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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)

(1) DISCLOSEABLE TRANSACTIONS IN RELATION TO THE DISPOSAL OF 35% EQUITY INTEREST IN AMALTHEA AND THE GRANT OF PUT OPTION; AND (2) CONTINUING CONNECTED TRANSACTION IN RELATION TO ENTERING INTO OF A SUPPLY AGREEMENT

THE DISPOSAL

The Board is pleased to announce that on 14 July 2026 (after trading hours), Ausnutria B.V. (being an indirect wholly-owned subsidiary of the Company) and A-ware entered into the Share Purchase Agreement in relation to the Disposal, pursuant to which Ausnutria B.V. has conditionally agreed to sell and A-ware has conditionally agreed to acquire the Sale Shares, representing 35% of the equity interests in Amalthea (an indirect wholly-owned subsidiary of the Company prior to the Completion), at the Consideration of EUR15,781,458 (equivalent to approximately HK$141 million). Subject to the Completion and on the Completion Date, Ausnutria B.V. shall sell, transfer and assign to A-ware, and A-ware shall purchase and accept from Ausnutria B.V., the Sale Loan at an assignment consideration of EUR1,400,000 (equivalent to approximately HK$13 million).

GRANT OF PUT OPTION

On 14 July 2026 (after trading hours), Ausnutria B.V., A-ware and Amalthea entered into the Shareholders' Agreement to regulate the respective rights and obligations of Ausnutria B.V. and A-ware as shareholders of Amalthea, which shall become effective from the Completion Date. In particular, Ausnutria B.V. shall irrevocably grant to A-ware, who shall accept from Ausnutria B.V., a put option pursuant to which A-ware shall have the right to require Ausnutria B.V. to purchase all or part of the Sale Shares (on a pro rata basis) (i.e. the Put Option) and A-ware shall irrevocably grant to Ausnutria B.V., who shall accept from A-ware, a call option pursuant to which Ausnutria B.V. shall have the right to require A-ware to sell all (and not only some) of the Sale Shares to Ausnutria B.V. (i.e. the Call Option), provided that the Termination Event is the result of non-extension of the Supply Agreement by A-ware.

THE SUPPLY AGREEMENT

The Board is also pleased to announce that on 14 July 2026 (after trading hours), Amalthea and A-ware entered into the Supply Agreement, pursuant to which Amalthea shall exclusively sell and supply to A-ware all products produced at the Plants (as defined below) for an initial fixed term of ten (10) years.

IMPLICATIONS UNDER THE LISTING RULES

The Share Purchase Agreement

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

The Shareholders' Agreement

The grant of the Put Option constitutes a transaction under Rule 14.04(1)(b) and 14.73 of the Listing Rules. As the exercise of the Put Option is not at the discretion of the Group, under 14.74(1) of the Listing Rules, on the grant of the Put Option, the transaction will be classified as if the Put Option had been exercised. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Put Option, exceeds 5% but less than 25%, the grant of the Put Option to A-ware constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Supply Agreement

Following the Completion, A-ware becomes a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of Amalthea, therefore the transaction contemplated under the Supply Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As (i) A-ware is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Supply Agreement and the transactions contemplated thereunder; and (iii) the independent non-executive Directors consider that the terms of the Supply Agreement are on normal commercial terms and are fair and reasonable, and the entering into the Supply Agreement is in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Supply Agreement is subject to the reporting, announcement and annual review requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of Supply Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain why a term longer than three years is required and to confirm that it is a normal business practice for agreements of this type to be of such duration. The opinion of the Independent Financial Adviser is set out in the section headed "VIEW OF THE INDEPENDENT FINANCIAL ADVISER" in this announcement.

