

To: Business Editor
[For immediate release]



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

**Ausnutria to Acquire Australian Professional Nutrition
Company “Nutrition Care” at a Total Consideration of
Approximately RMB159.9 Million**

Entering the Booming International Health Care Product Market

[Hong Kong, 24 August 2016] Ausnutria Dairy Corporation Ltd (“Ausnutria” or the “Company”, together with its subsidiaries, the “Group”; stock code: 1717.HK), a paediatric milk formula company based in the PRC and the Netherlands, is pleased to announce today that on 24 August 2016 (after trading hours), Ausnutria and Nutrition Care Pharmaceuticals Pty Ltd. (“Nutrition Care”) entered into a Business Sale Agreement, under which Ausnutria will acquire the Business and the Assets of Nutrition Care at a consideration of AUD26.4 million (approximately RMB133.6 million), which will be satisfied by the payment of cash.

Additionally, under the Land Sale Contracts, Ausnutria will purchase the Properties of Nutrition Care at an aggregate consideration of AUD5.2 million (approximately RMB 26.3 million), which will be satisfied by the payment of cash. The total consideration for the Business, the Assets and the Properties is AUD31.6 million (approximately RMB159.9 million).

Upon completion, Ausnutria will own the Business (which it is TGA licensed), the Assets and the Properties and will be immediately be able to continue and develop immediately the Business that was carried out by Nutrition Care. Nutrition Care is the leading provider of premium grade nutritional and herbal products that based in Australia. The turnover of the financial year ended 30 June 2016 was AUD12.7 million (approximately RMB64.3 million), and EBITDA recorded AUD798.8 thousand (approximately RMB4.042 million). The scope of the Business after acquisition is to develop the Nutrition Care business in Australia and overseas, which includes developing and exploiting the intellectual property rights in or derived from the “Nutrition Care” and “Brighthope” brands, to include products, services and education in the fields of complementary medicine, herbal medicines, nutraceuticals, cosmeceuticals, natural health products, nutrigenomics, epigenetics and related activities. It marks the official enters of Ausnutria to booming international health care product market.

Ausnutria has been committed to improving public nutrition and health standard by providing high quality dairy products and strong foundation. The Group has realised the business potential and importance of the nutrition products years before. Given the increasing health awareness globally and in particular the PRC where the living standard has been improving, the nutrition products segment has a great potential of high future growth.

Mr. Yan Weibin, Chairman of the Group, said, “We believe the acquisition of Nutrition Care represents an attractive opportunity to address a significant unmet need for nutrition products in the PRC and the globe. Nutrition Care, which was established in the 1970s and being one of the leading provider of premium grade nutritional and herbal products in the world, is highly complementary to our existing product portfolio and can create synergies with the existing business of the Group and is in line with the long term strategy of the Group. It will be a strong fit with Ausnutria’s experienced distribution and customer network and innovative marketing models, and is expected to enhance long-term revenue growth for the business.”

“Ausnutria has been endeavored to provide high-quality paediatric milk formula over the years. With our adjusted business strategy, improved operation performance of Netherland factories and our solid foundation, the Group has achieved strengthening performance and recorded profit attributable to the Shareholders of RMB101.5 million for the first half of 2016, representing an increase of 150.6% compared to same period last year. The Group is well positioned to capture further growth in the paediatric milk formula market. Now with the highest-standard certified factories of Nutrition Care, its fruitful product portfolio and expertise of Professor Ian and the specialists, Ausnutria is ready to maximize potential value return from different business sectors.” continued **Mr. Yan**.

Professor Ian Brighthope, Founder and Chairman of Nutrition Care, said, “Today marks the beginning of an exciting new chapter for Nutrition Care, which we believe will deliver significant value to the company and public. We have a deep respect for Ausnutria, and it is clear that they share our commitment to address the significant unmet nutrition needs in the world. We are confident that Ausnutria will help accelerate Nutrition Care’s important mission given the strength of its global platform and resources, so that we can take advantage of multiple growth opportunities.”

Upon completion of the Acquisition, Professor Brighthope will continue to be beneficially interested in 25% of the business and will be acting as the consultant. Besides, most of the employees have already committed to transfer. The Group believes such arrangement will facilitate a smooth transition as well as to expedite the Ausnutria’s development into the nutrition sector by leveraging on the expertise of Professor Brighthope and the management team as well as the strong distribution and customer network of the Group.

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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.

About Nutrition Care Pharmaceuticals Pty Ltd. ("Nutrition Care")

Nutrition Care is an Australian owned and operated innovator and manufacturer of premium grade nutritional and herbal products. Founded by Professor Ian Brighthope, one of the most eminent authorities on human nutrition across the globe, Nutrition Care's purpose is to utilize the most advanced production facility in Australia and supply vitamins, minerals, food supplements and herbal medicines to customers and distributors all over the world. Its manufacturing plant maintains the highest international quality standards and is committed to providing drug-free, inexpensive and effective health care products.

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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