

*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.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.*



## **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)**

**(I) DISCLOSEABLE TRANSACTION IN RELATION TO  
ACQUISITION OF THE REMAINING 30% EQUITY INTEREST  
IN AUSNUTRITION CARE;  
AND  
(II) SHARE TRANSACTION IN RELATION TO ACQUISITION  
OF THE REMAINING 25% EQUITY INTEREST  
IN NUTRITION CARE**

### **THE ANC ACQUISITION**

The Board is pleased to announce that on 17 December 2018 (after trading hours), the ANC Purchaser (being a wholly-owned subsidiary of the Company) and the ANC Vendor entered into the ANC Share Purchase Deed, pursuant to which the ANC Vendor has conditionally agreed to sell and the ANC Purchaser has conditionally agreed to acquire the ANC Sale Shares, representing 30% of the issued shares of Ausnutrition Care, at the ANC Consideration of AUD13.74 million (equivalent to approximately HK\$78.59 million), which shall be settled by cash of AUD6.87 million (equivalent to approximately HK\$39.30 million) and the issue and allotment of 4,149,567 ANC Consideration Shares at the ANC Consideration Share Price of HK\$9.47 by the Company to the ANC Vendor.

Upon ANC Completion, Ausnutrition Care will be wholly owned by the ANC Purchaser and become an indirect wholly-owned subsidiary of the Company.

## THE NCP ACQUISITION

The Board is pleased to announce that on 17 December 2018 (after trading hours), Ausnutrition Care (being the NCP Purchaser) and the NCP Vendor entered into the NCP Share Purchase Deed, pursuant to which the NCP Vendor has conditionally agreed to sell and the NCP Purchaser has conditionally agreed to acquire the NCP Sale Shares, representing 25% of the issued shares of Nutrition Care, at the NCP Consideration of AUD7.90 million (equivalent to approximately HK\$45.19 million), which shall be settled by the issue and allotment of 4,954,824 NCP Consideration Shares at the NCP Consideration Share Price of HK\$9.12 by the Company to the NCP Vendor.

Upon NCP Completion, Nutrition Care will be wholly owned by Ausnutrition Care. Further, subject to the ANC Completion, Nutrition Care will become an indirectly wholly-owned subsidiary of the Company.

The ANC Completion and the NCP Completion are not inter-conditional.

## IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 14.22 of the Listing Rules, the First ADP Transaction (details of which are set out in the Company's announcement dated 22 May 2017), the Second Oz Acquisitions (details of which are set out in the Company's announcement dated 1 June 2018) and the ANC Acquisition (collectively, the "**ANC Transactions**") shall be aggregated as if they were one transaction for the purpose of Chapter 14 of the Listing Rule. Upon aggregation, as one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the ANC Transactions exceed 5% but are less than 25%, the ANC Transactions constitute a discloseable transaction for the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, the First NCP Transactions (details of which are set out in the Company's announcement dated 24 August 2016) and the NCP Acquisition (collectively, the "**NCP Transactions**") shall be aggregated as if they were one transaction for the purpose of Chapter 14 of the Listing Rules. Upon aggregation, as one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the NCP Transactions are less than 5%, the NCP Transactions constitute a share transaction for the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Both Ausnutrition Care and Nutrition Care are insignificant subsidiaries of the Company by virtue of Rule 14A.09(1) of the Listing Rules. As at the date of this announcement, Mr. Zhong is a director of Ausnutrition Care and certain of its subsidiaries (which are all insignificant subsidiaries of the Company) and is the sole owner of Precious Gain, a company which owns 53% equity interest in the ANC Vendor, while Mr. Zhou is a director of Ausnutrition Care and certain insignificant subsidiaries of the Company and beneficially owns 51% equity interest in El Dorado, a company which owns 27% equity interest in the ANC Vendor. Therefore, notwithstanding Mr. Zhong and Mr. Zhou's directorships in the aforementioned insignificant subsidiaries of the Company and their interest in the ANC Vendor, they and their associates are not regarded as connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules.

Further, as at the date of this announcement, the NCP Vendor holds 25% equity interest of Nutrition Care, and Professor Brighthope, being the sole owner of the NCP Vendor, is a director of Nutrition Care, hence the NCP Vendor is a substantial shareholder of an insignificant subsidiary of the Company and Professor Brighthope is a director of an insignificant subsidiary of the Company. Therefore notwithstanding the NCP Vendor's interest and Professor Brighthope's directorship in Nutrition Care, the NCP Vendor and its ultimate beneficial owner, i.e. Professor Brighthope, are not regarded as connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules.

## **INTRODUCTION**

### **The ANC Acquisition**

Reference is made to the Company's announcement dated 22 May 2017 in relation to, among other things, the First ADP Transaction. On 22 May 2017, the ANC Purchaser (being a direct wholly-owned subsidiary of the Company) and the ANC Vendor entered into the First ADP Share Purchase Deed and following the completion of First ADP Transaction on 5 July 2017, ADP Holdings is wholly owned by Ausnutrition Care, which is in turn owned as to 70% and 30% by the Company and the ANC Vendor respectively.

The Board is pleased to announce that on 17 December 2018 (after trading hours), the ANC Purchaser and the ANC Vendor entered into the ANC Share Purchase Deed, pursuant to which the ANC Vendor has conditionally agreed to sell and the ANC Purchaser has conditionally agreed to acquire the ANC Sale Shares, representing the 30% of the issued shares of Ausnutrition Care, at the ANC Consideration of AUD13.74 million (equivalent to approximately HK\$78.59 million), which shall be settled by cash of AUD6.87 million (equivalent to approximately HK\$39.30 million) and the issue and allotment of 4,149,567 ANC Consideration Shares at the ANC Consideration Share Price of HK\$9.47 by the Company to the ANC Vendor upon ANC Completion.