THE DISPOSAL

The Board is pleased to announce that on 14 July 2026 (after trading hours), Ausnutria B.V. (being an indirect wholly-owned subsidiary of the Company) and A-ware entered into the Share Purchase Agreement in relation to the Disposal, pursuant to which Ausnutria B.V. has conditionally agreed to sell and A-ware has conditionally agreed to acquire the Sale Shares, representing 35% of the equity interests in Amalthea (an indirect wholly-owned subsidiary of the Company prior to the Completion), at the Consideration of EUR15,781,458 (equivalent to approximately HK$141 million). Subject to the Completion and on the Completion Date, Ausnutria B.V. shall sell, transfer and assign to A-ware, and A-ware shall purchase and accept from Ausnutria B.V., the Sale Loan at an assignment consideration of EUR1,400,000 (equivalent to approximately HK$13 million).

THE SHARE PURCHASE AGREEMENT

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

Date	:	14 July 2026 (after trading hours)
Parties	:	Ausnutria B.V. (as the vendor); and
		A-ware (as the purchaser).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, A-ware and its ultimate beneficial owners are parties independent from the Company and its connected persons prior to the Completion.

Subject matter

Ausnutria B.V. has conditionally agreed to sell and A-ware has conditionally agreed to acquire the Sale Shares, representing 35% of the equity interests in Amalthea (an indirect wholly-owned subsidiary of the Company prior to the Completion). Upon the Completion, Amalthea will continue to be a subsidiary of the Company.

Consideration

The Consideration of EUR15,781,458 (equivalent to approximately HK$141 million) for the Sale Shares, together with the assignment consideration of EUR1,400,000 (equivalent to approximately HK$13 million) for the Sale Loan, shall be payable by A-ware to Ausnutria B.V. in cash on the Completion Date.

The Consideration is determined after arm's length negotiations between Ausnutria B.V. and A-ware with reference to, among other things, (i) the equity value of Amalthea; and (ii) the annual volume commitment to purchase products supplied by Amalthea pursuant to the 10-year Supply Agreement.

Completion

The Completion shall take place within ten (10) Business Days upon compliance with the relevant Listing Rules requirements, following which Amalthea continues to be a subsidiary of the Company and A-ware becomes a substantial shareholder of Amalthea and therefore a connected person at subsidiary level of the Company.

THE SHAREHOLDERS' AGREEMENT

On 14 July 2026 (after trading hours), Ausnutria B.V., A-ware and Amalthea entered into the Shareholders' Agreement to regulate the respective rights and obligations of Ausnutria B.V. and A-ware as shareholders of Amalthea, which shall become effective from the Completion Date.

Principal terms of the Shareholders' Agreement are set out below:

The Put Option and Call Option

Upon occurrence of a Termination Event, the parties to the Shareholders' Agreement shall, during the period of six months from the date of termination (the "**Third-Party Sale Period**"), use reasonable efforts to ascertain whether any bona fide third party is willing to purchase the Sale Shares for a price equal to or higher than the Exercise Price. During the Third-Party Sale Period, each party to the Shareholders' Agreement shall (i) act in good faith and cooperate with the other party; (ii) provide such information and access as may reasonably be required for the purposes of a potential third party sale, subject to customary confidentiality undertakings; and (iii) not (directly or indirectly) take any action intended to frustrate, hinder or impede a potential third party sale of the Sale Shares.

If, within the Third-Party Sale Period, a third-party buyer is identified which is willing to purchase all the Sale Shares for a price per Sale Share equal to or higher than the Exercise Price, the parties to the Shareholders' Agreement shall negotiate in good faith with a view to completing such sale.

If, within the Third-Party Sale Period, no third-party buyer has been identified and willing to purchase all the Sale Shares for a price per Sale Share equal to or higher than the Exercise Price, then:

(i) Ausnutria B.V. shall irrevocably grant to A-ware, who shall accept from Ausnutria B.V., a put option pursuant to which A-ware shall have the right to require Ausnutria B.V. to purchase all or part of the Sale Shares (the "**Put Option**"); and

(ii) A-ware shall irrevocably grant to Ausnutria B.V., who shall accept from A-ware, a call option pursuant to which Ausnutria B.V. shall have the right to require A-ware to sell all (and not only some) of the Sale Shares to Ausnutria B.V. (the "**Call Option**"), provided that the Termination Event is the result of non-extension of the Supply Agreement by A-ware.

