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*(Incorporated in Hong Kong with limited liability)*  
(Stock code: 345)

**UPDATE ANNOUNCEMENT  
INSIDE INFORMATION  
CONNECTED TRANSACTION  
IN RELATION TO EXERCISE OF CALL OPTION**

Reference is made to the announcement of the Company dated 14th October, 2022, in relation to, among other things, the Call Option (which is exercisable from 28th October, 2022 for a 90-day period) which Vita International is entitled to exercise in order to acquire the remaining 49% of the issued share capital in Vitasoy Australia that is held by National Foods. The Board is pleased to announce that, on 2nd November, 2022, Vita International served an Exercise Notice on National Foods to exercise the Call Option. In the Exercise Notice, Vita International specified A\$27.5 million (equivalent to approximately HK\$137.5 million) as the Fair Value.

Under the Shareholders' Agreement, if the specified Fair Value amount is not accepted by National Foods and no agreement can be reached by the parties on the Fair Value, the Expert shall be appointed and the Fair Value determined by the Expert will be final and binding on both parties. Upon the completion of the exercise of the Call Option and the Acquisition by Vita International, Vitasoy Australia will become an indirect wholly owned subsidiary of the Company. The Company currently expects that closing of the Acquisition will take place around the end of January 2023.

As of the date of this announcement, National Foods is a substantial shareholder of Vitasoy Australia, being an indirect non-wholly owned subsidiary of the Company, and therefore National Foods is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as the Board has approved the exercise of the Call Option and the Acquisition on the terms set out in the Exercise Notice, and the independent non-executive Directors have confirmed that the terms of the exercise of the Call Option and the Acquisition on the terms of the Exercise Notice are fair and reasonable, and that the exercise of the Call Option and the Acquisition on the terms of the Exercise Notice are on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

This announcement is also made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, Chapter 571, of the Laws of Hong Kong.

## **1. BACKGROUND**

Vitasoy Australia is a joint venture between Vita International and National Foods.

Reference is made to the announcement of the Company dated 14th October, 2022 (the “**First Announcement**”), in relation to, among other things, the Call Option (which is exercisable from 28th October, 2022 for a 90-day period) which Vita International is entitled to exercise in order to acquire the remaining 49% of the issued share capital in Vitasoy Australia that is held by National Foods.

As disclosed in the First Announcement, it is the intention of the board of Vita International to exercise the Call Option.

The Board is pleased to announce that, on 2nd November, 2022, Vita International served an Exercise Notice on National Foods to exercise the Call Option. Upon the completion of the exercise of the Call Option and the Acquisition by Vita International, Vitasoy Australia will become an indirect wholly owned subsidiary of the Company.

## **2. EXERCISE OF CALL OPTION**

### **The Call Option**

Under the Shareholders’ Agreement, National Foods granted to Vita International the right to purchase all the shares held by National Foods in Vitasoy Australia for Fair Value. The Call Option is exercisable at Vita International’s absolute discretion.

### **The Exercise Period**

The Call Option is exercisable by Vita International for a period of 90 days commencing on (and including) 28th October, 2022.

### **Exercise of the Call Option**

Having considered the reasons and benefits for the exercise of the Call Option set out in the section headed “5. REASONS AND BENEFITS FOR THE ACQUISITION” of this announcement, the Directors (including the independent non-executive Directors) believe that the exercise of Call Option and the resulting Acquisition on the terms of the Exercise Notice is in the ordinary and usual course of business of the Group, including the capturing of synergies from its business operations in overseas markets, is entered into on normal commercial terms, and the terms therein are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

On 2nd November, 2022, Vita International served an Exercise Notice on National Foods to exercise the Call Option, pursuant to which Vita International will acquire the remaining 49% issued share capital in Vitasoy Australia that is held by National Foods.

As none of the Directors had a material interest in the exercise of the Call Option and the Acquisition, no Director was required to abstain from voting on the relevant board resolutions of the Company.

### **Consideration**

The Fair Value specified by Vita International, pursuant to the Exercise Notice, for the remaining 49% of the issued shares in Vitasoy Australia that is held by National Foods was A\$27.5 million (equivalent to approximately HK\$137.5 million), being Vita International's assessment, by reference to a recent valuation report by an independent party, of the price at which the shares of National Foods would be sold by a willing, but not anxious, vendor to a willing, but not anxious, buyer. Under the Shareholders' Agreement, if the specified Fair Value amount is not accepted by National Foods and no agreement can be reached by the parties on the Fair Value, an Expert shall be appointed pursuant to the Shareholders' Agreement to determine the Fair Value. Under the Shareholders' Agreement, the Fair Value determined by the Expert will be final and binding on both parties.