### **The NCP Acquisition**

Reference is made to the Company's announcement dated 24 August 2016 in relation to, among other things, the First NCP Transactions among the NCP Purchaser, the NCP Vendor, Brighthope Pty and Professor Brighthope. Following the completion of the First NCP Transactions on 5 October 2016, Nutrition Care is owned as to 75% and 25% by the NCP Purchaser and the NCP Vendor respectively.

The Board is pleased to announce that on 17 December 2018 (after trading hours), the NCP Purchaser and the NCP Vendor entered into the NCP Share Purchase Deed, pursuant to which the NCP Vendor has conditionally agreed to sell and the NCP Purchaser has conditionally agreed to acquire the NCP Sale Shares, representing the 25% of the issued shares of Nutrition Care, at the NCP Consideration of AUD7.90 million (equivalent to approximately HK\$45.19 million), which shall be settled by the issue and allotment of 4,954,824 NCP Consideration Shares at the NCP Consideration Share Price of HK\$9.12 by the Company to the NCP Vendor upon NCP Completion.

The ANC Completion and the NCP Completion are not inter-conditional.

## ANC SHARE PURCHASE DEED

Principal terms of the ANC Share Purchase Deed are set out below:

- Date** : 17 December 2018 (after trading hours)
- Parties** : (i) Ausnutria Dairy (China) Co. Ltd., being the ANC Purchaser;
- (ii) ADP Group Limited, being the ANC Vendor;
- (iii) Ausnutrition Care Pty Ltd, being the target company of the ANC Acquisition; and
- (iv) Mr. Sheng Zhong, Mr. Joe Zhou and Ms. Lisa Xiang Shi, being the ultimate beneficial owners of the ANC Vendor.

As at the date of this announcement, the ANC Vendor is owned as to 53% by Precious Gain (a company wholly-owned by Mr. Zhong), 27% by El Dorado (a company owned as to 51% and 49% by Mr. Zhou and Ms. Shi respectively) and three other individuals respectively, and Mr. Zhong and Mr. Zhou are directors of Ausnutrition Care and certain insignificant subsidiaries of the Company. Save as the abovementioned, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ANC Vendor and its ultimate beneficial owners are parties independent from the Company and its connected persons as at the date of this announcement.

### Subject matter

Pursuant to the ANC Share Purchase Deed, the ANC Purchaser has conditionally agreed to acquire and the ANC Vendor has conditionally agreed to sell the ANC Sale Shares, representing the 30% of the issued shares of Ausnutrition Care.

Upon ANC Completion, Ausnutrition Care will become an indirectly wholly-owned subsidiary of the Company.

### ANC Consideration

Pursuant to the ANC Share Purchase Deed, the consideration payable by the ANC Purchaser to the ANC Vendor for the acquisition of the ANC Sale Shares shall be the ANC Consideration of AUD13.74 million (equivalent to approximately HK\$78.59 million). The ANC Consideration shall be satisfied by (i) cash of AUD6.87 million (equivalent to approximately HK\$39.30 million) and (ii) the issue and allotment of ANC Consideration Shares at the ANC Consideration Share Price by the Company to the ANC Vendor upon ANC Completion.

The ANC Consideration is determined after arm's length negotiations between the ANC Purchaser and the ANC Vendor with reference to, among others, (i) the agreed valuation of ADP of AUD23.3 million under the First ADP Transaction and the agreed valuation of Nutrition Care of AUD31.6 million under the First NCP Transactions; (ii) the significant growth in revenue of Ausnutrition Care since the completion of the First ADP Transaction and the First NCP Transactions; and (iii) the profit contribution from sale of Nutrition Care products conducted via a subsidiary of the Group established in the PRC.

### ***Number of ANC Consideration Shares***

As at the date of this announcement, the Company has 1,582,050,653 Shares in issue. Assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the issue and allotment of the ANC Consideration Shares and the NCP Consideration Shares, 4,149,567 ANC Consideration Shares represents:

- (i) 0.26% of the total number of issued Shares of the Company as at the date of this announcement;
- (ii) 0.26% of the total number of issued Shares of the Company as enlarged by the issue and allotment of the ANC Consideration Shares; and
- (iii) 0.26% of the total number of issued Shares of the Company as enlarged by the issue and allotment of the ANC Consideration Shares and the NCP Consideration Shares.

The aggregate nominal value of the ANC Consideration Shares is HK\$414,956.7.

### ***Share price***

The ANC Consideration Share Price of HK\$9.47 per ANC Consideration Share represents:

- (i) a premium of approximately 8.86% to the closing price of HK\$8.72 per Share as quoted on the Stock Exchange on the date of this announcement;
- (ii) a premium of approximately 4.64% to the average closing price of approximately HK\$9.05 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of this announcement; and
- (iii) a premium of approximately 2.05% to the average closing price of approximately HK\$9.28 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of this announcement.

The ANC Consideration Share Price was determined after arm's length negotiations between the ANC Purchaser and the ANC Vendor with reference to (i) the volume weighted average closing price of the Shares on the 20 trading days immediately prior to the date of the ANC Share Purchase Deed; and (ii) the consideration settlement structure.

### ***Lock-up undertakings***

Pursuant to the ANC Share Purchase Deed, the ANC Vendor undertakes to the ANC Purchaser that it will not, other than with the prior written consent of the Company for the following periods and in respect of the relevant portion of the ANC Consideration Shares, sell, transfer or otherwise dispose of all or any of such ANC Consideration Shares or any beneficial interest in such ANC Consideration Shares as follows:

- (i) in respect of the 30% of the ANC Consideration Shares, a period of six (6) months after the ANC Completion Date;
- (ii) in respect of the another 30% of the ANC Consideration Shares, a period of one (1) year after the ANC Completion Date; and

- (iii) in respect of the remaining 40% of the ANC Consideration Shares, a period of two (2) years after the ANC Completion Date.

### **Conditions precedent**

The ANC Completion shall be conditional upon the fulfillment of the following conditions:

- (i) the grant of FIRB Approval in respect of the purchase of the ANC Sale Shares (if required); and
- (ii) the grant of approval from the Stock Exchange for the issue of the ANC Consideration Shares.