The relevant option may be exercised by:

(a) A-ware by giving written notice to Ausnutria B.V. (the "**Put Option Notice**"); or

(b) Ausnutria B.V. by giving written notice to A-ware (the "**Call Option Notice**"),

in each case at any time after the end of the Third-Party Sale Period.

The Put Option and the Call Option may only be exercised during the period starting on (and including) the date immediately following the expiry of the Third-Party Sale Period and ending on (and including) the date falling three (3) months after expiry of the Third-Party Sale Period (the "**Option Exercise Period**").

If the Put Option Notice or the Call Option Notice (as applicable) has not been served within the Option Exercise Period, then the Put Option and the Call Option (as applicable) shall lapse and cease to have any force or effect.

An offer pursuant to the Call Option and/or the Put Option (as applicable), by means of the Call Option Notice or the Put Option Notice (as applicable), cannot be revoked or withdrawn.

The consideration for the Sale Shares upon exercise of the Put Option or the Call Option shall be the Exercise Price, whereby in case of exercise of the Call Option, the Exercise Price shall be at least equal to the Consideration, increased by the retained earnings of Amalthea since the effective date pursuant to the Share Purchase Agreement.

If, upon exercise of the Put Option, the Exercise Price that would be payable for all Sale Shares exceeds EUR62 million (the "**Put Option Cap**"), the Put Option shall be deemed to have been exercised only in respect of such number of Sale Shares as corresponds to an aggregate Exercise Price equal to the Put Option Cap, calculated on the basis of the Exercise Price per Sale Share that would otherwise apply. In such case, Ausnutria B.V. shall only be obliged to purchase, and A-ware shall only be obliged to sell and transfer, that number of Sale Shares for which the aggregate Exercise Price does not exceed the Put Option Cap. Any remaining Sale Shares (the "**Remaining Sale Shares**") shall not be subject to the exercise of the Put Option and shall remain held by A-ware, unless and until they are transferred pursuant to a separate call option granted by A-ware to Ausnutria B.V. for the duration of six months after exercise of the Put Option and transfer of such Sale Shares under such call option, for any of the Remaining Sale Shares. Upon exercise of such call option by Ausnutria B.V. by giving written notice to A-ware, A-ware shall be obliged to sell and transfer the Remaining Sale Shares to Ausnutria B.V. or to a third party appointed by Ausnutria B.V. for the (pro rata) Exercise Price as determined and agreed for the Sale Shares sold and transferred under the Put Option.

The parties to the Shareholders' Agreement shall use their best efforts to reach final agreement and procure the transfer of the Sale Shares within two (2) months after receipt of the Put Option Notice or Call Option Notice (as applicable).

THE SUPPLY AGREEMENT

The Board is also pleased to announce that on 14 July 2026 (after trading hours), Amalthea and A-ware entered into the Supply Agreement, pursuant to which Amalthea shall exclusively sell and supply to A-ware all products produced at the Plants (as defined below) for an initial fixed term of ten (10) years.

Principal terms of the Supply Agreement are set out below:

Date	:	14 July 2026 (after trading hours)
Parties	:	(i) Amalthea as the seller; and (ii) A-ware as the purchaser.
Term and phase out period	:	Save for early termination pursuant to the terms of the Supply Agreement, the Supply Agreement shall be for a term commencing from the Effective Date and expiring on the tenth (10th) anniversary thereof (the "**Expiry Date**").

