



SCHEME MEETING
30 November 2016

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- On 4 August 2016, Vitaco Holdings Limited (“Vitaco”) announced that it had entered into a Scheme Implementation Deed with SIIC Medical Science and Technology (Group) Limited (a subsidiary of Shanghai Pharmaceuticals Holding Co., Ltd), PV Zeus Limited (a subsidiary of Primavera Capital Fund II L.P) (together, the “Consortium”), Primavera Capital Fund II L.P, acting through its general partner Primavera Capital GP II Ltd, and Shanghai Pharmaceuticals Holding Co., Ltd
- Under the terms of the Scheme Implementation Deed, the Consortium will acquire 100% of Vitaco shares by way of a Scheme of Arrangement (“Scheme”)
- If the Scheme is approved and implemented, Vitaco shareholders who are not Management Shareholders¹ will receive a total cash payment of \$2.2204 per Vitaco share (representing \$2.25 per Vitaco share less the Permitted Dividend of A\$0.0296 per Vitaco share paid to Vitaco shareholders on 30 September 2016)
- Full details of the Consortium’s proposal are contained within the Scheme Booklet sent to Vitaco shareholders and uploaded to the ASX
- Your Directors have carefully considered the Consortium’s proposal and unanimously recommend that you vote in favour of the Scheme
- The Independent Expert has determined that the Scheme is fair and reasonable and consequently is in the best interests of Vitaco Shareholders in the absence of a Superior Proposal
- The escrow agent has confirmed that the full amount of the Scheme consideration in cash has been paid into the escrow account

¹ Management Shareholders (as defined in the Scheme booklet) will instead receive total value equivalent to \$2.2204 per Scheme Share (representing \$2.25 per Scheme Share less the amount of the Permitted Dividend) in a combination of cash and HK HoldCo Shares, being management shares in Zeus Investment Limited as described in the Scheme Booklet

Reasons to vote in favour of the Scheme



1

The **Vitaco Directors** unanimously recommend that you vote in favour of the Scheme in the absence of a superior proposal

2

The Independent Expert has concluded that the Scheme is **fair and reasonable and, therefore, in the best interests of Vitaco shareholders**

3

The Scheme consideration represents an **attractive acquisition multiple** of 14.7x EV/pro forma FY16 EBITDA

4

The Scheme consideration represents a **significant premium to the trading prices of Vitaco shares** prior to the announcement of the Scheme

5

The Scheme consideration provides you with **certainty of value** for your Vitaco Shares

6

Since the announcement of the Scheme, **no superior proposal** has emerged and the Vitaco Directors are not aware, as at the date of this Scheme Meeting, of any superior proposal that is likely to occur

7

The **price of Vitaco shares may fall** if the Scheme is not implemented

8

If the Scheme does not proceed, you will **continue to be subject to the risks and uncertainties** associated with the Vitaco business including volatile macroeconomic conditions and ongoing regulatory uncertainties in China as well as other general market risks

Reasons to vote against the Scheme



1

You may **disagree with the Vitaco Directors' unanimous recommendation** and the Independent Expert's conclusion and believe that the Scheme is not in your best interests

2

You may **prefer to participate in the future financial performance** of the Vitaco business

3

You may wish to **maintain your investment profile** in a publicly listed company with the specific characteristics of Vitaco

4

The **tax consequences** of the Scheme may not suit your individual financial position

5

You may consider that there is **potential for a superior proposal** to be made in the foreseeable future

6

The Scheme may be subject to **conditions** that you consider to be unacceptable

Status of Conditions Precedent to the Scheme



Clause	Condition	Status	Complete
3.1(a)	No restraints on transaction ordered by any court	To be satisfied on 6 December 2016 No restraint has been ordered to date	
3.1(b)(i)	ASIC and ASX consents, waivers, modifications or approvals issued and / or not withdrawn	To be satisfied on 6 December 2016	
3.1(b)(ii)	Foreign Investment Review Board ("FIRB") approval	FIRB approval received	✓
3.1(b)(iii)	N.Z. Overseas Investment Office ("OIO") approval	OIO approval received	✓
3.1(b)(iv)	People's Republic of China ("PRC") regulatory approval	Necessary PRC approval received	✓
3.1(c)	No Vitaco Prescribed Occurrence	To be satisfied on 6 December 2016 No Prescribed Occurrence has occurred to date	
3.1(d)	No Vitaco Material Adverse Change	To be satisfied on 6 December 2016 No Material Adverse Change has occurred to date	
3.1(e)	No Guarantor Prescribed Occurrence	To be satisfied on 6 December 2016 No Prescribed Occurrence has occurred to date	
3.1(f)	Vitaco Warranties true and correct	To be satisfied on 6 December 2016	
3.1(g)	Consortium Warranties true and correct	To be satisfied on 6 December 2016	
3.1(h)	Vitaco shareholder approval	To be determined today	
3.1(i)	Federal Court of Australia approval	Scheduled for 6 December 2016	
3.1(j)	Independent Expert report provided and not amended / withdrawn	Independent Expert report released on 26 October 2016, which concluded that the Scheme is in the best interests of Vitaco shareholders Not amended / withdrawn to date	

Timetable for implementation



If the Scheme is approved at the Vitaco Scheme Meeting and the Management Scheme Meeting:

Second Court Date for approval of the Scheme	Tuesday, 6 December 2016
Effective Date	
Court order lodged with ASIC and announcement to ASX	Tuesday, 6 December 2016
Last day of trading in Vitaco Shares – Vitaco Shares suspended from trading on ASX from close of trading	
Scheme Record Date for determining entitlements to Scheme consideration	7.00pm (AET) on Friday, 9 December 2016
Implementation Date	
Payment of Scheme consideration to Scheme Shareholders	Friday, 16 December 2016

- The purpose of this Scheme Meeting is to consider, and, if thought fit, to pass the following resolution:

‘That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modification as approved by the Federal Court of Australia).’

- In accordance with the Corporations Act, for the Scheme Resolution to pass, it needs to be approved on two bases:

Requirement 1

- A majority in number (more than 50%) of Vitaco shareholders present and voting at the Scheme Meeting (either in person or by proxy) must vote in favour of the Scheme Resolution; and

Requirement 2

- At least 75% of the total number of votes cast on the Scheme Resolution by Vitaco shareholders present and voting at the Scheme Meeting (either in person or by proxy) must be in favour of the Scheme Resolution

Summary of proxy votes



	For	Against	Open (Chair)	Open (Other)	Total votes	% For and Open (Chair)	Abstain
Proxy votes	70,359,442	856,399	327,814	5,072,217	76,615,872	70,687,256	9,071
<i>% of valid votes</i>	<i>91.83%</i>	<i>1.12%</i>	<i>0.43%</i>	<i>6.62%</i>	<i>100%</i>	<i>92.26%</i>	
Number of holders	439	109	68	9	625	507	7
<i>% of valid holders</i>	<i>70.24%</i>	<i>17.44%</i>	<i>10.88%</i>	<i>1.44%</i>	<i>100%</i>	<i>81.12%</i>	