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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)

SUPPLEMENTAL ANNOUNCEMENT –

(1) DISCLOSEABLE TRANSACTIONS IN RELATION TO THE DISPOSAL OF 35% EQUITY INTEREST IN AMALTHEA AND THE GRANT OF PUT OPTION; AND (2) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE ENTERING INTO OF A SUPPLY AGREEMENT

Reference is made to the announcement of Ausnutria Dairy Corporation Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 July 2026 (the “**Announcement**”) in relation to, among other things, (i) the Disposal; (ii) the grant of the Put Option; and (iii) the Supply Agreement. Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless otherwise specified.

In addition to the information provided in the Announcement, the Company would like to provide supplemental information regarding (i) the Disposal; (ii) the grant of the Call Option and the Put Option; and (iii) the Supply Agreement.

THE SHARE PURCHASE AGREEMENT

Basis for determining the Consideration

The Consideration was determined after arm’s length negotiations between Ausnutria B.V. and A-ware based on the equity value of Amalthea of approximately EUR45 million. Such equity value was derived from a base enterprise value (“**EV**”) of Amalthea of approximately EUR39 million, excluding Dairy Protein Cooperation Food B.V. (“**DPC**”) as it was only consolidated into Amalthea in late 2024, which was less than a year before the agreed financial cut-off date for determining the Consideration pursuant to the Share Purchase Agreement (i.e. 1 July 2025 (the “**Agreed Financial Cut-off Date**”), aligning with the completion of A-ware’s due diligence). Given the short timeframe and the absence of any material developments in DPC’s business profile, as evidenced by DPC’s net asset value of approximately EUR0.7 million as at 31 December 2025, compared with EUR0.4 million and EUR0.5 million as at 31 December 2023 and 31 December 2024, respectively, and the fact that the value attributable to the 35% equity interests in DPC represented only approximately 1% of the total Consideration, both Ausnutria B.V. and A-ware commercially agreed to exclude DPC to ensure a consistent calculation methodology against historical baselines.

The base EV was calculated by applying an EV/EBITDA multiple of 8.5 to Amalthea's EBITDA of approximately EUR4.6 million. The same EV/EBITDA multiple was used in 2024 and was, to the best of the Company's knowledge, originally determined with reference to an exhaustive list of comparable European dairy companies (being Amalthea's principal industry) that were publicly listed in Europe. Based on the latest publicly available financial information for these comparable companies as at the Agreed Financial Cut-off Date and the signing date of the Share Purchase Agreement, the 8.5 EV/EBITDA multiple remained within the prevailing EV/EBITDA multiple range for those comparable companies and was therefore adopted for the Disposal. Such EBITDA represents the higher of the (i) EBITDA used back in 2024 (please refer to the announcement of the Company dated 4 July 2024 for further details); and (ii) average EBITDA of 2024 and 2025, in each case excluding DPC to ensure consistency in the calculation methodology. To arrive at the final negotiated equity value, the base EV was adjusted upwards by approximately EUR6 million, representing the net balance of cash, investments, interest-bearing debt and interest as at the Agreed Financial Cut-off Date. Pursuant to the Share Purchase Agreement, A-ware assumed all economic risks and rewards associated with the Sale Shares retrospectively with effect from the Agreed Financial Cut-off Date upon the Completion.

The Board is of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole, having considered, among other things, the following: (i) the EV/EBITDA multiple of 8.5 remained a highly relevant benchmark given the short time gap between its adoption in connection with the 2024 put option (please refer to the announcement of the Company dated 4 July 2024 for further details) and the Agreed Financial Cut-off Date. Furthermore, the Board also considers 1 July 2025 to be a reasonable financial cut-off date for determining the Consideration, as A-ware assumed the risks and rewards of the Sale Shares from such date onwards pursuant to the Share Purchase Agreement, thereby mitigating the Company's exposure to any potential material deviations in the financial performance of Amalthea during the intervening period up to the signing date. The current EUR45 million equity value represents a premium over the historical baseline implied 100% equity value of approximately EUR44 million established by the 2024 put option demonstrating the preservation of Amalthea's baseline value; (ii) utilising the negotiated EBITDA of approximately EUR4.6 million was highly beneficial to the Company in maximising the valuation; and (iii) the long term business cooperation between Amalthea and A-ware pursuant to the Supply Agreement provides a commercially reasonable basis for projecting future revenue streams and production utilisation over the next ten years, which was taken into account as one of the factors in the parties' commercial negotiations, alongside the other factors set out in (i) and (ii) above and the annual volume commitment thereunder will lock in significant stability and revenue security for Amalthea in the next ten years.

