

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.



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)

CONTINUING CONNECTED TRANSACTIONS ENTERING INTO THE SUPPLEMENTAL AGREEMENTS

Reference is made to the announcement of Ausnutria Dairy Corporation Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 23 September 2022 in relation to, among other things, the entering into of the Supply Framework Agreement and the Procurement Framework Agreement (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL AGREEMENTS IN RELATION TO THE SUPPLY FRAMEWORK AGREEMENT AND THE PROCUREMENT FRAMEWORK AGREEMENT

(1) Supplemental agreement to the Supply Framework Agreement

As disclosed in the Announcement, under the Supply Framework Agreement, the Yili Industrial Group agreed to purchase the goat milk powder and related products from the Group from time to time during the terms of the Supply Framework Agreement.

On 11 September 2023 (after trading hours), the Company and Yili Industrial entered into a supplemental agreement to the Supply Framework Agreement (the “**Supplemental Agreement A**”) to extend the range of products to cover whole milk powder, skim milk powder, organic whole milk, whey protein concentrate, other milk powder ingredients and formula produced by the Group.

(2) Supplemental agreement to the Procurement Framework Agreement

As disclosed in the Announcement, under the Procurement Framework Agreement, the Group agreed to purchase milk base powder and related ingredients from the Yili Industrial Group from time to time during the terms of the Procurement Framework Agreement.

On 11 September 2023 (after trading hours), the Company and Yili Industrial entered into a supplemental agreement to the Procurement Framework Agreement (the “**Supplemental Agreement B**”, together with the Supplemental Agreement A, the “**Supplemental Agreements**”) to extend the range of products to cover base milk powder, Lactoferrin, other related ingredients and infant formula produced by the Yili Industrial Group.

Save as disclosed above, all the other major terms and conditions of the Supply Framework Agreement and the Procurement Framework Agreement (including, among other things, the annual caps and the pricing terms) remain unchanged and in full force and effect in all respects.

For material terms of the Supply Framework Agreement and the Procurement Framework Agreement, please refer to the Announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENTS

The entering into of the Supplemental Agreements enables the Group and the Yili Industrial Group to further cooperate and leverage on both parties’ strength, particularly in the production capability, as well as the resources that they have established in different counties over the years as the range of products newly covered in the Supplemental Agreements enables both parties to produce wider range of dairy related products.

The Board are of the view that the Supplemental Agreements and the transactions contemplated thereunder would provide flexibility to the business transactions between the Group and the Yili Industrial Group and enable the Group to further strengthen the synergies between the Group and the Yili Industrial Group.

The Directors (including the independent non-executive Directors but excluding Mr. Sun Donghong, Mr. Zhang Zhanqiang and Mr. Zhang Lingqi) are of the view that the Supplemental Agreements 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 Supplemental Agreements are fair and reasonable, and the Supplemental Agreements and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole.

Mr. Sun Donghong, Mr. Zhang Zhanqiang and Mr. Zhang Lingqi are Directors nominated by Yili Industrial and therefore are considered to have a material interest in the Supplemental Agreements and the transactions contemplated thereunder. As such, each of Mr. Sun Donghong, Mr. Zhang Zhanqiang and Mr. Zhang Lingqi has abstained from voting on the Board resolution(s) in relation to the approval of the Supplemental Agreements and the transactions contemplated thereunder.

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

The PRC, 11 September 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yan Weibin (Chairman and Chief Executive Officer), Mr. Bartle van der Meer and Ms. Ng Siu Hung; three non-executive Directors, namely Mr. Sun Donghong (Vice-Chairman), Mr. Zhang Zhanqiang and Mr. Zhang Lingqi; and three independent non-executive Directors, namely Mr. Ma Ji, Mr. Song Kungang and Mr. Aidan Maurice Coleman.