

To: Business Editor
(For immediate release)



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

Ausnutria Announces 1Q 2018 Results
Revenue and Profit Attributable to Equity Holders Increased
YoY 56.8% and 59.8% Respectively

Focuses on expansion in Global Market
Strategic Layout Continues to Achieve Prominent Effect

	Three months ended 31 March		Change
	2018 RMB Million (Unaudited)	2017 RMB Million (Unaudited)	
Revenue	1,177.8	751.3	+56.8%
Gross Profit	545.1	304.4	+79.1%
Profit Attributable to Equity Holders of the Company	103.9	65.0	+59.8%

(Hong Kong, 11 May 2018) **Ausnutria Dairy Corporation Ltd** (“Ausnutria” or the “Company”, together with its subsidiaries, the “Group”; stock code: 1717.HK), a company engages in the research and development, production and distribution of all dairy products (including infant formula) and nutrition products with production facilities principally based in the PRC, the Netherlands, Australia and New Zealand, is pleased to announce its unaudited consolidated results of the Group for the three months ended 31 March 2018 (“1Q 2018” or the “period under review”).

For the period under review, the Group recorded revenue of RMB1,177.8 million, representing an increase of RMB426.5 million, or 56.8% when compared with the corresponding period in 2017. The Group’s profit attributable to equity holders of the Company amounted to RMB103.9 million, representing an increase of RMB38.9 million or 59.8%, when compared with the corresponding period in 2017.

The improvement in the Group’s financial performance was mainly attributable to (i) the continuous fine tuning of the strategic plans of the Group’s core business, the own-branded formula milk powder products; (ii) the product differentiation, particularly the success in goat milk formula and organic infant formula; (iii) the improvements in the Group’s sales network; (iv) the increased public recognition of the high-quality standards of infant formula produced by the Group; and (v) the clear brand positioning which allowed the Group to penetrate different sectors and cater effectively to different market demands.

The Group actively improves its business layout. It conditionally agreed to acquire the remaining 15% interest in Hyproca Nutrition (Hong Kong) Limited (“HNHK” or the “Target Company”, together with its subsidiary, the “Target Group”) in February 2018. After the acquisition, the Group will further increase its stake in the Target Group as well as enhance its operating results and fully benefit from 100% of the cash flow streams and profit of the Target Group. In addition, it will facilitate better implementation of the operating philosophies and strategies of Ausnutria into the Target Group and hence improve the operational efficiency, as well as create a strong synergy with the Group’s comprehensive business. The resolution was successfully passed at the Extraordinary General Meeting on 11 May 2018.

Mr. Yan Weibin, Chairman of the Group, said “2018 is Ausnutria’s fifteenth year in business. With the focus of the economy of the PRC is transformed from velocity to quality, we will grab enormous opportunities for the food and nutrition enterprises in the PRC, and continue our efforts in developing its global market while having our foothold in the PRC, including expand in Taiwan, Hong Kong, and Korea, explore the South American market with focus on Brazil, and step up expansion in Southeast Asian countries such as Thailand and Singapore, with the supply from the Netherlands, Australia, and New Zealand. We firmly believe that our clear brand positioning coupled with the prominent effect of strategic layout taking our own-branded milk powder as core, as well as our sales network improvement will allow us to achieve ever-expanding growth results to create greater value for our consumers and shareholders.

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About Ausnutria Dairy Corporation Ltd.

Ausnutria Dairy Corporation Ltd is a leading infant milk formula company with production facilities principally based in the PRC, the Netherlands, Australia and New Zealand. The Company is engaged in the worldwide production, research, and sales of infant formula, adult milk and other dairy and nutrition products. It owns several famous infant formula and milk powder brands, including *Ausnutria* and *Kabrita*. Ausnutria’s factories in the PRC were among that first batch of factories that had been granted with the National Infant Formula Enterprise Production Permit. The factory in the Netherlands is also one of the first infant milk formula manufacturers to obtain import licenses for overseas products under the new policy in the PRC.

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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