None of the parties shall have the right to waive condition precedent (ii) as set out above, while condition precedent (i) as set out above may be waived in writing by the ANC Purchaser and the ANC Vendor. If any of the conditions precedent set out above is not fulfilled or waived on or before 30 June 2019, the ANC Purchaser may terminate the ANC Share Purchase Deed by written notice.

As at the date of this announcement, none of the above conditions have been fulfilled.

### **Completion**

Subject to the fulfillment of the conditions precedent set out above, the ANC Completion shall take place on the ANC Completion Date. Upon ANC Completion, Ausnutrition Care will be wholly owned by the ANC Purchaser and become an indirectly wholly-owned subsidiary of the Company.

### **Other major term**

Pursuant to the ANC Share Purchase Deed, if Ausnutrition Care (or its holding entity (whether direct or indirect), related body corporate, any associated entity or any entity to which the assets of Ausnutrition Care are transferred) proposes to list on ASX within 5 years from the ANC Completion Date, the ANC Purchaser must procure that such listing entity permits the ANC Vendor (or its nominee(s)) to apply and subscribe for and be allotted and issued shares in the initial public offering in such listing entity (i) up to a maximum amount of AUD15,000,000 at a 20% discount to the listing price of such initial public offering; and (ii) for amounts greater than AUD15,000,000 at the listing price.

### **NCP SHARE PURCHASE DEED**

Principal terms of the NCP Share Purchase Deed are set out below:

- Date** : 17 December 2018 (after trading hours)
- Parties** :
- (i) Ausnutrition Care Pty Ltd, being the NCP Purchaser;
  - (ii) Bagley Street Investments Pty Ltd, being the NCP Vendor;
  - (iii) Nutrition Care Pharmaceuticals Pty Ltd (formerly known as Nutrition Care Holding Pty Ltd), being the target company of the NCP Acquisition; and
  - (iv) Professor Ian Ernest Brighthope, being the sole owner of the NCP Vendor.

As at the date of this announcement, the NCP Vendor is a substantial shareholder of an insignificant subsidiary of the Company, and Professor Brighthope is a director of Nutrition Care and the sole owner of the NCP Vendor. Save as the abovementioned, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the NCP Vendor and its ultimate beneficial owner are parties independent from the Company and its connected persons as at the date of this announcement.

### **Subject matter**

Pursuant to the NCP Share Purchase Deed, the NCP Purchaser has conditionally agreed to acquire and the NCP Vendor has conditionally agreed to sell the NCP Sale Shares, representing the 25% of the issued shares of Nutrition Care.

Upon NCP Completion, Nutrition Care will be wholly owned by Ausnutrition Care (being the NCP Purchaser). Further, subject to the ANC Completion, Nutrition Care will become an indirectly wholly-owned subsidiary of the Company.

The ANC Completion and the NCP Completion are not inter-conditional.

### **NCP Consideration**

Pursuant to the NCP Share Purchase Deed, the consideration payable by the NCP Purchaser to the NCP Vendor for the acquisition of the NCP Sale Shares shall be the NCP Consideration of AUD7.90 million (equivalent to approximately HK\$45.19 million). The NCP Consideration shall be satisfied by the issue and allotment of the NCP Consideration Shares at the NCP Consideration Share Price by the Company to the NCP Vendor.

The NCP Consideration is determined after arm's length negotiations between the NCP Purchaser and the NCP Vendor with reference to, among others, (i) the agreed valuation of Nutrition Care of AUD31.60 million under the First NCP Transactions; (ii) the growth in revenue of NCP since the completion of the First NCP Transactions; and (iii) the profit contribution from sale of Nutrition Care products conducted via a subsidiary of the Group established in the PRC.

### ***Number of NCP Consideration Shares***

As at the date of this announcement, the Company has 1,582,050,653 Shares in issue. Assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the issue and allotment of the ANC Consideration Shares and the NCP Consideration Shares, 4,954,824 NCP Consideration Shares represents:

- (i) 0.31% of the total number of issued Shares of the Company as at the date of this announcement;
- (ii) 0.31% of the total number of issued Shares of the Company as enlarged by the issue and allotment of the NCP Consideration Shares; and
- (iii) 0.31% of the total number of issued Shares of the Company as enlarged by the issue and allotment of the ANC Consideration Shares and NCP Consideration Shares.

The aggregate nominal value of the NCP Consideration Shares is HK\$495,482.4.



## ***Share price***

The NCP Consideration Share Price of HK\$9.12 per NCP Consideration Share represents:

- (i) a premium of approximately 4.59% to the closing price of HK\$8.72 per Share as quoted on the Stock Exchange on the date of this announcement;
- (ii) a premium of approximately 0.77% to the average closing price of approximately HK\$9.05 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of this announcement; and
- (iii) a discount of approximately 1.72% to the average closing price of approximately HK\$9.28 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of this announcement.

The NCP Consideration Share Price was determined after arm's length negotiations between the NCP Purchaser and the NCP Vendor with reference to (i) the volume weighted average closing price of the Shares on the 5 trading days immediately prior to the date of the NCP Share Purchase Deed; and (ii) the consideration settlement structure which enables the Group to acquire the NCP Sale Shares without substantial cash outlay.

## **Lock-up undertakings**

Pursuant to the NCP Share Purchase Deed, the NCP Vendor undertakes to the NCP Purchaser that it will not, other than with the prior written consent of the Company for the following periods and in respect of the relevant portion of the NCP Consideration Shares, sell, transfer or otherwise dispose of all or any of such NCP Consideration Shares or any beneficial interest in such NCP Consideration Shares as follows:

- (a) in respect of the 30% of the NCP Consideration Shares, a period of six (6) months after the NCP Completion Date;
- (b) in respect of the another 30% of the NCP Consideration Shares, a period of one (1) year after the NCP Completion Date; and
- (c) in respect of the remaining 40% of the NCP Consideration Shares, a period of two (2) years after the NCP Completion Date.

