

To: Business Editor  
(For immediate release)



**AUSNUTRIA DAIRY CORPORATION LTD**  
**澳 優 乳 業 股 份 有 限 公 司**

**Fifth Profit Alert in Past Two Years**  
**Reaping the Benefits of an Adjusted Business Strategy**  
**2017 Interim Results Expected to Show Continuous Growth**

**Sales of Own-branded Products and Profit Attributable to the Shareholders**  
**Expected to Surge by 50%**

(Hong Kong, 2 August 2017) **Ausnutria Dairy Corporation Ltd** (“Ausnutria” or the “Company”, together with its subsidiaries, the “Group”; stock code: 1717.HK), a leading dairy industry company with production facilities principally based in the PRC, the Netherlands and Australia, is engaged in the production and distribution of all dairy products (including infant formula) and nutrition products. Today, the Group is pleased to announce that it expects to record an increase of more than 50% in profits attributable to shareholders, in the range of RMB152 million to RMB158 million for the six months ended of 30th June 2017 (“2017 Interim Period”), compared with RMB101 million during the same period of 2016.

The Group’s expected growth in the first half year of 2017 was mainly driven by: (i) the restructuring of the strategical and business plan of the core business, the own-branded infant formula, of the Group which was preliminary proved to be effective; (ii) improvements of the overall organisational structure and sales network; (iii) clear brand positioning and the implementation of innovative business strategies which helped the Group effectively meet and satisfy different demands in the PRC market.

Reviewing the 2017 Interim Period, Ausnutria’s business development has made significant progress with its improved upstream industry chain and optimised business development strategy. In May, Ausnutrition Care Pty Ltd. (“Ausnutrition Care”), an indirect, wholly-owned subsidiary of the Company, and ADP Group Ltd. entered into the Australian Dairy Park Pty Ltd (“ADP”) SPD, under which Ausnutria will acquire the entire issued share capital of ADP Holdings. On the same date, Spring Choice, a direct, wholly-owned subsidiary of Ausnutria, and El Dorado Health Products Technology Pty Ltd. entered into the Oz SPD to acquire 50% of Ozfarm’s equity. The Group’s supply portfolio until now has extended from the Netherlands and New Zealand to Australia, and complements extremely well with the Group’s existing product line. At the same time, the Group has achieved a solid synergy with its existing businesses through its firmly established distribution system, customer network, and innovative marketing model. The two previously noted transactions were completed in early July this year. The Group has also been making continual progress in the establishment of its sales network.

For example, in line with plans to develop the market for its own-branded items (especially goat milk-based infant formula) in Taiwan, the Group entered into a joint venture with an established company in Taiwan that markets its own “YOULUCK” brand and has a well-established sales network through Spring Choice.

The Group has released updated profit alerts five times since May 2016. Thanks to the contributing factors mentioned previously, sales of both own-branded goat milk-based and cow milk-based infant formula recorded an increase of 50%, with results meeting the expectations.

**Mr. Yan Weibin, Chairman of the Group**, said “Since 2016, the Group has achieved continual increases in the sales of own-branded goat milk-based and cow milk-based infant formula products, which have been driven by a revised business strategy as well as enhanced business development and various breakthroughs. 2017 is the second year of Ausnutria’s ‘Golden Decade’ strategy. In accordance with the established plan, the Group will continue to accelerate research and development activities of its upstream supply chain in order to maintain the healthy growth of our core infant formula and new nutrition product operations. With new business opportunities for our nutrition products developing apace, the PRC sales network as well as new global business areas have also developed as planned. Demand for infant formula is still maintaining steady growth across the PRC, which presents encouraging market potential for the Group, having already gained valuable market and consumer recognition of our high-quality infant formula there. We firmly believe that our excellent brand positioning plus the on-going expanded sales of our own-branded infant formula will allow us to achieve further growth results. We will strive hard 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 paediatric milk formula company with production facilities principally based in the PRC, Netherlands and Australia. 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, among which Ausnutria and Kabrita are widely recognized as famous Chinese trademarks. 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 paediatric milk formula manufacturers to obtain import licenses for overseas products under the new policy.

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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