The Company will satisfy the purchase price from its internal cash resources and/or external financing.

### **Closing**

Pursuant to the Shareholders' Agreement the completion of the Acquisition must occur within 30 days of (i) the Exercise Notice being given; or (ii) the Fair Value being determined, whichever is later. The Company currently expects that closing of the Acquisition will take place around the end of January 2023. The Company will issue a further announcement of the Fair Value for the Acquisition when the Acquisition is completed.

## **3. INFORMATION OF VITASOY AUSTRALIA**

Vitasoy Australia is a limited liability company incorporated in Victoria, Australia. It is principally engaged in the production of a wide range of plant-based milk, beverages, and yoghurts for sale in Australia, New Zealand, and overseas markets. As of the date of this announcement, 51% of the issued share capital of Vitasoy Australia is owned by Vita International and the remaining 49% of the issued share capital is owned by National Foods.

National Foods has held 49% of the issued share capital Vitasoy Australia since the incorporation of Vitasoy Australia in December 1999. The initial paid up capital contribution by National Foods was A\$49.0. National Foods subsequently subscribed for additional shares in Vitasoy Australia as part of one or more pro rata issuances. The original acquisition cost, being the paid up value for the cumulative number of shares currently held by National Foods, is A\$8.6 million (equivalent to approximately HK\$43.0 million).

Upon the completion of the exercise of the Call Option and the Acquisition by Vita International, Vitasoy Australia will become an indirect wholly owned subsidiary of the Company.

Based on the audited financial statements of Vitasoy Australia for the years ended 31st March, 2021 and 31st March, 2022, prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB) and Corporates Act 2001 (Cth), the audited total asset value, net asset value, net profit before tax and after tax for the years ended 31st March, 2021 and 31st March, 2022 are as follows:-

	For the year ended 31st March, 2021 (A\$ million)	For the year ended 31st March, 2022 (A\$ million)
Total Assets	79.40	84.54
Net Assets	55.78	57.52
Net (loss)/profit before tax	5.57	5.72
Net (loss)/profit after tax	4.23	3.72

#### **4. INFORMATION ABOUT THE PARTIES**

##### **Vita International**

Vita International was incorporated in Hong Kong with limited liability. Vita International is a wholly owned subsidiary of the Company. The Group is principally engaged in the production and sale of plant-based milk food and beverage products.

##### **National Foods and Bega Group**

National Foods was incorporated in Victoria, Australia with limited liability. National Foods is an indirect wholly owned subsidiary of Bega Cheese. National Foods and the Bega Group are principally engaged in the production and sale of dairy food and beverage products. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, National Foods and its ultimate beneficial owner(s) are third parties independent of the Company (save that, as stated above, National Foods is a substantial shareholder of Vitasoy Australia, being an indirect non-wholly owned subsidiary of the Company).

## 5. REASONS AND BENEFITS FOR THE ACQUISITION

Vitasoy Australia has been one of the leading plant-based producers in Australia since its incorporation in 1999, offering a wide range of plant-based milk, beverages, and yoghurts to consumers in Australia, New Zealand, and overseas markets. The Company and its indirect wholly-owned subsidiary, Vitasoy International Singapore Pte. Ltd., have been licensing the Company's intellectual property rights and providing technical knowhow and quality assurance services to Vitasoy Australia. The Board believes that by exercising the Call Option to acquire the remaining 49% of the issued shares in Vitasoy Australia that is held by National Foods, Vitasoy Australia will become an indirect wholly owned subsidiary of the Company and will be better aligned with the strategic direction of the Group in providing nutritious plant-based milk products and capturing synergies and opportunities.

## 6. IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, National Foods is a substantial shareholder of Vitasoy Australia, being an indirect non-wholly owned subsidiary of the Company, and therefore National Foods is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as the Board has approved the exercise of the Call Option and the Acquisition on the terms of the Exercise Notice, and the independent non-executive Directors have confirmed that the terms of the exercise of the Call Option and the Acquisition on the terms of the Exercise Notice are fair and reasonable, and that the exercise of the Call Option and the Acquisition on the terms of the Exercise Notice are on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

This announcement is also made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, Chapter 571, of the Laws of Hong Kong.

