

To: Business Editor  
[For immediate release]



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

**Ausnutria to Form the Joint Venture with Westland in New Zealand**

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***Seize the Advantage of High Quality Milk Source of Westland in New Zealand  
Better Serve China and Overseas Markets***

[Hong Kong, 29 September 2016] **Ausnutria Dairy Corporation Ltd** (“Ausnutria” or the “Company”, together with its subsidiaries, the “Group”; stock code: 1717.HK), a dairy company which specializes in the manufacture and distribution of infant formula with production facilities based in the PRC and the Netherlands, is pleased to announce today that Ausnutria and Westland, the second largest dairy co-operative in New Zealand, will form a Joint Venture to establish a new manufacturing plant at Rolleston in New Zealand for the production and sale of dairy based powder products, including infant milk powder, follow-up formulation and other nutrition products for kids and adults (the “Business”). The new manufacturing plant is designed with an annual production capacity of 30,000 tons and expected to be completed at the end of 2017. According to the plan, the first phase of the manufacturing plant is equipped with an annual production capacity of 15,000 tons.

Taking into account the amount of capital to be invested and the provision of the Shareholder Loan to the Joint Venture, total investment by Ausnutria in the Business is up to NZD36.5 million (equivalent to approximately RMB177.0 million).

Ausnutria China, an indirect wholly-owned subsidiary of the Company, and Westland entered into the Joint Venture Agreement for the purpose of establishing the Business in New Zealand. According to the agreement, Ausnutria China shall invest capital in the amount of NZD4.5 million (equivalent to approximately RMB21.8 million) in cash and Westland shall invest capital of NZD3.0 million (equivalent to approximately RMB14.6 million) by transferring ownership of a plot of land, which is adjacent to the existing manufacturing plant of Westland and with a site area of approximately 2.5 hectares at Rolleston in New Zealand (the “Land”), to the Joint Venture. According to the agreement, the Joint Venture will be owned as to 60% and 40% by Ausnutria China and Westland respectively, and the Joint Venture will be accounted for as a subsidiary of Ausnutria.

Further, Ausnutria China and the Joint Venture entered into the Shareholder Loan Agreement, pursuant to which Ausnutria China granted a facility of NZD32.0 million

(equivalent to approximately RMB155.2 million) to the Joint Venture to support the start-up of the Business, including the construction of the manufacturing plant, the purchase of the machinery and equipment as well as the formation of sound quality control system and management team.

According to the Agreements, Westland will provide its high quality milk based powder in New Zealand to the Joint Venture and the Joint Venture shall produce dairy based powder products, including but not limited to, infant formula and adult nutrition products under Ausnutria's own-brands for sale to its customers in the PRC as well as overseas countries.

**Mr. Yan Weibin, Chairman of the Group**, said, "We believe that the Joint Venture will be an important step for the Group to further capitalize on the advantage of high quality milk source in New Zealand which will facilitate us to exploit the PRC and overseas markets; and enhance our capabilities in the production of infant formula as well as adult nutrition products to cater for the continuous sale growth in the PRC as well as overseas countries. Establishing the Joint Venture has shown our confidence and determination on infant formula and adult nutrition in Chinese and the global market, and will also lay the foundation of Ausnutria's strategic development in Southeast Asia and Middle East.

Westland is the second largest dairy co-operative in New Zealand and has become one of the major suppliers of the Group since 2013. We are very pleased to form the Joint Venture with Westland and leverage on the advantages of Westland on pasture, abundant dairy resources, sophisticated technical services and the well-established management team in New Zealand. We can establish a company with infant and adult formula milk powder starting from a pasture, so as to provide customers with better quality products and services. We believe that the Joint Venture will mutually complement the two parties in their respective production, R&D, sales and marketing capabilities both on a local and international scale, achieving synergy effect of "one plus one greater than two".

Ausnutria has been endeavored to provide high-quality infant formula over the years. Echoing with the 'One Belt, One Road' national strategy, we has met strategic plan for establishing global entities in key milk production countries and integrated global resources to serve global markets. With continuous increase in sale of own-branded business following the completion of the Group's production facilities upgrading plan in the Netherlands in 2015, the Group has achieved strengthening performance and recorded profit attributable to equity holders of the Company of RMB101.5 million for the first half of 2016, representing an increase of 150.7% compared to same period last year. We believe that we will strive to keep the uptrend momentum and realize further increase of business in the long-term, hence to create better value for our customers as well as maximize value to shareholders."

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### **About Ausnutria Dairy Corporation Ltd**

**Ausnutria Dairy Corporation Ltd** is a leading infant formula company with its production facilities principally based in the PRC 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 infant 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. Recently, the Group has also extended its business into the manufacture and sale of nutrition products partly through the acquisition of Nutrition Care Pharmaceuticals Pty Ltd. (「Nutrition Care」), with production facilities based in Australia, as announced by the Company on 24 August 2016.

### **About Westland (“Westland”)**

**Westland** is a co-operative dairy company established in New Zealand. The principal business activities of Westland include the manufacture and sale of dairy products (including yoghurt) derived from milk sourced from the co-operative who are also the shareholders of Westland from its production facilities in New Zealand. The Westland group also conducts sale and marketing activities for dairy products under its own brands “Westland” and “EasiYo” 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](mailto:ausnutria@pordahavas.com), or as below:

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