

To: Business Editor  
(For immediate release)



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

**The Results for 1Q 2018 Continues to Record a Significant Growth  
Announces the Positive Profit Alert for Seven Consecutive Times**

***Continuous expansion in Global Marketing Network  
Strategic Layout Achieves Prominent Effect***

(Hong Kong, 7 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 that it is anticipated that the Group will record a profit attributable to the Shareholders of approximately RMB100.0 million for the three months ended 31 March 2018 (“1Q 2018”), representing an increase of approximately 53.8% when compared with RMB65.0 million for the corresponding period of last year. The sales of the Group for 1Q 2018 is anticipated to increase by approximately 56.8% year-on-year to approximately RMB1.2 billion, among which the sales of the Group’s own-branded cow milk and goat milk formula products are anticipated to increase by approximately 82.1% and approximately 78.1% to each of approximately RMB0.5 billion. The Group has continuously announced the positive alert for seven times from 2016 to 1Q 2018.

During the review period, the Group incurred some one-off expenses in relation to product distribution and quality control totalling approximately RMB56.8 million. As a result, the profit attributable to the Shareholders for the 1Q 2018 has been reduced by approximately RMB42.6 million to approximately RMB100.0 million after taking into account the corresponding tax impact.

The continuous 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 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.

**Mr. Yan Weibin, Chairman of the Group**, said “With the effective adjustment and layout centered in own-branded infant formula, improving upstream industry chain and sales network, and clear brand position, the Group is able to meet the growing market demand and the business

of the Group is driven to improve. As to the core business, the sales of the own-branded infant formula continued to grow. The new factory in New Zealand, jointly developed with Westland, the second largest dairy cooperative in New Zealand, has completed the construction and received the production permit. After the completion of the Smart Factory in Wangcheng, Changsha city, the PRC in 2018, the Group will have ten factories around the world, thereby realising Ausnutria's strategy of maintaining a global supply chain network with premium milk sources. As to the global marketing network, the Group has further strengthened its distribution channel and deepened its global expansion through the acquisition of a 60% equity interest in Youluck International Inc. (a company established in Taiwan), a 50% equity interest in Ozfarm (a company established in Australia, owning the number one maternal women's milk powder brand in Australia) and the entire equity interests in ADP. In addition, the Company proposed to offer additional shares to CITIC Agri Fund Management Co., Ltd. ("CITIC Agri Fund"). After completion, CITIC Agri Fund will become the single largest shareholder of the Company, which will help optimize the asset-liability and shareholder structure of the Company, as well as consolidate the solid foundation of the Company. In the future, the Group will continue its effort in developing its global market, seize the opportunities both in China and overseas market, and enhance its sustainability. By continuing the mission of "Nourishing Life & Growth" and adhering to the quality of its products, the Group will make contribution to the health and well-being of humans and achieve better returns for our 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](mailto:ausnutria@pordahavas.com), or as below:

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