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

**UPDATE ANNOUNCEMENT
INSIDE INFORMATION
CONNECTED TRANSACTION
IN RELATION TO DETERMINATION OF FAIR VALUE FOR THE
ACQUISITION**

Reference is made to the announcements of the Company dated 14th October, 2022 and 2nd November, 2022, in relation to, among other things, the Call Option which Vita International has exercised in order to acquire the remaining 49% of the issued share capital in Vitasoy Australia that is held by National Foods. In the Exercise Notice, Vita International specified A\$27.5 million (equivalent to approximately HK\$154 million) as the Fair Value. The Company was informed on 7th November, 2022 that National Foods did not accept the Fair Value specified by Vita International in the Exercise Notice.

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, both parties will jointly appoint an Expert and the final price determined by the Expert will be final and binding on both parties. The Board is pleased to announce that both parties have jointly appointed an Expert on 13th December, 2022. The final price determined by the Expert is A\$51 million (equivalent to approximately HK\$285.6 million), which is final and binding on both parties in accordance with the Shareholders' Agreement. Upon the completion of the Acquisition by Vita International, Vitasoy Australia will become an indirect wholly owned subsidiary of the Company.

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 also 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, and the independent non-executive Directors have confirmed that the terms of the exercise of the Call Option and the Acquisition are fair and reasonable, and that the exercise of the Call Option and the Acquisition 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 remain 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 announcements of the Company dated 14th October, 2022 (the “**First Announcement**”) and 2nd November, 2022 (the “**Second Announcement**”), in relation to, among other things, the Call Option which Vita International has exercised in order to acquire the remaining 49% of the issued share capital in Vitasoy Australia that is held by National Foods. In the Exercise Notice, Vita International specified A\$27.5 million (equivalent to approximately HK\$154 million) as the Fair Value. The Company was informed on 7th November, 2022 that National Foods did not accept the Fair Value specified by Vita International in the Exercise Notice.

2. CONSIDERATION

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, both parties will jointly appoint an expert valuer (the “**Expert**”) and the final price determined by the Expert will be final and binding on both parties. The Board is pleased to announce that both parties have jointly appointed an Expert on 13th December, 2022. The final price determined by the Expert is A\$51 million (equivalent to approximately HK\$285.6 million), which is final and binding on both parties in accordance with the Shareholders’ Agreement. Upon the completion of the Acquisition by Vita International, Vitasoy Australia will become an indirect wholly owned subsidiary of the Company.

3. COMPLETION OF THE SHARES TRANSFER

Within 30 days from the day the Fair Value is determined by the Expert, the parties shall execute and exchange a share transfer form to effect the transfer of the shares held by National Foods (the “**Shares Transfer**”) and procure Vitasoy Australia to arrange the registration of the Shares Transfer in accordance with the Shareholders’ Agreement (together, the “**Completion**”). The parties have agreed that this shall take place within 14 days after the date on which the formal notice of confirming the Call Option with the Fair Value determined was given. Completion shall include the registration of the Shares Transfer and the payment of the determined price of A\$51 million (equivalent to approximately HK\$285.6 million) from the Group to National Foods.

Having considered the reasons and benefits described in the First Announcement and Second Announcement, all Directors of the Company (including the independent non-executive Directors) consider that the total consideration payable by the Company upon exercise of the Call Option and determined by the Expert are fair and reasonable and in the interests of the Company and its Shareholders as a whole. As none of the Directors had a material interest in the exercise of the Call Option and the Acquisition, no Director has abstained from voting on the relevant board resolutions of the Company.

4. TRANSITION ARRANGEMENTS

To facilitate the business transition, Vitasoy Australia has entered into a transition services agreement with BDD Milk Pty Ltd, a member of the Bega Group, before Completion pursuant to which Bega Group is providing various transition services (the “**Transition Services**”) to Vitasoy Australia, including sale and distribution of Vitasoy Australia products in Australia, from the expiry of the current Services and Distribution Agreement between Vitasoy Australia and BDD Milk Pty Ltd on 25th January, 2023 until on or around 31st March, 2023.

5. 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, and the independent non-executive Directors have confirmed that the terms of the exercise of the Call Option and the Acquisition are fair and reasonable, and that the exercise of the Call Option and the Acquisition 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 remain less than 5%, the Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the Transition Services are of a revenue nature in the ordinary and usual course of business of the Company, under Rule 14.04(1)(g) of the Listing Rules, the Transition Services do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. At the date of the transition services agreement, BDD Milk Pty Ltd was a wholly-owned subsidiary, and therefore an associate, of National Foods. National Foods was (and still remains) a substantial shareholder of Vitasoy Australia, being an indirect non-wholly owned subsidiary of the Company. Therefore BDD Milk Pty Ltd was a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. As such, the Transition Services constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. However, as the relevant percentage

ratios in relation to the Transition Services were less than 1%, the Company is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A 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 are advised to exercise caution when dealing in the securities of the Company.

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 that is held by National Foods by exercise of the Call Option pursuant to the Shareholders' Agreement;
“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;

“Completion”	has the meaning given to it under the section headed “3. Completion of the Shares Transfer” of this announcement;
“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 exercised the Call Option;
“Expert”	has the meaning given to it under the section headed “2. 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 Limited, a company incorporated with limited liability in Victoria, Australia with ACN 051 195 067;
“Second Announcement”	has the meaning given to it under the section headed “1. BACKGROUND” of this announcement;

“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;
“Shares Transfer”	has the meaning given to it under the section headed “3. Completion of the Shares Transfer” of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transition Services”	has the meaning given to it under the section headed “4. TRANSITION ARRANGEMENTS” of this announcement;
“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\$5.6, 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, 30th January, 2023

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.