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To: Business Editor

(For immediate release)



## AUSNUTRIA DAIRY CORPORATION LTD

澳優乳業股份有限公司

### Remarkable Growth for 2018 Results Positive Profit Alert for Ten Consecutive Times

#### *Benefits from the Continuous Increase in Sales of Own-branded Products The Group's Income is Boosted by Acquisition*

(Hong Kong, 20 February 2019) **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. The Group is pleased to announce that it expects to record core profit attributable to equity owners of the Company in the range of approximately RMB 570.0 million to approximately RMB 590.0 million for the year ended 31 December 2018, excluding a one-off gain from other incomes, representing an increase of approximately 85.0% to 91.5% when compared with the corresponding figure of RMB308.1 million for the year ended 31 December 2017.

The sales of the Group for 2018 is anticipated to increase by approximately 37.5% to approximately RMB5.4 billion. Among which the sales of the Group's own-branded cow and goat milk formula products are anticipated to increase by approximately 50.0% and approximately 59.0% to approximately RMB2.4 billion and approximately RMB2.0 billion, respectively when compared with 2017.

During 2018, the Group recorded certain other income attributable to the gain on fair value changes of derivative financial instruments arising from the contingent consideration as a result of the Group's acquisition of the remaining 15.0% equity interest in a subsidiary in May 2018; and a one-off gain arising from the re-measurement of the previously held interest in a joint venture as a result of the acquisition of its remaining 50.0% equity interest in the joint venture in June 2018, of a total of approximately RMB53.6 million. Including the aforesaid other income, it is anticipated that the Group will record profit attributable to the equity owners of the Company in the range of approximately RMB624 million to approximately RMB644 million. The group has released profit alerts ten consecutive times from 2016 to 2018.

The continuous improvement in the Group's financial performance was mainly attributable to the continuous increase in the sales of the Group's own-branded cow and goat infant milk formula ("IMF") products particularly on the super premium segment, the goat IMF *Kabrita*, two of the organic cow IMF, namely *Neolac* and *Extrapure organic* and two of the Cow IMF, namely *Allnutria* and *Hyproca Hallary*. Such increase was mainly contributed by (i) the rising worldwide market recognition for the Group's own-branded goat milk formula products *Kabrita* for its high quality and nutrition value; (ii) the growing market recognition of the Group's own-branded formula milk products as a result of its quality, persistent effort in building distribution channels and delivering quality consumer service; (iii) the increase in production capacity following the commencement of production of two new factories in the Netherlands and the acquisition of a factory in Australia; (iv) the improvement in the overall operation efficiency, such as the improved production yield and operation efficiencies of the factories in both Netherlands and the People's Republic of China; and (v) the progressive enhancement of the Group's planning on the global logistics management.

**Mr. Yan Weibin, Chairman of the Group**, said "2018 was a harvest year for Ausnutria as the Group achieved satisfactory results in operation performance, product lines diversification, team building, management system and strategic layout of global supply chain. The year of 2019 is the 10th anniversary of Ausnutria 's listing. Over the past decade, we continue to develop our globalization process through years of hard work and efforts, namely the progressive building up of global milk source supply chain layout, the continuous product diversification, the gradual enhancement of our global sales network, and the establishment of our international team. The market is still full of challenges in 2019. We will constantly adhere to the 'Golden Decade' plan, adopt the firm strategies to boost business development, allocate more resources on R&D and enhance quality control systems, and to implement the necessary investment to achieve the control of core resources and the stability of the upstream supply. Through securing and ensuring the premium quality and service as well as stable supply, we commit that we will realize the strategic goal of 'Becoming the most trustworthy milk formula, nutrition and health-care enterprise in the world', achieve better results in future and maximize the value 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 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](mailto:ausnutria@pordahavas.com), or as below:

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