AustAsia Group Ltd.
澳亞集團有限公司 *

(Incorporated in the Republic of Singapore with limited liability)
(Stock Code: 2425)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

On 21 July 2026, Shanghai AustAsia Food Co., Ltd.* (上海澳雅食品有限公司) (the "**Purchaser**"), being a wholly-owned subsidiary of the Company, and Meiji (China) Investment Co., Ltd.* (明治(中國)投資有限公司) (the "**Vendor**") entered into a conditional sale and purchase agreement (the "**SPA**") pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire equity interest (the "**Sale Equity Interest**") in a wholly-owned subsidiary of the Vendor to be established in the PRC (the "**Target Company**") for the purpose of holding the Target Business (as defined herein), for a consideration consisting of the Base Purchase Price of RMB320,000,000 and the Adjustment Amount (if any), subject to a cap on the Purchase Price of RMB350,000,000.

As a condition precedent to the Acquisition, the Vendor must complete the Pre-Completion Restructuring, which includes (i) the incorporation of the Target Company; (ii) the transfer of the Transferred Assets, the Target Subsidiaries and the Transferred Employees to the Target Company; and (iii) the transfer or novation of the Transferred Contracts.

Upon completion of the Pre-Completion Restructuring, the Target Company will operate the Target Business previously carried on by the Vendor.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Group will be consolidated into the Group's financial statements.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition to be contemplated under the SPA exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

In addition, as at the date of this announcement, the Vendor is a substantial shareholder (as defined under the Listing Rules) of the Company as a result of its interest in 155,451,785 Shares in the Company (representing approximately 15.85% of the entire issued share capital of the Company). Accordingly, the Vendor is a connected person (as defined under the Listing Rules) of the Company and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Based on the above, the Acquisition is subject to (i) the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In connection with the post-Completion operation of the Target Business, the Company expects to enter into the Transition Services Agreement with the Vendor to ensure a smooth transition of the Target Business to the Group and to enter into the Trademark Licence Agreement with Meiji Co., Ltd. ("**Meiji Japan**") for the continued use of certain trademarks. As the Vendor is a substantial shareholder of the Company and Meiji Japan is the holding company of the Vendor, these arrangements are expected to constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company will perform the relevant size tests under Chapter 14A of the Listing Rules upon signing of each of the final Trademark Licence Agreement and the final Transition Services Agreement, and will comply with the applicable requirements under Chapter 14A of the Listing Rules, including announcement, circular, annual review and/or independent shareholders' approval requirements, as applicable.

GENERAL

The EGM will be convened by the Company to seek the approval of the Independent Shareholders for the Acquisition. All Shareholders who have a material interest in the Acquisition, together with their associates, will be required to abstain from voting at the EGM.

As the Vendor is interested in 155,451,785 Shares in the Company (representing approximately 15.85% of the entire issued share capital of the Company), the Vendor is required to abstain from voting on the relevant resolution(s) concerning the Acquisition to be proposed at the EGM.

The Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Sun Patrick, Mr. Chang Pan, Peter and Mr. Li Shengli, to advise the Independent Shareholders on the Acquisition. None of the members of the Independent Board Committee has any interest in the Acquisition.

The Independent Board Committee will appoint Altus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Acquisition. The Independent Board Committee will form its view after obtaining and considering the advice from the Independent Financial Adviser.

A circular containing, among other things, (i) further details about the Acquisition; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) notice of the EGM; and (v) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders on or before 30 September 2026 as additional time is likely to be required for the Company to prepare and finalise certain data and information for inclusion in the circular.

Shareholders and potential investors of the Company should note that Completion is subject to certain Conditions Precedent which may or may not be fulfilled; and as the Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 21 July 2026, the Purchaser, being a wholly-owned subsidiary of the Company, and the Vendor entered into the SPA, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Equity Interest for a consideration consisting of the Base Purchase Price of RMB320,000,000 and the Adjustment Amount (if any), subject to a cap on the Purchase Price of RMB350,000,000.

THE SPA

The principal terms of the SPA agreed by the parties are summarized below:

Date: 21 July 2026

Parties: (i) the Purchaser, as purchaser; and

(ii) the Vendor, as vendor.

As a condition precedent to the Acquisition, the Vendor must complete the Pre-Completion Restructuring, which includes (i) the incorporation of the Target Company; (ii) the transfer of the Transferred Assets, the Target Subsidiaries and the Transferred Employees to the Target Company; and (iii) the transfer or novation of the Transferred Contracts.