No later than thirty-six (36) months prior to the Expiry Date, the parties to the Supply Agreement shall enter into negotiations with each other in relation to the entering into a new contract after the Expiry Date. These negotiations must be completed no later than twenty-four (24) months before the Expiry Date. If agreement could not be reached, the phase-out plan shall commence, pursuant to which from the start of contract year 10 until the end of contract year 13, A-ware shall commit to purchase and Amalthea will commit to supply 80%, 60%, 40% and 20% of the Annual Commitment (as defined below) in contract year 10, 11, 12 and 13 respectively. Unless otherwise agreed, all terms of the Supply Agreement shall continue to apply mutatis mutandis to the supply during contract years 11 to 13, to the extent they are not inconsistent with the provisions of the phase-out arrangement hereunder.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of Supply Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain why a term longer than three years is required and confirm that it is a normal business practice for agreements of this type to be of such duration. The opinion of the Independent Financial Adviser is set out in the section headed "VIEW OF THE INDEPENDENT FINANCIAL ADVISER" in this announcement.

Nature of Transaction : During the term of the Supply Agreement, Amalthea shall exclusively sell and supply to A-ware all products produced at the existing processing facility (the "**Plant**") and the soft goat cheese plant (the "**Soft Goat Cheese Plant**", together with the Plant, the "**Plants**").

The products to be supplied by Amalthea includes (i) semi-hard goat cheese products and cow cheese products to be produced at the Plant; (ii) soft goat cheese products to be produced at the Soft Goat Cheese Plant; and (iii) by-products (including goat cheese whey/goat cream and cow cheese whey/cow cream) to be produced at the Plants.

Pursuant to the Supply Agreement, Amalthea shall exclusively sell and supply all such products to A-ware, subject to the following exceptions: (a) the volumes of semi-hard goat cheese and cow cheese products supplied under the existing third party agreements; (b) the supply of goat cheese whey and goat cream; and (c) the supply of goat cheese products to Ausnutria B.V. and/or its affiliated group companies (including the Yili Industrial Group), provided that the volume of such supply shall not exceed 10% of the actual annual production volume of the semi-hard goat cheese products at the Plant and 10% of the actual annual production volume of the soft goat cheese products at the Soft Goat Cheese Plant. Such products shall be sold on the same market terms and conditions as agreed in the Supply Agreement.

Annual volume Commitment	:	Amalthea shall sell and supply a volume of products (only applicable to key products produced at the Plants such as semi-hard goat cheese products, cow cheese products and soft goat cheese products) not less than the annual commitment on a calendar year basis (or such pro-rated amount if the relevant calendar year is a shorter period than twelve months) to A-ware (the "**Annual Commitment**"), which volume A-ware commits itself to purchase from Amalthea. The Annual Commitment shall be subject to adjustments following the completion of the plant capacity increase and the relevant ramp up phase and with reference to the product mix to be determined by A-ware pursuant to the Supply Agreement.
Pricing Terms	:	A-ware and Amalthea have agreed upon a cost-price plus approach for pricing the products. The cost-price of the products should include all attributable costs as set out in the approved annual budget, the agreed milk price mechanism and agreed yield on by-products as well as budgeted ingredients and conversion costs. The price payable by A-ware to Amalthea for the delivered products within specifications shall be calculated with reference to, among other things, (i) the actual milk costs; (ii) the proceeds of delivered whey; (iii) the proceeds of other by-products; (iv) other associated production costs; and (v) a fixed margin per kilogram for each product.
Payment Terms	:	The price for the products shall be paid within fifteen (15) days after the invoice date. The invoice shall be sent by Amalthea at the moment the product leaves the relevant Plants.

Historical Transaction Amounts

Prior to entering into of the Supply Agreement, Amalthea (including its subsidiaries) has, in its ordinary and usual course of business entered into transactions similar to the transactions contemplated under the Supply Agreement with A-ware, and for the year ended 31 December 2025, the transactions amounted to approximately EUR28.2 million (equivalent to approximately HK$252 million).

Annual Caps

The following table sets out the annual caps of the Supply Agreement for the period from the Effective Date up to the Expiry Date.

