

To: Business Editor

[For immediate release]



## AUSNUTRIA DAIRY CORPORATION LTD

澳優乳業股份有限公司

### Indirectly Acquired 26.1% of Glac Biotech's Equity Interests Through Subscription of Convertible Bonds

#### *Nutrition Products Business Expanding with Continuous Implementation of Internationalisation Strategy*

(Hong Kong, 6 June 2019) **Ausnutria Dairy Corporation Ltd** (“**Ausnutria**” or the “**Company**”, together with its subsidiaries, the “**Group**”; stock code: **1717.HK**), a company engages in the research and development, production and distribution of all dairy products (including infant formula) and nutrition products with production facilities principally based in the Netherlands, the PRC, Australia and New Zealand, is pleased to announce after trading hours today that, a wholly-owned subsidiary of the Company, Ausnutria Dairy Investments Limited (“**Ausnutria Dairy Investments**”) has entered into a convertible bonds subscription agreement (“**CB Subscription Agreement**”) with Genlac Biotech International Corporation (“**GLAC**”), to conditionally subscribe for the Convertible Bonds of GLAC in the principal amount of US\$30.0 million (equivalent to HK\$234.0 million).

On the same date, Center Laboratories, Inc. (“**Center Lab**”, stock code: 4123.TW), one of the substantial shareholders of Ausnutria, announces the privatisation proposal of Glac Biotech Co. Ltd (“**Glac Biotech**”), and GLAC will tender its offer for acquisition of entire equity interest in Glac Biotech upon successful privatization (details are set out in the announcement of Center Lab published on the Market Observation Post System). Glac Biotech is a company listed on the Taipei Exchange (stock code: 6553.TW) which principally engaged in research and development, manufacturing and sale of probiotics- and fermentation-related application products. It manufactures microencapsulated functional probiotic powder, leavening agents, as well as application products such as fermented concentrated solution and others. Upon completion of the proposed privatisation, GLAC will have the controlling shareholder position on Glac Biotech, and Ausnutria will own 26.1% of Glac Biotech's equity interest indirectly through Ausnutria

Dairy Investments and upon full conversion of the convertible bonds. Meanwhile, Ausnutria will also acquire the entire equity interests of Aunulife Pty Ltd (“**Aunulife**”), a wholly-owned subsidiary of Glac Biotech with an Australian influential probiotic health supplement brand through Ausnutria Dairy Investments.

Ausnutria is principally engaged in the dairy business, in particular on the manufacture and distribution of infant formula, where it has established a strong foundation over the years. In view of the increasing health awareness of the general public, the Group has made its “Golden Decade” strategy to further strengthen its position in infant milk formula and has been expanding its production and upstream sourcing capability and distribution network in the dairy industry as well as in the nutrition business sector in recent years.

Glac Biotech is one of the major companies in Taiwan and the PRC in research and development, manufacturing and sale of probiotics- and fermentation-related application products, which align with the global trend of the development of nutrition and health-care industry. In the year 2018, Glac Biotech has recorded revenue of NT\$ 989 million and net profit after interest and taxation of NT\$ 144 million, with its net assets amounting to NT\$ 1.35 billion. Three core consumer-grade probiotic products under Aunulife have obtained the registration certificates from the Therapeutic Goods Administration (TGA) in Australia, with more products to be registered going forward. The Group believes that investments in Glac Biotech and Aunulife will leverage the Group’s research and development of its nutritional products and expand the Group’s upstream sourcing capability, which are complementary to the Group’s existing nutrition business, consistent with the Company’s strategic plan on nutrition products expansion and in line with the Company’s long-term interest.

**Mr. Yan Weibin, Chairman of the Group**, said: “As consumers in the PRC are becoming more health-conscious and bringing an increasing market demand of nutrition products, the Group commenced its manufacturing, marketing and distribution of nutrition products in 2016 and has launched a number of nutrition products including Gut Relief, Soforla (a supplement that resolves lactose intolerance in infants), and a series of supplements for children and pregnant women, obtaining certain achievements. The investment on Glac Biotech, which outshines with leading advantages in the R&D and production of probiotic products, and Aunulife, a probiotics-focused brand granted with numerous product registration certificates by TGA, is another successful practice on our ‘*Internationalisation*’ and ‘*multi-branding*’ strategies, which further boosts the expansion of our nutrition products business while marking a new step of the Company closer to becoming the most trustworthy milk formula, nutrition, and health-care enterprise in the world.”

- End-

**About Ausnutria Dairy Corporation Ltd**

Ausnutria Dairy Corporation Ltd is a leading infant milk formula company with production facilities principally based in the Netherlands, the PRC, Australia and New Zealand. The Company is engaged in the worldwide production, R&D, and sales of infant formula, adult milk formula and other dairy and nutrition products. It owns several famous infant formula brands, including “Kabrita”, “Allnutria” and “Hyproca”. Ausnutria’s factories in the PRC were among that first batch of factories that had been granted with the National Infant Formula Enterprise Production Permit. The factories in the Netherlands and Austrilia of Ausnutria were also among of the first infant milk formula manufacturers to obtain import licenses for overseas products under the new policy in the PRC.

Issued by Porda Havas International Finance Communications Group for and on behalf of **Ausnutria Dairy Corporation Ltd** For further information, please contact us at [ausnutria@pordahavas.com](mailto:ausnutria@pordahavas.com), or as below:

**Porda Havas International Finance Communications Group**

Bunny Lee	+852 3150 6707	<a href="mailto:bunny.lee@pordahavas.com">bunny.lee@pordahavas.com</a>
Angela Shi	+852 3150 6778	<a href="mailto:angela.shi@pordahavas.com">angela.shi@pordahavas.com</a>
Tracy Chen	+852 3120 6514	<a href="mailto:tracy.chen@pordahavas.com">tracy.chen@pordahavas.com</a>
Sarah Liang	+852 3150 6765	<a href="mailto:sarah.liang@pordahavas.com">sarah.liang@pordahavas.com</a>