## **Conditions precedent**

The NCP Completion shall be conditional upon the fulfillment of the following conditions:

- (i) the grant of FIRB Approval in respect of the purchase of the NCP Sale Shares (if required);
- (ii) the grant of approval from the Stock Exchange for the issue of the NCP Consideration Shares to the NCP Vendor;
- (iii) the repayment by Nutrition Care to Professor Brighthope or to the NCP Vendor of any loans made by Professor Brighthope or the NCP Vendor to Nutrition Care, being an amount of approximately AUD625,000 (equivalent to approximately HK\$3.58 million) as at the date of the NCP Share Purchase Deed; and



- (iv) the Purchaser procuring the release of any vendor security as set out in the NCP Share Purchase Deed with effect from NCP Completion.

None of the parties shall have the right to waive condition precedent (ii) as set out above, while condition precedent (i) as set out above may be waived in writing by both the NCP Purchaser and the NCP Vendor, and conditions precedent (iii) and (iv) as set out above may be waived in writing by the NCP Vendor. If any of the conditions precedent set out above is not satisfied or waived on or before 30 June 2019, the NCP Purchaser and the NCP Vendor may terminate the NCP Share Purchase Deed by written notice.

As at the date of this announcement, none of the above conditions have been fulfilled.

## **Completion**

Subject to the fulfillment of the conditions precedent set out above, the NCP Completion shall take place on the NCP Completion Date. Upon NCP Completion, Nutrition Care will be wholly owned by Ausnutrition Care. Further, subject to the ANC Completion, Nutrition Care will become an indirectly wholly-owned subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Group 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, particularly in the PRC, the Group 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.

Ausnutrition Care is an investment holding company incorporated in Australia with limited liability and is principally engaged in the dairy and nutrition businesses in Australia via its subsidiaries, namely ADP (being a wholly-owned subsidiary of ADP Holdings) and Nutrition Care.

As disclosed in the Company's annual report 2017, ADP owns one of the first two Australian factories holding the infant formula product import license granted by the PRC government. It is currently one of the fifteen infant formula manufacturing enterprises in Australia that succeeded in fulfilling the registration requirements of the CNCA. In addition, it has obtained SAMR registrations for all the three brands (i.e. nine formulas) under its production after the First ADP Transaction. Among which, one of the three brands is the only SAMR approved organic infant milk formula in Australia. It is expected that full control in Ausnutrition Care (and hence ADP) can better optimise the integration with the production of infant milk formula.

After the First NCP Transactions completed in October 2016, the Group has expanded its business into nutrition and healthcare segment. The Group launched two nutrition products, namely *Gut Relief* in late 2016 and *Soforla* in late 2017, in the PRC market via its subsidiary established in the PRC. The feedback from consumers on these two products is considered to be promising and encouraging. In particular, *Gut Relief* has been ranked as the number one product in sales on Tmall, a renowned e-commerce platform in the PRC, in its category. Revenue and operating performance derived from this sector have recorded a continuous growth. For the year ended 31 December 2017, revenue derived from the nutrition products sector amounted to RMB75.3 million, which represented a significant growth when compared with that of the corresponding period. The NCP Acquisition is part of the Group's plan to strengthen its production capability in Australia.

Given (i) the outstanding qualifications of the factory owned by ADP, which are of paramount importance for the Group in strategic aspects; and (ii) the rapid growth in the international nutrition product market, particularly in the PRC, the Board is of the view that ADP and Nutrition Care will grow steadily and positively contribute to the Group, and hence the full control in Ausnutrition Care and its subsidiaries (including ADP and Nutrition Care) is in the long term interest of the Group.

The Board considers that the terms of the ANC Share Purchase Deed and the NCP Share Purchase Deed are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, the following table sets out the effect of the issue of the ANC Consideration Shares and the NCP Consideration Shares on the shareholding structure of the Company as at the date of this announcement, assuming the ANC Completion and the NCP Completion having taken place, without taking into account any other new Shares, if any, after the date of this announcement and prior to the ANC Completion and the NCP Completion.

	As at the date of this announcement		Immediately upon issue and allotment of ANC Consideration Shares and NCP Consideration Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
ANC Vendor and its ultimate beneficial owners <sup>(Note 1)</sup>	13,995,000	0.88	18,144,567	1.14
NCP Vendor	–	–	4,954,824	0.31
Citagri Easter Limited	379,000,000	23.96	379,000,000	23.82
Center Laboratories Inc. <sup>(Note 2)</sup>	375,931,772	23.76	375,931,772	23.63
Mr. Bartle van der Meer <sup>(Note 3)</sup>	125,205,230	7.91	125,205,230	7.87
Mr. Yan Weibin <sup>(Note 4)</sup>	119,339,085	7.54	119,339,085	7.50
Public Shareholders	568,579,566	35.94	568,579,566	35.73
	<u>1,582,050,653</u>	<u>100.00</u>	<u>1,591,155,044</u>	<u>100.00</u>