Upon completion of the Pre-Completion Restructuring, the Target Company will operate the Target Business previously carried on by the Vendor.

Subject Matter

Pursuant to the SPA, the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Equity Interest.

Consideration of the Acquisition

The consideration for the Sale Equity Interest is the Purchase Price to be paid by the Purchaser, consisting of the Base Purchase Price and the Adjustment Amount (if any), subject to a cap on the Purchase Price of RMB350,000,000.

The Base Purchase Price

Pursuant to the SPA, the Base Purchase Price is RMB320,000,000.

The Adjustment Amount

Pursuant to the SPA, if the consolidated net asset value of the Target Group as at the Completion Date is less than the reference net asset value of the Target Group, the Purchase Price shall be reduced by an amount equal to the shortfall amount; and if the consolidated net asset value of the Target Group as at the Completion Date is greater than the reference net asset value of the Target Group, the Purchase Price shall be increased by an amount equal to the excess amount, subject to a cap of RMB350,000,000. In the event the consolidated net asset value of the Target Group as at the Completion Date is equal to the reference net asset value of the Target Group, no adjustment shall be made to the Purchase Price.

Payment Terms

The consideration of the Acquisition shall be payable by the Purchaser to the Vendor as follows:

(1) RMB100,000,000, payable at Completion to the Vendor's designated bank account;

(2) in the event that the Target Group has, as at Completion, an aggregate cash balance exceeding RMB50,000,000, an amount equal to such excess (the "**Excess Cash Amount**"), payable within 1 month after the date of the relevant independent accountant's opinion confirming the cash balance of the Target Group; and

(3) the Purchase Price, after deducting the RMB100,000,000 and the Excess Cash Amount (if any), shall be payable within 24 months from the Completion Date, together with interest accruing at the rate of 3.8% per annum. The Purchaser may elect to make early payment of such balance of the consideration.

The Group currently expects to finance the consideration of the Acquisition by a combination of the Group's internal resources and external financing.

Security

The payment of the aforementioned balance of the consideration shall be secured by (i) an undertaking by the Company (as the Purchaser's parent company) in favour of the Vendor, inter alia, to provide funds to the Purchaser if the Purchaser fails to make payment of any amounts when due; and (ii) a pledge over a dedicated bank account of the Purchaser in favour of the Vendor, into which the Company will pay any monies payable to the Vendor under the aforementioned undertaking.

Conditions Precedent

Pursuant to the SPA, the Completion is conditional upon the fulfilment (or waiver, where applicable) of the Conditions Precedent under the SPA, which comprise the following:

(a) the Pre-Completion Restructuring having been completed in all material respects in accordance with the SPA, other than any steps expressly permitted under the SPA to be completed after Completion;

(b) the transaction documents and other implementation documents required for Completion having been duly executed or delivered, including the short form sale and purchase agreement for the purpose of the registration procedures with the State Administration for Market Regulation and other governmental procedures in the PRC, the Trademark Licence Agreement, the Transition Services Agreement and relevant undertaking and security documents;

(c) no governmental authority having newly enacted, issued, promulgated, enforced or entered any legislation, final, non-appealable decision or judgment, that is in effect as of the Completion Date and has the effect of making the transactions contemplated by the SPA illegal, or otherwise restraining or prohibiting their consummation, or causing them to be rescinded following Completion thereof;

(d) the relevant consent, confirmation or deemed satisfaction having been obtained under the relevant investment agreements with any governmental authority;

(e) the approval of the Shareholders of the Company (other than the Vendor) at an extraordinary general meeting in accordance with the Company's constitution and the Listing Rules;

(f) the representations and warranties of the Vendor and the Purchaser under the SPA remaining true, accurate, complete and not misleading in accordance with the terms set out in the SPA, and each party having performed in all material respects its obligations required to be performed on or before Completion; and

(g) the parties having completed the agreed Completion deliverables, including delivery of evidence of due incorporation and ownership of the Target Company, evidence of completion of the Pre-Completion Restructuring in all material respects, and creation and perfection of the agreed security arrangements for the deferred portion of the consideration of the Acquisition.

The parties shall have the right to jointly waive Conditions Precedent (a), (b) and (d). Conditions Precedent (c) and (e) cannot be waived. The fulfilling party shall fulfil and satisfy Conditions Precedent (f) and (g) unless such party is granted waiver thereof by the other party to the SPA. As at the date of this announcement, none of the Conditions Precedent set forth above has been fulfilled or waived.