Financial year/period ending	Annual caps
From the Effective Date up to and including 31 December 2026	EUR40 million (equivalent to approximately HK$357 million)
31 December 2027	EUR90 million (equivalent to approximately HK$804 million)
31 December 2028	EUR137 million (equivalent to approximately HK$1,223 million)
31 December 2029	EUR164 million (equivalent to approximately HK$1,465 million)
31 December 2030	EUR169 million (equivalent to approximately HK$1,509 million)
31 December 2031	EUR174 million (equivalent to approximately HK$1,554 million)
31 December 2032	EUR179 million (equivalent to approximately HK$1,598 million)
31 December 2033	EUR184 million (equivalent to approximately HK$1,643 million)
31 December 2034	EUR189 million (equivalent to approximately HK$1,688 million)
31 December 2035	EUR194 million (equivalent to approximately HK$1,732 million)
From 1 January 2036 up to and including the Expiry Date	EUR99.5 million (equivalent to approximately HK$889 million)

The aforementioned annual caps were determined after taking into account, among other things, the following key factors:

(i) the price of the products to be produced under the Supply Agreement;

(ii) the expected demand of the products to be purchased by A-ware during the term of the Supply Agreement taking into account of the Annual Commitment thereunder;

(iii) the time required for Amalthea to complete the increase in plant capacity and ramp up phase;

(iv) the production capacity of Amalthea; and

(v) an annual buffer of EUR5 million (equivalent to approximately HK$45 million) was applied to accommodate any unexpected increase in the material costs and/or production costs.

Internal Control

The Company has implemented internal control procedures and policies to monitor connected transactions and to ensure that all connected transactions are entered into in accordance with pricing policies and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Group has closely observed the market trend, including the pricing terms (such as standalone price and cost-plus margin) of transactions between the Group and independent third parties in respect of similar materials and/or products. Before entering into any connected transactions, the procurement and operation department of the Group will compare quotations for similar transactions with independent third parties for similar products and/or materials. Accordingly, the Company is able to ensure that the pricing terms under the Supply Agreement are on normal commercial terms and no less favourable than those available from independent third parties.

The Company will closely monitor the connected transactions to ensure that they are conducted in accordance with the terms of the relevant connected transaction agreements. In the event that the annual caps of the Supply Agreement are about to be exceeded, the Company will revise them in accordance with the relevant Listing Rules requirements.

In addition, the independent non-executive Directors will conduct an annual review of the transactions contemplated under the Supply Agreement. The Company's external auditors will also review the transactions as contemplated under the Supply Agreement annually to check and confirm, among others, whether the pricing terms have been adhered to and whether the relevant annual caps have been exceeded.

The Directors consider that the Company has established sufficient internal control measures to ensure the transactions under the Supply Agreement are conducted in the usual and ordinary course of business of the Group, fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

VIEW OF THE INDEPENDENT FINANCIAL ADVISER

In assessing the reasons for the term of the Supply Agreement being longer than three years, the Independent Financial Adviser has discussed with and understand from the management of the Company (the "**Management**") that as part of the arrangements under the Supply Agreement, the Company shall increase the production capacity of the production plant (the "**Plant Capacity Increase**") which involves a combination of increasing processing, expanding production lines, and investing in advanced, automated equipment, upgrading of facilities, and training of staffs and other resources for the set-up in 24 months. The associated capital investment, ramp up period and payback horizon will require a sales and capacity utilisation profile extending beyond a three years' timeframe in order to be commercially justified. The proposed 10-year duration of the Supply Agreement therefore provides the Company with a higher degree of certainty over minimum capacity utilisation and revenue and profit visibility following completion of the Plant Capacity Increase.

Through the long term arrangement with one of Europe's major cheese producers and processors and a reputable and well established cheese trading enterprise, the Supply Agreement is also expected to (i) underpin long term offtake for the Company's increased production; (ii) support the Company in building and consolidating market share as a cheese supplier in its target markets; and (iii) secure a stable source of demand (and, indirectly, milk supply) in a segment that is capital intensive and subject to volume and price volatility typical of dairy products.