### Notes:

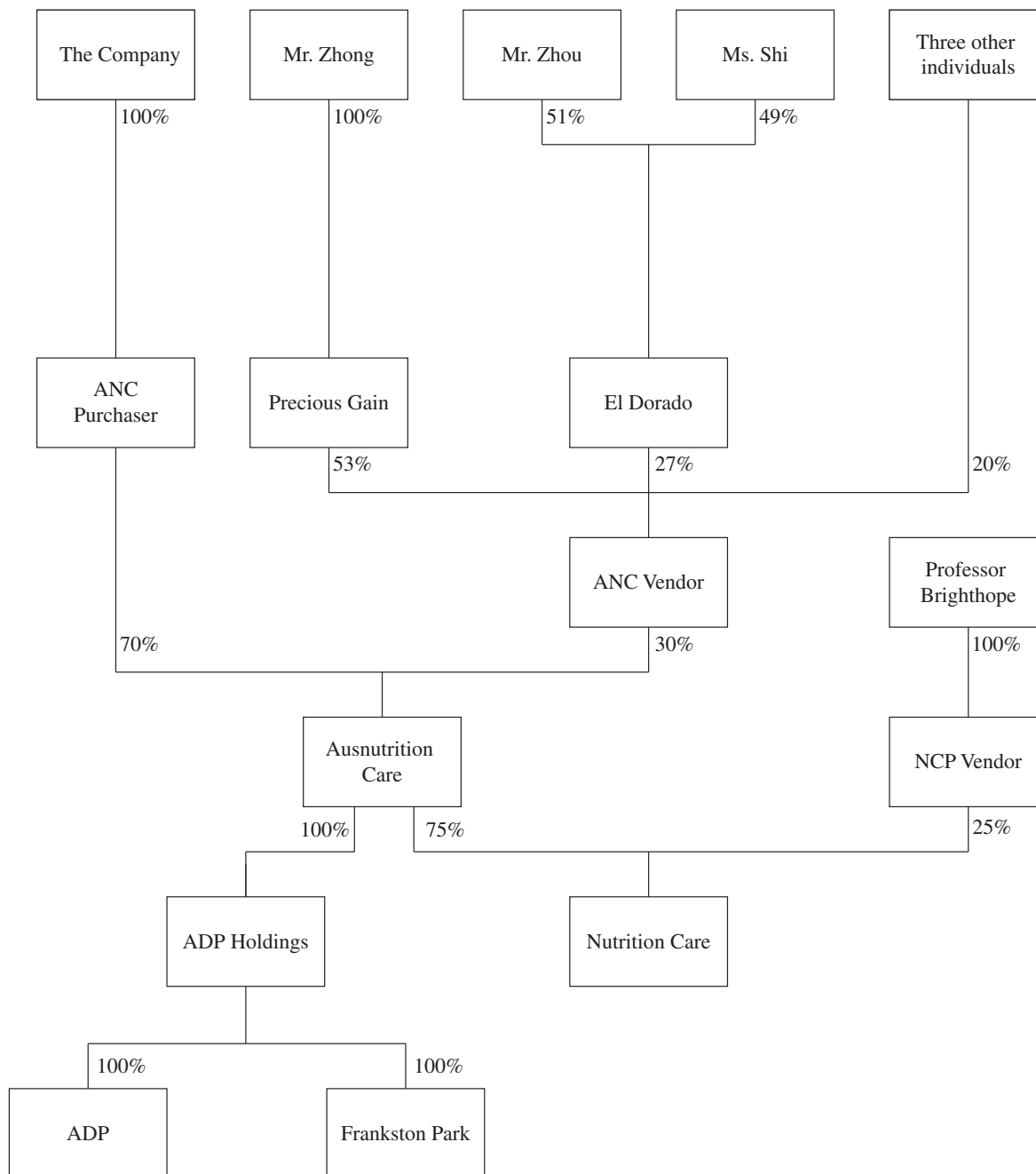
- As at the date of this announcement, the ANC Vendor holds 1,010,000 Shares, and Mr. Sheng, Mr. Zhou and Ms. Shi, being the ultimate beneficial owners of the ANC Vendor, beneficially own 5,000 Shares, 6,619,800 Shares and 6,360,200 Shares respectively. Accordingly, the ANC Vendor and its ultimate beneficial owners own 13,995,000 Shares in aggregate.
- As at the date of this announcement, Center Laboratories Inc. beneficially owns 327,940,089 Shares. BioEngine Capital Inc., which holds 47,991,683 Shares, is a non-wholly-owned subsidiary of Center Laboratories Inc.. Accordingly, Center Laboratories Inc. is deemed to be interested in a total of 375,931,772 Shares.
- As at the date of this announcement, Mr. Bartle van der Meer beneficially owns 800,000 Shares. Dutch Dairy Investments HK Limited, which holds 124,405,230 Shares, is wholly-owned by Dutch Dairy Investments B.V.. Dutch Dairy Investments B.V. is wholly-owned by Fan Deming B.V., which is wholly-owned by Mr. Bartle van der Meer. Accordingly, Mr. Bartle van der Meer is deemed to be interested in a total of 125,205,230 Shares under the SFO.

4. As at the date of this announcement, Mr. Yan Weibin beneficially owns 800,000 Shares. Ausnutria Holding Co. Ltd., which holds 118,539,085 Shares, is wholly-owned by Mr. Yan Weibin. Accordingly, Mr. Yan Weibin is deemed to be interested in 119,339,085 Shares under the SFO.
5. The percentages of the Shares are rounded to the nearest two decimal places, and the total number of the percentages may not add up to 100% due to rounding.