Intended use of the net proceeds

The gross proceeds and net proceeds (after deducting the related costs and expenses) from the Disposal are approximately EUR17.2 million (equivalent to approximately HK\$153.4 million) and EUR17.0 million (equivalent to approximately HK\$151.6 million) respectively. The Company intends to primarily apply the net proceeds for debt repayment, thereby improving the Group's capital structure, lowering its gearing ratio and reducing finance costs. In the event that there is an imminent need for general working capital and/or promising future investment opportunities, the Group may allocate part of the net proceeds for such purposes as and when appropriate. The Board considers that such flexible allocation will enable the Group to respond promptly to changing market conditions and optimise the use of proceeds for the long-term benefit of the Company and the Shareholders.

As at the date of this announcement, the net proceeds from the Disposal have been fully utilised towards (i) the repayment of outstanding debt in the amount of EUR16 million, which matured on 22 July 2026; and (ii) the repayment of bank overdraft.

Information on A-ware

As at the date of the Announcement, A-ware is a wholly owned subsidiary of Royal A-ware, being a family-owned international dairy and food company based in the Netherlands. The ultimate beneficial owners of Royal A-ware are Mr. J. Anker and Mr. P. Bouter. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of A-ware and its ultimate beneficial owners is an independent third party and not connected to the Company and its connected persons as at the date of the Announcement prior to the Completion.

THE SHAREHOLDERS' AGREEMENT

The Put Option and Call Option

With reference to the Announcement, the Company would like to supplement the details of the Termination Event as follows:

Pursuant to the Supply Agreement, the Supply Agreement may only be terminated by the following independent triggering events:

- (1) by mutual written consent of both Amalthea and A-ware;
- (2) by Amalthea (as the supplier):
 - (a) in the event A-ware applies for bankruptcy, is declared bankrupt, has applied for a moratorium or has been provided a moratorium. In such case, Amalthea may terminate the Supply Agreement with immediate effect by written notice to A-ware; or
 - (b) in the event of a breach by A-ware of any material obligation under the Supply Agreement, which breach is not remedied within a reasonable period of at least six (6) months following written notice of default. In such case, Amalthea may terminate the Supply Agreement by giving three (3) months' written notice to A-ware; or
 - (c) in the event a force majeure event affecting A-ware continues for longer than 12 months. In such case, Amalthea may terminate the Supply Agreement with immediate effect by written notice to A-ware;
- (3) by A-ware (as the purchaser):
 - (a) in the event Amalthea applies for bankruptcy, is declared bankrupt, has applied for a moratorium or has been provided a moratorium. In such case A-ware may terminate the Supply Agreement with immediate effect by written notice to Amalthea; or
 - (b) in the event of a breach by Amalthea of any material obligation under the Supply Agreement, which breach is not remedied within a reasonable period of at least six (6) months following written notice of default. In such case, A-ware may terminate the Supply Agreement by giving three (3) months' written notice to Amalthea; or
 - (c) in the event a force majeure event affecting Amalthea continues for longer than 12 months. In such case, A-ware may terminate the Supply Agreement with immediate effect by written notice to Amalthea; or
 - (d) in the event A-ware and A-ware affiliates cease to hold shares in the share capital of Amalthea.

Basis for determining the Put Option Cap

The Put Option Cap was determined by Ausnutria B.V. and A-ware through arm's length negotiations, with both parties acting independently and in their respective commercial interests, in particular having considered the following key factors:

- (i) the base value represented by the initial Consideration paid for the Sale Shares in the amount of approximately EUR15.8 million;
- (ii) the projected aggregated retained earnings of Amalthea that would be attributable to the Sale Shares over the 10-year term of the Supply Agreement. While the Put Option is only exercisable upon the occurrence of a Termination Event under the Supply Agreement, the Put Option Cap represents the maximum theoretical financial exposure of the Company. To prudently determine this maximum exposure, the Board assumed a scenario where the Termination Event occurs towards the end of the 10-year term of the Supply Agreement. Under this assumption, Amalthea would have benefited from nearly a full decade of operational continuation, capital reinvestment, and business expansion under the Supply Agreement before termination triggers the Put Option. Therefore, the duration of the Supply Agreement is a highly relevant parameter in projecting the maximum possible net asset value and fair market value of Amalthea at the time the Put Option could be exercised;
- (iii) the agreement between both Ausnutria B.V. and A-ware, through arm's length negotiations and in their respective commercial interests, to cap the potential increment in the fair market value of the Sale Shares at approximately EUR40 million; and
- (iv) a buffer of approximately 10% was applied to account for the significant investments to be made by Amalthea during the term of the Supply Agreement, including the planned increase in plant production capacity, research and development costs associated with patents and new technologies and the potential for business expansion and value creation over the coming decade, all of which are expected to improve the production capacity, production efficiency and overall profitability of Amalthea.