In evaluating whether a term exceeding three years is required, the Independent Financial Adviser has also referred to the duration of supply agreements previously entered into between the Company and the same counterparty and other independent third parties, pursuant to which the Company was engaged as a supplier of semi-hard goat cheese and semi-hard cow cheese products under arrangements that are similar in nature to the Supply Agreement. The Independent Financial Adviser noted that such sample agreements, notwithstanding that they did not involve any additional capital investment or capacity expansion by the Company are also on a term of 10 years. These samples demonstrate that a 10-year contractual framework has been used in practice to govern long term cheese supply relationships of a similar nature and support the view that a term longer than three years is commercially justifiable for the Supply Agreement.

On a best effort basis, the Independent Financial Adviser has also reviewed publicly available information on long term dairy supply contracts which are also in terms of long term 10-year contract. The Independent Financial Adviser noted that, the Company also engaged in 10-year contract with its raw milk suppliers. The existence of such decade-long arrangements in the dairy sector indicates that 10-year terms are, in appropriate circumstances, adopted in practice for long-term supply relationships. As understood from the Management, the Independent Financial Adviser noted that, a term longer than three years can offer additional commercial benefits to both parties, including (i) enhanced certainty over long-term demand and supply, which facilitates raw-milk sourcing, production planning and staffing; (ii) stronger incentives for both parties to invest in product development, brand-building, quality assurance and food-safety systems that require a longer horizon to realise benefits; (iii) better alignment of logistics, packaging and distribution arrangements tailored to the purchaser's requirements; and (iv) reinforcement of strategic partnership and bargaining stability, reducing the need for frequent renegotiations and the disruption and cost associated with tendering or switching suppliers. Accordingly, the Independent Financial Adviser considers that the proposed 10-year term of the Supply Agreement is consistent with the way long-term strategic supply relationships in the dairy sector are structured and is commercially reasonable notwithstanding that it exceeds three years. Based on the reasons above, the Independent Financial Adviser is of the view that the Supply Agreement with a term of a duration more than three years is a normal business practice for agreements of a similar nature to the Supply Agreement and is aligned with market practice.

Accordingly, the Independent Financial Adviser is of the opinion that (a) the Supply Agreement is required to be of a term exceeding three years, in order to be aligned with the nature, scale and payback of the Company's planned investment and commercial commitments; and (b) it is normal business practice for agreements of this type to be of such duration.

INFORMATION OF THE GROUP

The Group is principally engaged in the (i) dairy industry with activities ranging from research and development, raw 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) research and development, production, marketing and distribution of nutrition products to customers principally located in the PRC and Australia.

Amalthea Group B.V. is a private company with limited liability incorporated under the laws of the Netherlands, holding the entire equity interests in Amalthea Trading B.V. (a trading company for cheese products), Amalthea Ripening B.V. (a company engaged in ageing cheese, warehousing and logistics) and Dairy Protein Cooperation Food B.V. (a company engaged in microfiltrated milk products) and 90.0% equity interests in Amalthea B.V. (a company holding a cheese factory in the Netherlands). Prior to the Completion, Amalthea is an indirectly wholly-owned subsidiary of the Company.

FINANCIAL INFORMATION OF AMALTHEA

Set out below is a summary of the key financial information of Amalthea based on the latest consolidated financial information available as at the date of this announcement:

	For the year ended 31 December	
	2025	**2024**
	EUR'000	*EUR'000*
Revenue	135,778	122,695
Net profit before taxation	1,798	2,421
Net Profit after taxation	1,373	1,823

	As at 31 December	
	2025	**2024**
	EUR'000	*EUR'000*
Net asset value	15,621	14,258

INFORMATION OF A-WARE

A-ware Dairy Trade B.V., being part of the Royal A-ware group and acts as a trading and wholesale arm for dairy products. It focuses on the international wholesale trade and distribution of cheese and other milk products, sourcing cheese and other dairy items from Royal A-ware's production facilities and network and supplying them to food industry customers and retailers.

