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# FINANCIAL REVIEW

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HD Vitaco denies staff insider trading

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WC 403 words  
PD 3 November 2016  
SN [The Australian Financial Review](#)  
SC AFNR  
ED First  
PG 25  
LA English  
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LP Vitamins company Vitaco is adamant that none of its own staff were involved in the alleged insider trading in its shares in the lead-up to a \$314 million takeover bid by two Chinese firms on August 4 being investigated by the Australian Securities and Investments Commission.

Vitaco, which makes vitamins brands Healtheries, Nutra-Life and Wagner and also produces body-building protein powders under the Musashi brand, said on Wednesday that the ASIC insider trading probe was unlikely to impact the over-arching buyout by Shanghai Pharmaceuticals and Primavera Capital.

TD The ASIC investigation centres on the alleged trading of shares in Vitaco between July 22 and July 29 by five people in Melbourne. The bid was announced to the [ASX](#) on August 4.

One of the five people being investigated by ASIC works for a local subsidiary of Shanghai Pharma. Passports of four of the five suspects under investigation have been handed to the Federal Court in Melbourne after it ratified travel ban orders sought by ASIC, according to reports by Fairfax Media. Those under investigation are neighbours in Melbourne's affluent suburb of Canterbury.

Vitaco said in a statement to the [ASX](#) on Wednesday that none of its workers were involved.

"The alleged insider trading does not involve any of Vitaco's officers or employees," the company said.

It also said that it "does not expect" the outcome of ASIC's investigations to affect the transaction. Vitaco shareholders are scheduled to vote on the deal on November 30 at a meeting in Sydney.

The company said it was fully co-operating with ASIC on the investigations.

Vitaco has been on a roller-coaster ride since listing on the ASX in September 2015 after raising \$232 million in a public float at the height of a vitamins frenzy where demand from China from customers wanting to buy western products with a "clean and green" image led to a big spike in demand.

This helped larger rival Swisse achieve a hefty price tag in a \$1.67 billion sale of its business to Chinese firm Biostime International in late 2015.

The other big Australian vitamins company [Blackmores](#) watched its share price rise 10-fold to more than \$200 in 12 months on the strong demand, which has since dissipated somewhat after changes by authorities in China on e-commerce rules for foreign products.

CO pmvrac : Green Chemicals PLC | shafor : Shanghai Pharmaceuticals Holding Co Ltd | abodip : Vitaco Holdings Limited | ausic : Australian Securities and Investments Commission

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AN Document AFNR000020161102ecb30001q