Completion

Subject to the fulfillment or waiver of the Conditions Precedent (as the case may be), Completion will take place on the Completion Date. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Group will be consolidated into the Group's financial statements.

Termination

The SPA may be terminated at any time:

(a) by the mutual written agreement of the Vendor and the Purchaser;

(b) prior to Completion, by either party by written notice to the other party if the Conditions Precedent are not fulfilled (or waived, where applicable) on or before the date falling nine (9) months from the date of the SPA (or such later date as the parties may agree in writing), provided that such failure is not caused or materially contributed to by the terminating party; or

(c) prior to Completion, by either party by written notice to the other party if the other party materially breaches any of its obligations under the SPA and, where such breach is capable of remedy, such breach has not been remedied within 30 business days after receipt of a written notice specifying the breach in reasonable detail.

BASIS OF THE CONSIDERATION

The consideration of the Acquisition was determined after arm's length negotiation by the parties to the SPA. The Purchaser has considered various factors, including (i) the price-to-book (the "**P/B**") multiples (the "**P/B Multiple(s)**") of the comparable companies (the "**Comparable Companies**"); (ii) the pro forma financial statements of the Target Group set out in the paragraph headed "Carve-out Business Accounts" below; (iii) other factors set out in the paragraph headed "Reasons for and Benefits of the Acquisition" below; and (iv) the price adjustment mechanisms set forth in the paragraph headed "Consideration of the Acquisition" above.

P/B Multiples

The Target Group is principally engaged in the manufacturing, marketing and sale of dairy products in China. The business operates two manufacturing facilities and an established sales and distribution network, offering a portfolio of dairy products under the well-recognized Meiji brand and serving a broad customer base across China.

The Directors have considered the valuation of the following Comparable Companies:

	Comparable Companies	Nature of business	Principal place of business	Listing venue and stock code	P/B(Note)
1	Bright Dairy & Food Co., Ltd.	Producer and distributor of fresh milk and various dairy products	China	SSE: 600597	1.02 times
2	Beijing Sanyuan Foods Co., Ltd.	Manufacturer and distributor of dairy products, including liquid milk, fermented milk, milk powder, etc.	China	SSE: 600429	1.31 times
3	Xinjiang Terun Dairy Co., Ltd.	Producer and processor of dairy products engaging in the animal husbandry business	China	SSE: 600419	1.00 times
4	Guangdong Yantang Dairy Co., Ltd.	Producer of dairy products and milk beverages, including pasteurized milk, sterilized milk, yogurt, etc.	China	SZSE: 002732	1.32 times
5	Jiangxi Sunshine Dairy Co., Ltd.	Producer of low and room temperature dairy products, low and room temperature milk drinks, and milk powder	China	SZSE: 001318	1.94 times
	Average				1.32 times
	Median				1.31 times

Source: Factset, as of 20 July 2026. HK$1=RMB0.86669

Note:

P/B refers to the P/B Multiples based on the latest reported book value available as of 20 July 2026.

The selection of the Comparable Companies was based on the comparability of the overall industry sector. The comparable public companies were selected with reference to the following selection criteria:

(i) the companies are principally engaged in the manufacturing and sale of dairy products in the PRC, which is comparable to the Target Group; and

(ii) the companies are publicly listed and have publicly available financial and market information.

A list of five Comparable Companies that engage in similar business as the Target Group has been considered, in which these companies are considered to be representative. The Directors consider that the Comparable Companies provide a meaningful basis for comparison having regard to their business activities, geographical focus, and operating history. Although no two companies are identical, the Comparable Companies share certain business characteristics with the Target Group, including capital intensity, operational risks and industry dynamics, which are relevant factors commonly considered by investors when assessing valuation multiples.

The P/B Multiples of the Comparable Companies provided the Board with a relevant valuation benchmark in determining the consideration of the Acquisition. The Directors considered both the average and median P/B Multiples of the Comparable Companies. The Directors consider the median P/B Multiple to be a more appropriate reference point as it is less affected by outliers and therefore better reflects the central tendency of the Comparable Companies.

The P/B Multiple of 0.64 times[1] represents approximately 51.1% discount to the median P/B Multiple of Comparable Companies of 1.31 times and approximately 51.5% discount to the average P/B Multiple of Comparable Companies of 1.32 times.