The Board has also taken into account that the Exercise Price for the Put Option, when exercised, will be determined at the prevailing fair market value of the Sale Shares. This valuation will be based on, among other things, the 100% enterprise value of Amalthea, applied on a pro rata basis to the Sale Shares, taking into account relevant market, financial, and operational conditions at the relevant time.

In light of the above, the Board is of the view that the Put Option Cap, which is set at a level significantly higher than the initial Consideration, is necessary and appropriate as it provides sufficient flexibility to accommodate the expected substantial growth in Amalthea's fair market value over the 10-year period, driven by retained earnings, capacity expansion, innovation, and broader business development. If the Put Option is exercised, the actual price paid will still reflect the fair market value of the Sale Shares at that time (subject only to the contractual ceiling set by the Put Option Cap) and therefore the Put Option Cap will not override or undermine the Exercise Price mechanism.

The Board is of the view that the Put Option Cap serves strictly as a protective ceiling for the Company. If the fair market value of the Sale Shares at the time of the Termination Event is less than EUR62 million, the Company will only be obligated to pay the lower actual fair market value. The aforementioned structure strikes an appropriate balance such that it protects the Company's interests by capping its maximum potential exposure while giving A-ware reasonable comfort in a long-term strategic partnership that is expected to deliver significant value to both parties. Accordingly, the Board considers the Put Option Cap to be fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Listing Rules implications in relation to the Call Option

The grant of the Call Option constitutes a transaction under Rules 14.04(1)(b) and 14.73 of the Listing Rules. Pursuant to Rule 14.75(1) of the Listing Rules, as the exercise of the Call Option is at the discretion of the Group, only the premium (if any) on the grant of the Call Option is taken into consideration for the purpose of classifying the transaction.

As no premium has been paid or is payable by the Group in respect of the grant of the Call Option, the grant of the Call Option does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Pursuant to Rule 14.75(2) of the Listing Rules, the Company will comply with the relevant requirements under Chapter 14 of the Listing Rules at the time of exercise of the Call Option (if exercised).

THE SUPPLY AGREEMENT

Term and phase out period

As disclosed in the Announcement, save for early termination pursuant to the terms of the Supply Agreement, the Supply Agreement shall be for a term commencing from the Effective Date and expiring on the tenth (10th) anniversary thereof. No later than thirty-six (36) months prior to the Expiry Date, the parties to the Supply Agreement shall enter into negotiations with each other in relation to the entering into a new contract after the Expiry Date. These negotiations must be completed no later than twenty-four (24) months before the Expiry Date (the "**Negotiation Deadline**"). If agreement could not be reached by the Negotiation Deadline, the phase-out plan as set out in the Announcement shall commence from the start of contract year 10 until the end of contract year 13 (the "**Phase-Out Arrangement**"), which will then form part of the contractual commitment period.

As the entering into of a new contract for extension of the Supply Agreement or the commencement of the Phase-out Arrangement will be determined by the Negotiation Deadline, the Company will re-comply with the relevant requirements under Chapter 14A of the Listing Rules (including revising the annual caps thereunder, if needed): (a) if a new contract is entered into pursuant to the negotiations described above, at or before the time of entering into such new contract; or (b) if no new contract is entered into by the Negotiation Deadline, in respect of the transactions to be conducted under the Phase-Out Arrangement, in each case before the commencement of the Phase-Out Arrangement.

Details of the Annual Commitment

Amalthea shall sell and supply a volume of products not less than the Annual Commitment on a calendar year basis (or such pro-rated amount if the relevant calendar year is a shorter period than twelve months) to A-ware, which volume A-ware commits itself to purchase from Amalthea. The Annual Commitment was determined with reference to (i) the production capacity of the Plants before and after the plant capacity increase and relevant ramp up phase; and (ii) the expected demand of the products to be produced at the Plants by A-ware.

In the event that A-ware fails to off-take the required Annual Commitment, Amalthea shall endeavor to sell the relevant products to third-party customers. To the extent that such third-party sales cannot be fully realised (whether in terms of volume or price), A-ware is contractually obligated to pay and compensate Amalthea for the entire difference, without any limitation or cap.

This announcement is supplemental to and should be read in conjunction with the Announcement. The above additional information does not affect other information and content set out in the Announcement. Save as disclosed herein, the contents of the Announcement remain unchanged and shall continue to be valid for all purposes.

By Order of the Board
Ausnutria Dairy Corporation Ltd
Han Shixiu
Chairman

The PRC, 28 September 2026

As at the date of this announcement, the Board comprises Mr. Ren Zhijian (CEO), Mr. Bartle van der Meer and Mr. Zhang Zhi as the executive Directors; Mr. Han Shixiu (Chairman), Ms. Yan Junrong and Mr. Zou Ying as the non-executive Directors; and Mr. Ma Ji, Mr. Chen Fuquan and Mr. Aidan Maurice Coleman as the independent non-executive Directors.