourable than the profit margin charged by the Group to independent third party customers for products of a similar nature.

Basis of determination of the annual caps

The annual caps for the transactions contemplated under the Contract Manufacturing Framework Agreement were determined after taking into account the following:

- (i) the anticipated demand of the Yili Industrial Group for the manufacturing services to be provided by the Group for the year ending 31 December 2026 in the amount of not less than HK\$56 million; and
- (ii) a one-off higher buffer of over 30% was applied for potential ad-hoc orders for the year ending 31 December 2026 given the uniqueness of the product making it difficult to prudently estimate the anticipated demand initially and a reasonable product growth buffer of 20% was applied to accommodate for potential ad-hoc orders for each of the two years ending 31 December 2027 and 2028 (which is in line with the revenue growth of over 20% for the adult goat milk powder of Yili Industrial for the year ended 31 December 2025).

(3) THE 2026 PROBIOTICS SUPPLY FRAMEWORK AGREEMENT

Pricing Policies

The prices charged for the sale and purchase of the Probiotics and Related Products under the 2026 Probiotics Supply Framework Agreement shall be determined after arm's length negotiations between the parties. For certain specific probiotics powder products, the price charged may be determined with reference to two comparable local, national or international industry prices of the different types and qualities of related products and services obtained through independent third parties (if available), such that the price charged shall be no less favourable than the comparable prices available. Save for certain specific probiotics powder products as mentioned above, in general, given that most of the Probiotics and Related Products are tailor-made for the Yili Industrial Group based on a unique specification, the Group is unable to obtain direct price comparison. As such, the prices charged for the sale and purchase of the Probiotics and Related Products shall be determined with reference to the relevant cost to be incurred and profit margin of similar products of the Group such that the profit margin shall be comparable to that of no less than two other similar products.

Save as disclosed above, all information and contents as set out in the Announcement remain unchanged.

By order of the Board
Ausnutria Dairy Corporation Ltd
HAN Shixiu
Chairman

The PRC, 12 June 2026

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