FINANCIAL EFFECTS OF THE DISPOSAL

Prior to the Completion, Amalthea is wholly-owned by the Company. Immediately upon the Completion, the shareholding of the Company in Amalthea will be reduced from 100% to 65% and Amalthea will continue to be a subsidiary of the Company. The financial results of Amalthea will continue to be consolidated in the Group's consolidated financial statements. As the effect of the Disposal is not expected to cause a loss of the Group's control over Amalthea, the Disposal is expected to be accounted for as an equity transaction that will not result in the recognition of any gain or loss in profit or loss for the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE PURCHASE AGREEMENT, THE SHAREHOLDERS' AGREEMENT AND THE SUPPLY AGREEMENT

The partial disposal of the 35% equity interest in Amalthea at a cash consideration of approximately EUR15.78 million (equivalent to approximately HK$141 million) enables the Group to realise substantial value from its investment in Amalthea while retaining majority control and continued consolidation of Amalthea as a subsidiary. The cash proceeds will strengthen the Group's financial position and provide additional liquidity for working capital, debt repayment, or future investment opportunities. Complementing the Disposal, the Shareholders' Agreement provides an orderly mechanism for potential future adjustments in shareholding through the Put Option and Call Option (subject to the Termination Event). This offers downside protection and flexibility to either exit the investment or increase ownership at a pre-agreed valuation linked to the original consideration plus retained earnings, while encouraging both parties to work towards continued successful cooperation.

Royal A-ware is one of the largest cheese producers in Europe. The Company believes that the entering into of the Supply Agreement will better leverage both parties' strengths, particularly in the production capability, as well as the resources that they have established in different countries over the years. The Supply Agreement ensures critical operational stability for Amalthea by securing a reliable and commercially beneficial arrangement for the supply of products thereunder, including among other things, (i) the minimum annual volumes by A-ware during the 10-year term under the Supply Agreement (with structured phase-out arrangement) locks in significant stability and revenue security for the Group, ensuring utilisation of its production capacity; and (ii) the cost and pricing transparency allows better financial planning for the Group, in particular for revenue predictability.

The Directors (including the independent non-executive Directors) are of the view that the Share Purchase Agreement, the Shareholders' Agreement and the Supply Agreement and the transactions contemplated thereunder are conducted on arm's length basis and on normal commercial terms in the ordinary and usual course of business of the Company and the terms of the Share Purchase Agreement, the Shareholders' Agreement (including the Put Option and Call Option) and the Supply Agreement (including the annual caps) are fair and reasonable, and the entering into of the Share Purchase Agreement, the Shareholders' Agreement and the Supply Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

None of the Directors have a material interest in the Share Purchase Agreement, the Shareholders' Agreement and the Supply Agreement and no Director was required to abstain from voting on the Board resolutions approving the entering into of the Share Purchase Agreement, the Shareholders' Agreement (including the Put Option and the Call Option) and the Supply Agreement and the transactions contemplated thereunder (together with the annual caps).

IMPLICATIONS UNDER THE LISTING RULES

The Share Purchase Agreement

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

The Shareholders' Agreement

The grant of the Put Option constitutes a transaction under Rule 14.04(1)(b) and 14.73 of the Listing Rules. As the exercise of the Put Option is not at the discretion of the Group, under 14.74(1) of the Listing Rules, on the grant of the Put Option, the transaction will be classified as if the Put Option had been exercised. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Put Option, exceeds 5% but less than 25%, the grant of the Put Option to A-ware constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Supply Agreement