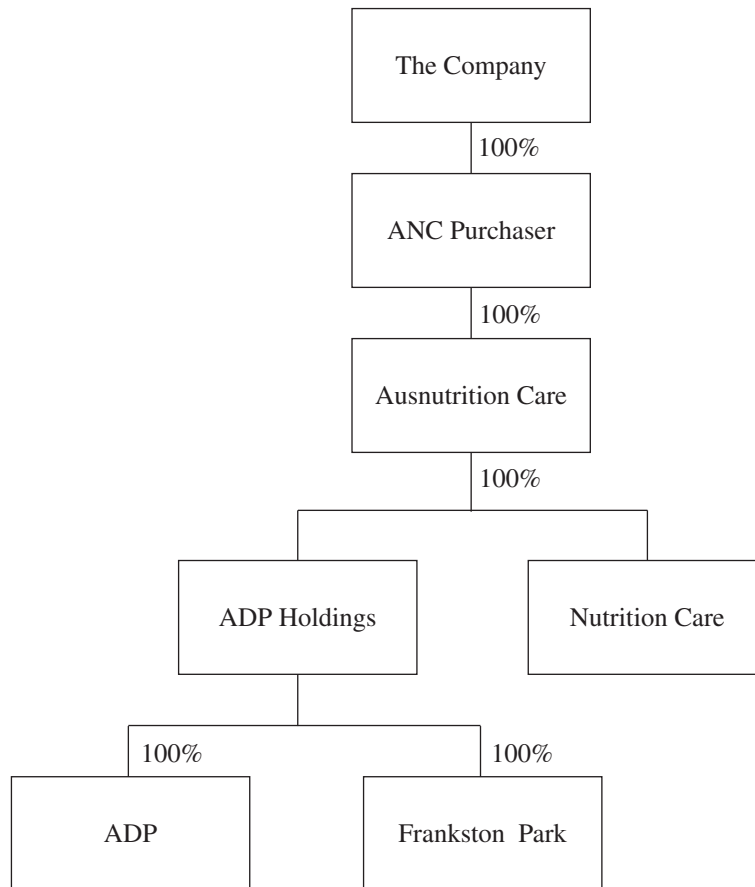
## SHAREHOLDING STRUCTURE OF AUSNUTRITION CARE AND NUTRITION CARE

The tables below set out the shareholding structure of Ausnutrition Care and Nutrition Care (i) before the ANC Acquisition and the NCP Acquisition; and (ii) immediately upon the ANC Completion and the NCP Completion:

Before the ANC Acquisition and the NCP Acquisition:



Immediately upon the ANC Completion and the NCP Completion:



### **INFORMATION ON AUSNUTRITION CARE**

Ausnutrition Care is a company incorporated in Australia with limited liability and is owned as to 70% and 30% by the ANC Purchaser and the ANC Vendor respectively as at the date of this announcement. Ausnutrition Care is an investment holding company engaging in (i) the business of Nutrition Care (details are set out in the paragraph headed “Information on Nutrition Care” below in this section); and (ii) the business of ADP Holdings and its subsidiaries which includes the manufacturing, packaging and sale of dairy and milk powder products and related research and development activities.

## Consolidated financial information on Ausnutrition Care

Set out below is the summary of the key consolidated financial information of Ausnutrition Care (which includes the operating loss of Nutrition Care as set out below):

	<b>Period from 28 June 2016 (date of incorporation) to 31 December 2016 AUD'000</b>	<b>Year ended 31 December 2017 AUD'000</b>	<b>Eleven months ended 30 November 2018 AUD'000</b>
Revenue	2,192.0	27,678.9	49,045.9
Net loss before interest and taxation	(2,987.4)	(5,541.2)	(2,388.8)
Net loss after interest and taxation (before minority interests)	(2,447.2)	(3,957.5)	(2,056.8)
			<b>As at 30 November 2018 AUD'000</b>
Net assets			43,879.0

## INFORMATION ON NUTRITION CARE

Nutrition Care is a company incorporated in Australia with limited liability and is owned as to 75% and 25% by Ausnutrition Care and the NCP Vendor, respectively, as at the date of this announcement. Nutrition Care is principally engaged in the development, manufacturing, packaging and distribution of complementary medicine, nutritional and health care products under the brand names of “*Nutrition Care*” and “*Brighthope*”.

## Financial information on Nutrition Care

	<b>Period from 4 July 2016 (date of incorporation) to 31 December 2016 AUD'000</b>	<b>Year ended 31 December 2017 AUD'000</b>	<b>Eleven months ended 30 November 2018 AUD'000</b>
Revenue	2,192.0	11,252.0	13,140.0
Net loss before interest and taxation	(1,849.4)	(4,302.0)	(4,727.0)
Net loss after interest and taxation (before minority interests)	(1,396.3)	(2,980.0)	(3,613.0)
			<b>As at 30 November 2018 AUD'000</b>
Net assets			21,901.0

## **INFORMATION ON THE GROUP, THE ANC PURCHASER, THE ANC VENDOR AND THE NCP VENDOR**

### **The Group**

The Company acts as an investment holding company of the Group. The Group is principally engaged in (i) the dairy industry with activities ranging from research and development, milk collection, processing, production, packaging, marketing and distribution of infant formula and other dairy products to customers in the PRC and other overseas countries; and (ii) research and development, production, marketing and distribution of nutrition products to customers principally located in the PRC, Australia and New Zealand.

### **The ANC Purchaser**

Ausnutria Dairy (China) Co., Ltd., a company established in the PRC and a wholly-owned subsidiary of the Company, is principally engaged in production, marketing and distribution of dairy and related products in the PRC.

### **The ANC Vendor and its ultimate beneficial owners**

ADP Group Limited, an investment holding company incorporated in Hong Kong with limited liability, which is owned as to 53%, 27% and 20% by Precious Gain, El Dorado and three other individuals respectively.

Precious Gain is a company incorporated in the British Virgin Islands and is a wholly-owned company of Mr. Zhong. Mr. Zhong is a director of Ausnutrition Care, ADP Holdings and its wholly-owned subsidiaries, namely ADP and Frankston Park.

El Dorado is a company incorporated in Australia with limited liability and is owned as to 51% and 49% by Mr. Zhou and Ms. Shi respectively. Mr. Zhou has been the managing director of ADP Holdings and Ozfarm since their respective establishments. He is also a director of Ausnutrition Care, ADP and Frankston Park. Ms. Shi is the spouse of Mr. Zhou. She has been the commercial manager of ADP since 2013.

### **The NCP Vendor and its ultimate beneficial owner**

Bagley Street Investments Pty Ltd is a company incorporated in Australia with limited liability and is wholly-owned by Professor Brighthope. It is principally engaged in the investment holding of 25% equity interest in Nutrition Care.

Professor Brighthope, being the sole owner of the NCP Vendor, is a director of Nutrition Care since its establishment.