Furthermore, the Directors consider the P/B multiple to be a more appropriate valuation benchmark than other commonly used valuation multiples, such as the price-to-sales ratio, enterprise value/ earnings before interest, taxes, depreciation, and amortization (the "**EV/EBITDA**") ratio and price-to-earnings ratio, because: (i) the Target Group has recorded net losses in recent periods, rendering the price-to-earnings ratio less meaningful for valuation purposes; (ii) the EV/EBITDA ratio may not fully reflect the value of the Target Group, given its loss-making position and significant manufacturing asset base; (iii) while the price-to-sales ratio reflects revenue generation, it does not take into account differences in profitability, asset intensity and operating efficiency among companies.

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1 The P/B multiple of 0.64 times is based on the cap on the Purchase Price over the unaudited consolidated net assets of the Target Group set forth in the paragraph headed "Financial Information".

Carve-out Business Accounts

As the Acquisition is conditional upon the completion of the Pre-Completion Restructuring, the Carve-out Business Accounts were prepared on a pro forma basis to reflect the financial position of the Target Group, including: (i) the pro forma profit and loss statement of the Target Group for the financial year ended 31 December 2024, and the financial year ended 31 December 2025; and (ii) the pro forma balance sheet of the Target Group for the financial year ended 31 December 2025.

The Directors therefore considered the pro forma net asset value to be the most relevant measure of book value for the purpose of applying the adopted P/B Multiple in determining the consideration of the Acquisition.

Other Factors

Moreover, the Board has taken into account various strategic and qualitative considerations as detailed in the paragraph headed "Reasons for and Benefits of the Acquisition" below, including the potential operational and commercial synergies arising from the integration of the Target Business with the Group's existing dairy operations.

The Directors consider that the Target Business is strategically complementary to the Group's existing business and is expected to strengthen the Group's downstream presence, enhance value chain integration and improve operational efficiency, thereby supporting the Group's long-term business strategy.

Having considered the factors set out above, the Directors are of the view that the consideration of the Acquisition is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE TARGET GROUP

The Target Company is a company to be established in the PRC with limited liability and will be wholly owned by the Vendor. Upon completion of the Pre-Completion Restructuring, the Target Company will hold the entire equity interest in Meiji Suzhou and Meiji Tianjin.

Meiji Suzhou and Meiji Tianjin are principally engaged in the manufacture of dairy products (including milk, yogurt and cream) in the PRC.

Financial Information

Set out below is the unaudited net profit before and after taxation of the Target Group prepared on the assumption that the Pre-Completion Restructuring has been completed at the beginning of the relevant periods:

	For the year ended 31 December	
	2024	**2025**
	Unaudited	*Unaudited*
	RMB'000	*RMB'000*
Net profit (loss) before taxation	(144,322)	(155,865)
Net profit (loss) after taxation	(149,120)	(155,865)

The unaudited consolidated net assets of the Target Group as at 31 December 2025 (assuming completion of the Pre-Completion Restructuring) was approximately RMB548 million.

INFORMATION ABOUT THE GROUP AND THE PURCHASER

The Company is a company incorporated under the laws of Singapore with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 2425) and is an investment holding company operating its business through its subsidiaries. The Group is principally engaged in the raw milk, beef cattle and ancillary businesses in the PRC, including dairy cow breeding and farming, production and sales of raw milk, beef cattle breeding and farming, sales of beef cattle, feed processing and sales of feed products, and sales and distribution of milk products.

The Purchaser is a wholly-owned subsidiary of the Company and its principal business is the sales and distribution of milk products in the PRC.

INFORMATION ABOUT THE VENDOR

The Vendor is principally engaged in the businesses of the manufacture and sale of milk, yogurt, ice cream and confectionery in the PRC and is a wholly-owned subsidiary of Meiji Japan, a major food company established in Japan with global operations. Meiji Japan in turn is a subsidiary of Meiji Holdings (a company listed on the Tokyo Stock Exchange), a global food and pharmaceutical group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in, among others, dairy farming business, and production and sales of high-quality raw milk.

The Board believes that the Acquisition represents a strategic opportunity for the Group to expand its business scope beyond raw milk production and strengthen its position across the dairy value chain.

The Target Group's dairy manufacturing operations are a natural downstream extension of the Group's raw milk production capabilities. Following Completion, the Group will be able to integrate its operations across milk sourcing, processing and sales, enabling a greater proportion of its self-produced raw milk to be processed through the Target Group's manufacturing facilities. The Acquisition is expected to improve demand visibility for the Group's raw milk production, thereby reducing its reliance on third-party customers for raw milk sales and mitigating its exposure to raw milk price volatility and cyclical market fluctuations.

