

To: Business Editor
[For immediate release]



AUSNUTRIA DAIRY CORPORATION LTD
澳優乳業股份有限公司



**2015 Annual Revenue and Gross Profit Increased by
Approximately 7.0% and 4.0% Respectively**

12th Anniversary since Commencement
Dedicated to Becoming the World Leader in the Paediatric Milk Formula Industry and One
of the Leading Multinational Players in the Dairy Industry

[Hong Kong, 31 March 2016] **Ausnutria Dairy Corporation Ltd** (“Ausnutria” or the “Company”, together with its subsidiaries, the “Group”; stock code: 1717.HK), a paediatric milk formula company in the PRC and the Netherlands, today announced its annual results for the year ended 31 December 2015 (the “year under review”).

For the year under review, the Group recorded revenue of approximately RMB2,103.5 million, representing an increase of approximately RMB137.5 million or approximately 7.0% compared with the same period last year. Gross profit was approximately RMB590.0 million, an increase of approximately RMB22.8 million or approximately 4.0% compared with last year. Excluding the impact of the Inventory Write-Off, gross profit margin of the Group increased by 3.7%, mainly due to the increase in proportion of sales contributed by its own-branded business, in particular the Kabrita in China, the sale of which has increased from RMB259.4 million in the previous year to RMB461.0 million in 2015.

During the year, sales of the series of Kabrita products amounted to approximately RMB540.0 million, representing an increase of approximately 78.4% compared with the year in 2014. The compound annual growth rate in relation to the sales of Kabrita products since the launch of the brand in 2011 was 128.9%. According to the market research, Kabrita took up the largest market share among all imported goat milk powder-based infant formula in the PRC in 2015. Sale of its own brand paediatric cow milk formula was RMB649.7 million, achieving an average annual growth rate of 12.9%. For the year of 2015, the Group has further enhanced its own-branded business and reported sales rose by 33.8%, comparing with last year, which has created more capacities for the Group's future business profitability.

In January 2015, the Group entered into a share purchase agreement with Dutch Dairy Investments B.V. for the acquisition of the residual 49.0% equity interest in Ausnutria Hyproca B.V. (“Ausnutria Hyproca”) and the transaction has already been completed in mid

September. Ausnutria Hyproca has a complete production chain - from collecting fresh Dutch goat milk from farms to supplying finished goods. It is also one of the leading producers of goat milk products in the world. Upon completion of the acquisition, the Group now not only owns the entire interests in three factories and one new factory, which are all located in the Netherlands with sufficient supply of quality milk to support the growing market demand for quality infant formula worldwide, but also the entire business chain from milk collection to production, as well as the distribution of dairy products to worldwide customers.

In May 2015, Center Laboratories, Inc. ("Center Lab"), together with eight other institutions entered into a sale and purchase agreement with a former shareholder of the Company to acquire 197,368,600 shares in aggregate. The acquisition triggered a mandatory offer which was closed on 6 August 2015 and Center Lab is now the single largest shareholder of the Group, while the equity structure of the Company will be adjusted smoothly in the year. The Group believes that it could benefit from the support of Center Lab by leveraging on its R&D, quality control and management expertise in the pharmaceutical industry, which will also create long-term value to the Group's shareholders.

Mr. Yan Weibin, Chairman of the Group, said, "The year 2015 was the 12th anniversary of the Group since its business commencement. It was also a special year to the Company. Apart from the change of substantial shareholder and the completion of the Ausnutria Hyproca acquisition, the Group has successfully developed from a start-up selling Australian infant milk powder to a multinational player with an annual sales of over RMB2.0 billion contributed from customers worldwide."

The Group has realised the business potential and importance of the nutrition products for infants whom are over three years old. To meet the needs of the consumers and achieve product diversification, the Group will commence the business of functional liquid milk and establish a work force for the nutrition business in the PRC after 2015. Apart from continuously strengthening the research and development capabilities and the information technology system, the Group will also continue to increase the production capacity in the Netherlands. The trial production of the new factory in the Netherlands is targeted to commence in later 2016 or in early 2017, which will largely enhance the turnover and profitability of the Group.

Looking ahead, **Mr. Yan** concluded, "Due to the increasing public health awareness and the demand for higher food quality and safety standards in the global market, the dairy industry in China will continue to be challenging in the year ahead. However, it is anticipated that the market will continue to maintain a steady growth due to the relaxation of the one-child policy and the rising living standards in the PRC. Since the Group has established the infrastructure for the production, including the wholly-owned overseas production base in the Netherlands and the extensive distribution networks at home and abroad, it is expected that the Group will continue to gain the benefits from the industry reform and positive government policies in the long-run. By leveraging the solid foundation that we have developed and the capability in serving our own consumers, we believe the Group will continue to realise more businesses and maximize the value to our shareholders."

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About Ausnutria Dairy Corporation Ltd

Ausnutria Dairy Corporation Ltd is a leading paediatric milk formula company with its production facilities principally based in China and the Netherlands and engaged in the dairy industry with activities ranging from the research and development, milk collection, processing, production, packaging in the Netherlands and marketing and sales of dairy products to the PRC, Europe, North America, Middle East, Russia and CIS and other overseas countries. Ausnutria's factory in the PRC was among one of the first batch of factories in the PRC that succeeded in obtaining the renewed production license and the factories in the Netherlands were among the overseas paediatric milk formula manufacturers that succeeded in being approved as the first batch of registered overseas dairy products producers that were granted the registrations for exporting their products to the PRC under the New Policies.

Issued by Porda Havas International Finance Communications Group for and on behalf of **Ausnutria Dairy Corporation Ltd**. For further information, please contact us at ausnutria@pordahavas.com, or as below:

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