## MANDATE TO ISSUE THE CONSIDERATION SHARES AND APPLICATION FOR LISTING

The ANC Consideration Shares and the NCP Consideration Shares, which amount to 9,104,391 in aggregate, will be issued and allotted pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 251,212,306 Shares. As at the date of this announcement, 12,980,000 Shares have been issued and allotted under the General Mandate. Accordingly, the General Mandate is sufficient for the issue and allotment of both the ANC Consideration Shares and the NCP Consideration Shares, and the issue and allotment of both the ANC Consideration Shares and the NCP Consideration Shares are not subject to the Shareholders' approval.

The ANC Consideration Shares and the NCP Consideration Shares will be issued free from all Encumbrances together with all rights attaching to them, including the right to receive all dividends declared and will rank *pari passu* with all other issued Shares in all respects as at the date of issue.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the ANC Consideration Shares and the NCP Consideration Shares.

## IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 14.22 of the Listing Rules, the First ADP Transaction (details of which are set out in the Company's announcement dated 22 May 2017), the Second Oz Acquisitions (details of which are set out in the Company's announcement dated 1 June 2018) and the ANC Acquisition (collectively, the "**ANC Transactions**") shall be aggregated as if they were one transaction for the purpose of Chapter 14 of the Listing Rule. Upon aggregation, as one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the ANC Transactions exceed 5% but are less than 25%, the ANC Transactions constitute a discloseable transaction for the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, the First NCP Transactions (details of which are set out in the Company's announcement dated 24 August 2016) and the NCP Acquisition (collectively, the "**NCP Transactions**") shall be aggregated as if they were one transaction for the purpose of Chapter 14 of the Listing Rules. Upon aggregation, as one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the NCP Transactions are less than 5%, the NCP Transactions constitute a share transaction for the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Both Ausnutrition Care and Nutrition Care are insignificant subsidiaries of the Company by virtue of Rule 14A.09(1) of the Listing Rules. As at the date of this announcement, Mr. Zhong is a director of Ausnutrition Care and certain of its subsidiaries (which are all insignificant subsidiaries of the Company) and the sole owner of Precious Gain, which owns 53% equity interest in the ANC Vendor, while Mr. Zhou is a director of Ausnutrition Care and certain insignificant subsidiaries of the Company and beneficially owns 51% equity interest in El Dorado, which owns 27% equity interest in the ANC Vendor. Therefore, notwithstanding Mr. Zhong and Mr. Zhou's directorships in the aforementioned insignificant subsidiaries of the Company and their interest in the ANC Vendor, they and their associates are not regarded as connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules.

Further, as at the date of this announcement, the NCP Vendor holds 25% equity interest of Nutrition Care, and Professor Brighthope, being the sole owner of the NCP Vendor, is a director of Nutrition Care, hence the NCP Vendor is a substantial shareholder of an insignificant subsidiary of the Company and Professor Brighthope is a director of an insignificant subsidiary of the Company. Therefore notwithstanding the NCP Vendor's interest and Professor Brighthope's directorship in Nutrition Care, the NCP Vendor and its ultimate beneficial owner, i.e. Professor Brighthope, are not regarded as connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules.



## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“ADP”	Australian Dairy Park Pty Ltd., a company incorporated in Australia with limited liability and a wholly-owned subsidiary of ADP Holdings
“ADP Holdings”	ADP Holdings (Australia) Pty Ltd, a company incorporated in Australia with limited liability and wholly owned by Ausnutrition Care as at the date of this announcement
“ANC Acquisition”	the acquisition of the ANC Sale Shares
“ANC Completion”	completion of the sale and purchase of the ANC Sale Shares in accordance with the ANC Share Purchase Deed
“ANC Completion Date”	2 Business Days after fulfillment or waiver of the conditions set out in the sub-section headed “ANC Share Purchase Deed – Conditions precedent” or such other date as agreed by the parties in writing
“ANC Consideration”	the consideration of AUD13.74 million payable by the Company to the ANC Vendor for the ANC Acquisition
“ANC Consideration Share(s)”	the 4,149,567 new Shares to be issued by the Company to the ANC Vendor for the settlement of the ANC Consideration pursuant to the ANC Share Purchase Deed
“ANC Consideration Share Price”	HK\$9.47 per ANC Consideration Share
“ANC Purchaser”	Ausnutria Dairy (China) Co., Ltd., a company established in the PRC and a wholly-owned subsidiary of the Company
“ANC Sale Shares”	13,928,571 issued and fully-paid ordinary shares of Ausnutrition Care, representing 30% of the issued shares of Ausnutrition Care
“ANC Share Purchase Deed”	the share purchase deed dated 17 December 2018 entered into between the ANC Purchaser, the ANC Vendor, Mr. Zhong, Mr. Zhou and Ms. Shi in respect of the sale and purchase of ANC Sale Shares
“ANC Vendor”	ADP Group Limited, a company incorporated in Hong Kong with limited liability, which is owned as to 53%, 27% and 20% by Precious Gain, El Dorado and three other individuals respectively
“ASX”	the Australian Securities Exchange
“Board”	the board of Directors

“Brighthope Pty”	Brighthope Pty. Ltd, a company incorporated in Australia with limited liability and is wholly-owned by Professor Brighthope
“Business Day(s)”	a day from Monday to Friday excluding any public holidays in Melbourne, Victoria
“CNCA”	Certification and Accreditation Administration of the People’s Republic of China
“Company”	Ausnutria Dairy Corporation Ltd, a company incorporated in the Cayman Islands with limited liability, the Shares are listed on the Main Board of the Stock Exchange (stock code: 1717)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“El Dorado”	El Dorado Health Products Technology Pty Ltd, a company incorporated in Australia with limited liability, which is owned as to 51% and 49% by Mr. Zhou and Ms. Shi respectively and owns 27% equity interest in the ANC Vendor
“Encumbrance(s)”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), option, restriction, hypothecation, assignment, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance, priority or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect, and any agreement or obligation to create or grant any of the aforesaid
“FIRB Approval”	(a) the Treasurer of the Commonwealth of Australia becomes precluded from making an order in respect of the acquisition of the Australian Sale Shares under the Foreign Acquisitions and Takeovers Act 1975 (Cth); or (b) the Purchaser has received written advice from or on behalf of the Treasurer of the Commonwealth of Australia stating or to the effect that the Commonwealth Government does not object to the Purchaser and the Vendor entering into and completing the transactions the subject of the Share Purchase Deed, being advice that is either unconditional or does not include a condition that the Purchaser, acting reasonably, considers unacceptable (other than the standard taxation conditions and additional taxation conditions set out in attachments A and B of FIRB Guidance Note 47 titled ‘Tax Conditions’)
“First ADP Share Purchase Deed”	the share purchase deed dated 22 May 2017 entered into among Ausnutrition Care, the ANC Vendor, Mr. Zhong, Mr. Zhou and Ms. Shi in relation to the First ADP Transaction, details of which were set out in the Company’s announcement dated 22 May 2017

