

To: Business Editor
(For immediate release)



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

**Acquisition of the remaining 30% equity interest in AUSNUTRITION CARE and
Acquisition of the remaining 25% equity interest in NUTRITION CARE**

***Increases the investment and strengthen the supply platform in Australia
Enhances Leading Global Market Position***

(Hong Kong, 17 December 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 Netherlands, Australia, New Zealand and the PRC, is pleased to announce on 17 December 2018 (after trading hours), Ausnutria Dairy (China) Co. Limited (“Ausnutria China”), a wholly-owned subsidiary of the Company, and ADP Group Limited (“ADP Group”) entered into the ANC Share Purchase Deed. Meanwhile, Ausnutrition Care Pty Ltd (“Ausnutrition Care”) and Bagley Street Investments Pty Ltd (“Bagley Street”) entered into the NCP Share Purchase Deed.

Pursuant to the ANC Share Purchase Deed, ADP Group has conditionally agreed to sell 13,928,571 issued and fully-paid ordinary shares of Ausnutrition Care, representing 30% of the issued share capital of Ausnutrition Care, to the Ausnutria China at the ANC Consideration of AUD13.74 million (equivalent to approximately HK\$78.59 million), which shall be settled by cash of AUD6.87 million (equivalent to approximately HK\$39.30 million) and the issue and allotment of 4,149,567 ANC Consideration Shares at the ANC Consideration Share Price of HK\$9.47 by the Company to the ADP Group upon ANC Completion. Ausnutrition Care will be 100% owned by the Ausnutria China and become an indirect wholly-owned subsidiary of the Company upon the completion.

Meanwhile, pursuant to the NCP Share Purchase Deed, Bagley Street has conditionally agreed to sell 7,500,000 issued and fully-paid ordinary shares of Nutrition Care Pharmaceuticals Pty Ltd (“Nutrition Care”), representing 25% of the issued share capital of

Nutrition Care, to Ausnutrition Care at the NCP Consideration of AUD7.90 million (equivalent to approximately HK\$45.19 million), which shall be settled by the issue and allotment of 4,954,824 NCP Consideration Shares at the NCP Consideration Share Price of HK\$9.12 by the Company to the Bagley Street upon NCP Completion. Nutrition Care will be 100% owned by Ausnutrition Care upon the completion. Further, Nutrition Care will become an indirectly wholly-owned subsidiary of the Company.

Ausnutrition Care is an investment holding company incorporated in Australia with limited liability and is principally engaged in dairy and nutrition businesses in Australia and overseas via its subsidiaries, namely ADP Holdings (Australia) Pty Ltd (“ADP”) and Nutrition Care. ADP owns one of the first two Australian factories holding the infant formula product import license granted by the PRC government. It is currently one of the fifteen infant formula manufacturing enterprises in Australia that succeeded in fulfilling the registration requirements of the Certification and Accreditation Administration of the People’s Republic of China. In addition, ADP has obtained Chinese Food and Drug Administration (“CFDA”) registrations for all the three brands (i.e. nine formulas) under its production. Among which, one of the three brands is the only CFDA approved organic infant milk formula in Australia. Further, all the milk powder products of Ozfarm under its own brand name *Oz Farm®* are manufactured by the factory owned by ADP. It is expected that full control in ADP can optimise integration with the entire production lines of infant milk formula and nutrition business of *Oz Farm®*. Besides, after the First NCP Acquisition completed in October 2016, the Group has expanded its business into nutrition and healthcare segment. The Group launched two nutrition products, namely *Gut Relief* in late 2016 and *Soforla* in late 2017, in the PRC market. The feedback from consumers on these two products is considered to be promising and encouraging. Revenue and operating performance derived from this sector have recorded a continuous growth. The NCP Acquisition is part of the Group’s plan to enlarge its product lines and expand its global presence and an important milestone.

Given (i) the outstanding qualifications of the factory owned by ADP, which are of paramount importance for the Group in strategic aspects; and (ii) the rapid growth in the international nutrition product market, the Board is of the view that ADP and Nutrition Care will grow steadily and positively contribute to the Group, and hence the further streamlining of the operations of ADP and Nutrition Care and the full control in Ausnutrition Care and its subsidiaries (including ADP and Nutrition Care) are in the long term interest of the Group.

Mr. Yan Weibin, Chairman of the Group, said “With the continuous implementation of ‘Healthy China’ strategy and the increasing consumption level, Chinese people pay more attention to health. Under the favorable policy environment and market prospect, the nutrition and health-care industry have a booming prospect. The acquisition of the remaining equity

interest in Ausnutrition Care and Nutrition Care can enhance better implementation of the operating philosophies and strategies of the Company into Ausnutrition Care and its subsidiaries to improve the operational efficiency and hence further strengthen the positions of the Group in both the infant milk formula and nutrition business sectors.”

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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 Netherlands, Australia, New Zealand, and the PRC. 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 “Kabrita”, “Allnutria” and “Hyproca”. 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:

Porda Havas International Finance Communications Group

Kelly Fung	+852 3150 6763	kelly.fung@pordahavas.com
Phoenix Fung	+852 3150 6773	phoenix.fung@pordahavas.com
Mandy Leung	+852 3150 6732	mandy.leung@pordahavas.com
Louise Liu	+852 3150 6753	louisey.liu@pordahavas.com
Christy Ng	+852 3120 6515	christy.ng@pordahavas.com