**Shareholders and potential investors in the Company should be aware that the Fair Value amount specified by Vita International pursuant to the Exercise Notice may or may not be disputed by National Foods. Under the Shareholders' Agreement, if the specified Fair Value amount is not accepted by National Foods and no agreement can be reached by the parties on the Fair Value, an Expert shall be appointed and the Fair Value determined by the Expert will be final and binding on both parties. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

**The Company will make further announcement(s) in respect of the final Fair Value for the Acquisition and the completion of the Acquisition pursuant to all applicable requirements under the Listing Rules as and when appropriate. In the event the final Fair Value for the Acquisition determined by the Expert is higher than the Fair Value specified by Vita International in the Exercise Notice, the Company will re-calculate the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules. If such final Fair Value determined by the Expert results in any of the applicable percentage ratios reaching or exceeding 5%, the Company will comply with the relevant requirements under the Listing Rules as appropriate.**

## **DEFINITIONS**

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

“Acquisition”	The proposed acquisition by Vita International of the remaining 49% issued shares in Vitasoy Australia Products Pty. Ltd. in Australia that is held by National Foods by exercise of the Call Option;
“A\$”	Australian dollars, the lawful currency of Australia;
“Bega Cheese”	Bega Cheese Limited, a public company limited by shares incorporated in New South Wales, Australia, with ACN 008 358 503 and listed on the Australian Securities Exchange (Stock Code: BGA.ASX);
“Bega Group”	Bega Cheese and its subsidiaries;
“Board”	The board of Directors of the Company;
“Call Option”	A call option granted to Vita International to acquire, and to require National Foods to sell, all shares held by National Foods in Vitasoy Australia at Fair Value pursuant to terms set out in the Shareholders’ Agreement;
“Company”	Vitasoy International Holdings Limited (維他奶國際集團有限公司), a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange (Stock Code: 345);
“connected person”	Has the meaning ascribed to it under the Listing Rules;
“connected person at the subsidiary level”	Has the meaning ascribed to it under the Listing Rules;
“Directors”	The directors (including the independent non-executive directors) of the Company;

“Exercise Notice”	A written notice given by Vita International to National Foods pursuant to the Shareholders’ Agreement by which Vita International exercises the Call Option;
“Expert”	Has the meaning given to it under the section headed “2. EXERCISE OF CALL OPTION - Consideration” of this announcement;
“Fair Value”	The price at which the shares in Vitasoy Australia held by National Foods would be sold by a willing, but not anxious, vendor to a willing, but not anxious, buyer;
“First Announcement”	Has the meaning given to it under the section headed “1. BACKGROUND” of this announcement;
“Group”	The Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“National Foods”	National Foods Holdings Ltd., a company incorporated with limited liability in Victoria, Australia with ACN 051 195 067;
“Shareholders’ Agreement”	Shareholders’ Agreement between Vita International, National Foods and Vitasoy Australia dated 24 December 1999 (as amended);
“Shareholders”	Holders of the issued shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vitasoy Australia”	Vitasoy Australia Products Pty. Ltd., a company incorporated with limited liability in Victoria, Australia with ACN 088 959 835;
“Vita International”	Vita International Holdings Limited (維他國際集團有限公司), a company incorporated with limited liability in Hong Kong and a direct wholly owned subsidiary of the Company; and
“%”	Per cent.

*For the purpose of this announcement, conversions of A\$ into HK\$ are based on the approximate exchange rate of A\$1 to HK\$5, for the purpose of illustration only. No representation is made that any amount of A\$ or HK\$, as the case may be, could have been or could be converted at the above rate or at any other particular rate.*

By Order of the Board  
**Winston Yau-lai LO**  
*Executive Chairman*

Hong Kong, 2nd November, 2022

*As at the date of this announcement, Mr. Winston Yau-lai LO, Mr. Roberto GUIDETTI and Mr. Eugene LYE are executive Directors. Ms. Yvonne Mo-ling LO, Mr. Peter Tak-shing LO and Ms. May LO are non-executive Directors. Dr. the Hon. Sir David Kwok-po LI, Mr. Jan P. S. ERLUND, Mr. Anthony John Liddell NIGHTINGALE, Mr. Paul Jeremy BROUGH and Dr. Roy Chi-ping CHUNG are independent non-executive Directors.*