“First ADP Transaction”	the acquisition of the 4,002,000 issued and fully-paid ordinary shares of ADP Holdings pursuant to the First ADP Share Purchase Deed dated 22 May 2017
“First NCP Transactions”	collectively, (i) the acquisition of business and assets of Brighthope Pty; (ii) the acquisition of properties of Brighthope Pty and Professor Brighthope; and (iii) the subscription of 75% and 25% equity interest in Nutrition Care by the NCP Purchaser and the NCP Vendor respectively, details of which were set out in the Company’s announcement dated 22 May 2017
“Frankston Park”	Frankston Park Unit Trust, a company incorporated in Australia with limited liability and a wholly-owned subsidiary of ADP Holdings
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 11 May 2018 to issue, allot and deal with Shares up to a maximum of 20% of the aggregate nominal value of the issued share capital of the Company as at the date of the said annual general meeting
“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
“Mr. Zhong”	Mr. Sheng Zhong, who is the sole owner of Precious Gain, which owns 53% equity interest in the ANC Vendor as at the date of this announcement
“Mr. Zhou”	Mr. Joe Zhou, who owns 51% equity interest in El Dorado, which owns 27% equity interest in the ANC Vendor as at the date of this announcement
“Ms. Shi”	Ms. Lisa Xiang Shi, who owns 49% equity interest in El Dorado, which owns 27% equity interest in the ANC Vendor as at the date of this announcement
“NCP Acquisition”	the acquisition of the NCP Sale Shares
“NCP Completion”	completion of the sale and purchase of the NCP Sale Shares in accordance with the NCP Share Purchase Deed
“NCP Completion Date”	2 Business Days after fulfillment or waiver of the conditions set out in the sub-section headed “NCP Share Purchase Deed – Conditions precedent” or such other date as agreed by the parties in writing
“NCP Consideration”	the consideration of AUD7.90 million payable by the Company to the NCP Vendor for the acquisition of the NCP Sale Shares

“NCP Consideration Share(s)”	the 4,954,824 new Shares to be issued by the Company to the NCP Vendor for the settlement of the NCP Consideration pursuant to the NCP Share Purchase Deed
“NCP Consideration Share Price”	HK\$9.12 per NCP Consideration Share
“NCP Purchaser” or “Ausnutrition Care”	Ausnutrition Care Pty Ltd, a company incorporated in Australia with limited liability and owned as to 70% and 30% by the ANC Purchaser and the ANC Vendor respectively as at the date of this announcement
“NCP Sale Shares”	7,500,000 issued and fully-paid ordinary shares of Nutrition Care, representing 25% of the issued shares of Nutrition Care
“NCP Share Purchase Deed”	the share purchase deed dated 17 December 2018 entered into between the NCP Purchaser and the NCP Vendor, and Professor Brighthope in respect of the sale and purchase of NCP Sale Shares
“NCP Vendor”	Bagley Street Investments Pty Ltd, a company incorporated in Australia with limited liability and wholly-owned by Professor Brighthope
“Nutrition Care”	Nutrition Care Pharmaceuticals Pty Ltd, a company incorporated in Australia with limited liability and owned as to 75% and 25% by the NCP Purchaser and the NCP Vendor respectively as at the date of this announcement
“Ozfarm”	Ozfarm Royal Pty Ltd, a company incorporated in Australia with limited liability and is an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Precious Gain”	Precious Gain Investments Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Zhong
“Professor Brighthope”	Professor Ian Ernest Brighthope, the sole owner of the NCP Vendor
“SAMR”	State Administration for Market Regulation of the PRC, formerly known as China Food and Drug Administration
“Second Oz Acquisitions”	the acquisitions of the 57,895 issued and fully-paid shares of Ozfarm Royal Pty Ltd, representing 50% of the issued shares of Ozfarm Royal Pty Ltd, and the 425 issued and fully-paid ordinary shares of Ozfarm Royal (HK) Limited, representing 42.5% of the issued share capital of Ozfarm Royal (HK) Limited, pursuant to the sale and purchase deed dated 1 June 2018
“Shareholder(s)”	the shareholders of the Company

“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	collectively, the ANC Vendor and the NCP Vendor
“AUD”	Australian dollars, the lawful currency of Australia
“HK\$” or “HK Dollar”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB	Renminbi, the lawful currency of the PRC
“%”	per cent

By order of the Board  
**Ausnutria Dairy Corporation Ltd**  
**Yan Weibin**  
*Chairman*

The PRC, 17 December 2018

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yan Weibin (Chairman), Mr. Bartle van der Meer (Chief Executive Officer) and Ms. Ng Siu Hung; three non-executive Directors, namely Mr. Shi Liang (Vice-Chairman), Mr. Qiao Baijun and Mr. Tsai Chang-Hai; and three independent non-executive Directors, namely Mr. Jason Wan, Mr. Lau Chun Fai Douglas and Mr. Aidan Maurice Coleman.*

*For illustration purposes, the exchange rate of approximately AUD1 = HK\$5.72 is used throughout this announcement. This exchange rate does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or other rate at all.*