The Acquisition will provide the Group with access to established dairy manufacturing facilities, together with existing production capacity, equipment and technical know-how. As the Target Group currently possesses certain established processing capacity with relatively low utilization rates, the Group intends to introduce its existing business volume following Completion to increase production capacity utilization. This is expected to dilute fixed costs, enhance production efficiency, improve supply chain coordination and strengthen overall cost competitiveness.

The Acquisition will provide the Group with access to the Target Group's established customer relationships and distribution network in the PRC. By leveraging the Target Group's existing business-to-business and business-to-customer channels, the Group expects to broaden its market reach and strengthen its presence across a wider range of customer segments. The Acquisition is also expected to diversify the Group's revenue streams, expand its customer base and reduce customer concentration risk. In addition, the broader sales and distribution network is expected to improve the stability and resilience of the Group's revenue and cash flow profile.

The Acquisition will enable the Group to leverage the Target Group's established brand recognition, customer relationships and market presence in the PRC dairy market. The Directors believe that these existing market positions may facilitate customer retention and support the Group's future business expansion and market penetration following Completion.

The Directors (excluding the independent non-executive Directors whose views will be contained in the circular after considering the advice from the Independent Financial Adviser) consider that the Acquisition was negotiated on an arm's length basis and is on normal commercial terms, and the terms and conditions of the Acquisition are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

None of the Directors has any material interest in the Acquisition nor is required to abstain from voting on the Board resolution(s) in relation to the Acquisition.

CONTINUING CONNECTED TRANSACTIONS

The Company expects to enter into the Transition Services Agreement with the Vendor to ensure a smooth transition of the Target Business to the Group and to enter into the Trademark Licence Agreement with Meiji Japan for the continued use of certain trademarks. As the Vendor is a substantial shareholder of the Company and Meiji Japan is the holding company of the Vendor, these arrangements are expected to constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The detailed terms and annual caps of the Trademark Licence Agreement and the Transition Services Agreement will be negotiated and determined after publication of this announcement. The Company will perform the relevant size tests under Chapter 14A of the Listing Rules upon signing of each of the final Trademark Licence Agreement and the final Transition Services Agreement, and will comply with the applicable requirements under Chapter 14A of the Listing Rules, including announcement, circular, annual review and/or independent shareholders' approval requirements, as applicable.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition to be contemplated under the SPA exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

In addition, as at the date of this announcement, the Vendor is a substantial shareholder (as defined under the Listing Rules) of the Company as a result of its interest in 155,451,785 Shares in the Company (representing approximately 15.85% of the entire issued share capital of the Company). Accordingly, the Vendor is a connected person (as defined under the Listing Rules) of the Company and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Based on the above, the Acquisition is subject to (i) the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Trademark Licence Agreement and the Transition Services Agreement are expected to involve ongoing transactions between the Target Group (which will become part of the Group upon Completion) and connected persons of the Company (being associates of the Vendor or the Vendor itself). Accordingly, these arrangements are expected to constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company will perform the relevant size tests under Chapter 14A of the Listing Rules upon signing of each of the final Trademark Licence Agreement and the final Transition Services Agreement, and will comply with the applicable requirements under Chapter 14A of the Listing Rules, including announcement, circular, annual review and/or independent shareholders' approval requirements, as applicable.

GENERAL

The EGM will be convened by the Company to seek the approval of the Independent Shareholders for the Acquisition. All Shareholders who have a material interest in the Acquisition, together with their associates, will be required to abstain from voting at the EGM.

As the Vendor is interested in 155,451,785 Shares in the Company (representing approximately 15.85% of the entire issued share capital of the Company), the Vendor is required to abstain from voting on the relevant resolution(s) concerning the Acquisition to be proposed at the EGM.

The Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Sun Patrick, Mr. Chang Pan, Peter and Mr. Li Shengli, to advise the Independent Shareholders on the Acquisition. None of the members of the Independent Board Committee has any interest in the Acquisition.

The Independent Board Committee will appoint Altus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Acquisition. The Independent Board Committee will form its view after obtaining and considering the advice from the Independent Financial Adviser.

A circular containing, among other things, (i) further details about the Acquisition; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) notice of the EGM; and (v) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders on or before 30 September 2026 as additional time is likely to be required for the Company to prepare and finalise certain data and information for inclusion in the circular.

