

To: Business Editor
[For immediate release]



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

**Achieves Significant Growth in 1Q 2019 Results
Positive Profit Alert for the Eleventh Consecutive Time**

***Own-branded Products Enjoy Continuous Popularity
Product Portfolio Further Enriched***

(Hong Kong, 6 May 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, the PRC, Australia and New Zealand, is pleased to announce that the Group expects to achieve a significant growth in results for the three months ended 31 March 2019 (“1Q 2019” or the “Period”), marking the Company’s eleventh consecutive time announcing a positive profit alert.

	1Q 2019 (million RMB)	1Q 2018 (million RMB)	Changes (%)
Revenue	1,515.0 ~ 1,535.0	1,177.8	↑28.6 ~ 30.3
Profit attributable to equity holders of the Company	146.0 ~ 154.0	103.9	↑40.5 ~ 48.2
Adjusted profit attributable to equity holders of the Company*	188.9 ~ 196.9	103.9	↑81.8 ~ 89.5

* Adjusted for the loss on the fair value change of derivative financial instruments in 1Q 2019

Driven by the surge in sales of the Group’s own-branded cow and goat milk formula products of approximately 34.1% when compared with that of 1Q 2018, the Group’s total revenue for 1Q 2019 is anticipated between RMB1,515.0 million and RMB1,535.0 million, representing an increase between 28.6% and 30.3% compared with the corresponding figure for 1Q 2018.

Moreover, the profit attributable to equity holders of the Company is anticipated to grow significantly by 40.5%-48.2%, from RMB103.9 million for 1Q 2018 to RMB146.0 million-RMB154.0 million. Excluding the loss of approximately RMB42.9 million on the fair value change of derivative financial instruments arising from the contingent consideration as a result of the Group's acquisition of the remaining 15% equity interest in a subsidiary in May 2018, the adjusted core profit attributable to the equity holders of the Company is anticipated between RMB188.9 million and 196.9 million, a soar of 81.8%-89.5% as compared with the same period last year. The significant growth is spurred by (i) the continuous increase in the sales of above-mentioned own-branded cow and goat infant milk formula products, which enjoy higher profit margin; and (ii) the progressive improvement in operational efficiency brought by the strategic steps taken during 2018 to optimize the Group's business chain.

With its existing products enjoying a wide recognition in the market, the Group also strives to enrich its product portfolio, aiming to strengthen its market position. Under the new Formulas Registration Requirement, all infant milk formula series in the PRC must be registered with the State Administration for Market Regulation of the PRC (the "SAMR"). During the Period, the Group has completed the registration of three additional series of infant formula in late March 2019, recording a total of fifteen series of the Group's infant formula registered with the SAMR.

Mr. Yan Weibin, Chairman of the Group, said: "This has been the 10th year since Ausnutria listed in the Hong Kong stock exchange market. This decade has witnessed the Group's transformation from an asset-light enterprise to an organization that owns over RMB1.6 billion in property, plant and equipment, and with ten factories around the world. We believe that the Group has become one of the few players in the PRC market that possesses an entire business chain: milk collection, R&D, overseas production facilities, and an extensive, firmly-established distribution network in the PRC. All these are the fruits of the hand-in-hand efforts by all staff during the past years. 'We Strive, We Achieve', as a motto adopted for the new year, is stimulating every of us to uphold our original faith in high quality and craftsmanship. We will continue to pursue excellence and dedicate ourselves to becoming the most trustworthy milk formula, nutrition, and health-care enterprise in the world."

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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, the PRC, Australia and New Zealand. The Company is engaged in the worldwide production, R&D, and sales of infant formula, adult milk formula and other dairy and nutrition products. It owns several famous infant formula 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 factories in the Netherlands and Australia of Ausnutria were also among 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:

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