Following the Completion, A-ware becomes a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of Amalthea, therefore the transactions contemplated under the Supply Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As (i) A-ware is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Supply Agreement and the transactions contemplated thereunder; and (iii) the independent non-executive Directors consider that the terms of the Supply Agreement are on normal commercial terms and are fair and reasonable, and the entering into the Supply Agreement is in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Supply Agreement is subject to the reporting, announcement and annual review requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of Supply Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain why a term longer than three years is required and to confirm that it is a normal business practice for agreements of this type to be of such duration. The opinion of the Independent Financial Adviser is set out in the section headed "VIEW OF THE INDEPENDENT FINANCIAL ADVISER" in this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

"A-ware"	A-ware Dairy Trade B.V., the subsidiary of Royal A-ware
"Amalthea"	Amalthea Group B.V., a company incorporated under the laws of the Netherlands, being an indirect wholly-owned subsidiary of the Company prior to the Completion
"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors of the Company

“Business Day(s)”	a day on which banks are generally open for business in Hong Kong and which is not a Saturday, a Sunday, a public holiday or a day on which typhoon signal no. 8 (or above) or a “black” rainstorm warning or an “extreme conditions” announcement is issued or hoisted at any time in Hong Kong
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Completion”	completion of the Disposal
“Completion Date”	the date of Completion
“Consideration”	total consideration of EUR15,781,458 (equivalent to approximately HK$141 million) for the Disposal of the Sale Shares
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Sale Shares and assignment of the Sale Loan by Ausnutria B.V. to A-ware pursuant to the Share Purchase Agreement
“Effective Date”	1 August 2026
“Exercise Price”	the fair market value of the Sale Shares that would be agreed between a willing buyer and a willing seller at the relevant valuation date in an arm’s length transaction on normal commercial terms to be determined in accordance with the Shareholders’ Agreement, taking into account, among other things, the valuation based on 100% enterprise value which shall be applied to the Sale Shares on a pro rata basis
“EUR”	means the Euro, the lawful currency of the Eurozone
“Group”	the Company and its subsidiaries
“HK$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region
“Independent Financial Adviser”	Ample Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, appointed as the independent financial adviser for the purpose of Rule 14A.52 of the Listing Rules in relation to the term of the Supply Agreement being longer than three years
“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, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Royal A-ware"	Royal A-ware (Koninklijke A-ware Food Group B.V.), the parent company of A-ware and is a family-owned international dairy and food company based in the Netherlands
"Sale Loan"	the pro rata portion of the total outstanding loan balance of Amalthea immediately before the Completion which is currently EUR1,400,000 (equivalent to approximately HK$13 million)
"Sale Shares"	35% of the issued shares in Amalthea held by Ausnutria B.V.
"Share Purchase Agreement"	the share purchase agreement dated 14 July 2026 entered into between the Ausnutria B.V. and A-ware in respect of the Disposal
"Shareholder(s)"	the holders of the Shares
"Shareholders' Agreement"	the shareholders' agreement dated 14 July 2026 entered into among Amalthea, Ausnutria B.V. and A-ware in relation to, among others, the rights and obligation of the shareholders of Amalthea
"Shares"	ordinary share(s) of par value of HK$0.10 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Supply Agreement"	the supply agreement dated 14 July 2026 entered into between Amalthea and A-ware in relation to the sale of semi-hard goat cheese products, cow cheese products and soft goat cheese products and other by-products to A-ware
"Termination Event"	the termination event(s) as set out under the Supply Agreement
"Yili Industrial Group"	Inner Mongolia Yili Industrial Group Co., Ltd.*(內蒙古伊利實業集團股份有限公司)and its subsidiaries. Yili Industrial is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange of the PRC (stock code: 600887), and the controlling shareholder of the Company
"%"	per cent.

* *For identification purpose only*

For the purpose of illustration only, amounts in EUR in this announcement have been translated into HK$ at the rate of EUR1 = HK$8.93. This exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates or at all.

By Order of the Board
Ausnutria Dairy Corporation Limited
Han Shixiu
Chairman

The PRC, 14 July 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.