Shareholders and potential investors of the Company should note that Completion is subject to certain Conditions Precedent which may or may not be fulfilled; and as the Acquisition may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“Acquisition”	the acquisition of the Sale Equity Interest by the Purchaser from the Vendor
“Adjustment Amount”	the adjustment amount of the consideration of the Acquisition as determined in accordance with the details as set forth in “Consideration of the Acquisition” section of this announcement
“associates”	has the meaning ascribed to it under the Listing Rules
“Base Purchase Price”	RMB320,000,000, being the base purchase price of the consideration of the Acquisition
“Board”	the board of Directors
“Company”	AustAsia Group Ltd., a company incorporated under the laws of Singapore with limited liability on 17 April 2009, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 2425)

"Completion"	the completion of the Acquisition
"Completion Date"	the date which is the last calendar day of the calendar month in which the last of the Conditions Precedent are fulfilled or waived (as the case may be), or such other date as may be agreed between the Purchaser and the Vendor in writing
"Condition(s) Precedent"	the conditions precedent to Completion, details of which are set forth under "Conditions Precedent" section in this announcement
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for considering and, if thought fit, approving the Acquisition
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board, comprising all independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the Acquisition
"Independent Financial Adviser"	Altus Capital Limited, a licensed corporation to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Independent Shareholders"	the Shareholders other than the Vendor and its associates
"Independent Third Party(ies)"	party or parties that, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is or are not the Group's connected person(s), within the meaning of the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Meiji Holdings" or "Meiji"	Meiji Holdings Co., Ltd. (a company listed on the Tokyo Stock Exchange)
"Meiji Suzhou"	Meiji Dairies (Suzhou) Co., Ltd.* (明治乳業(蘇州)有限公司), a company established under the laws of the PRC with limited liability and will become a wholly-owned subsidiary of the Target Company upon completion of the Pre-Completion Restructuring

"Meiji Tianjin"	Meiji Dairies (Tianjin) Co., Ltd.* (明治乳業(天津)有限公司), a company established under the laws of the PRC with limited liability and will become a wholly-owned subsidiary of the Target Company upon completion of the Pre-Completion Restructuring
"PRC" or "China"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Pre-Completion Restructuring"	the restructuring plan as stipulated under the SPA, comprising (i) the incorporation of the Target Company; (ii) the transfer of the Transferred Assets, the Target Subsidiaries and the Transferred Employees to the Target Company; and (iii) the transfer or novation of the Transferred Contracts
"Purchase Price"	the purchase price of the consideration of the Acquisition, being the sum of the Base Purchase Price and the Adjustment Amount
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"SSE"	the Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"SZSE"	the Shenzhen Stock Exchange
"Target Business"	comprises (a) the dairy product sales business conducted by the Vendor through the Transferred Assets, the Transferred Employees and the Transferred Contracts, and (b) the dairy production business of the Target Subsidiaries
"Target Group"	the group of companies comprising the Target Company and the Target Subsidiaries
"Target Subsidiaries"	Meiji Suzhou and Meiji Tianjin
"Trademark Licence Agreement"	the trademark licence agreement to be effective from the Completion Date and expected to be entered into between Meiji Japan as licensor and the Target Company as licensee in connection with the post-Completion operation of the Target Business

"Transferred Assets"	the assets which relate to the Target Business and are intended, pursuant to the Pre-Completion Restructuring, to be transferred to the Target Company
"Transferred Contracts"	the contracts to which the Vendor, or its affiliates, is a party, which relate to the Target Business and are intended, pursuant to the Pre-Completion Restructuring, to be transferred or novated to, or otherwise assumed by the Target Company
"Transferred Employees"	the employees which relate to the Target Business and are intended, pursuant to the Pre-Completion Restructuring, to be transferred to the Target Company
"Transition Services Agreement"	the transition services agreement to be effective from the Completion Date and expected to be entered into between the Vendor, as service provider, and the Target Company in connection with the post-Completion operation of the Target Business
"%"	per cent

By order of the Board
AustAsia Group Ltd.
YANG Ku
Executive Director and CEO

Hong Kong, 21 July 2026

As at the date of this announcement, the Board comprises Mr. TAN Yong Nang as Executive Chairman, Mr. YANG Ku as Executive Director and Chief Executive Officer, Mses. GAO Lina and Gabriella SANTOSA as Non-executive Directors, and Messrs. SUN Patrick, CHANG Pan, Peter and LI Shengli as Independent Non-executive Directors.

* *For identification purpose only*