

To: Business Editor

[For immediate release]



AUSNUTRIA DAIRY CORPORATION LTD

澳優乳業股份有限公司

2019 Interim Results Continues to Record a Significant Growth Announces the Positive Profit Alert for Twelfth Consecutive Times

*Giving Full Play to the Superiority of Full Industry Chain
Constantly Boosting Development of Self-owned Brands
With Solid Steps Implementing the 'Golden Decade' Strategic Plan*

Revenue	<p>Approximately RMB3,147.6 million, representing an increase of 21.9% when compared with the 1H 2018 (RMB2,582.4 million)</p> <p><i>Among which:</i></p> <p><i>Own-branded goat milk powder</i> – approximately RMB1,319.1 million, representing an increase of 45.3% when compared with the 1H 2018 (RMB907.8 million)</p> <p><i>Own-branded cow milk powder</i> – approximately RMB1,410.4 million, representing an increase of 20.7% when compared with the 1H 2018 (RMB1,168.7 million)</p> <p><i>Private Label</i> – approximately RMB418.1 million, representing a decrease of 17.4% when compared with the 1H 2018 (RMB505.9 million)</p>
Gross profit margin	Approximately 52.1%, representing an anticipated increase of 5.7pps when compared with the 1H 2018 (46.4%)
Adjusted profit attributable to equity holders of the Company	Approximately RMB434.9 million, representing an increase of 63.8% when compared with the 1H 2018 (RMB265.5 million)

(Hong Kong, 31 July 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 it is anticipated that the Group will record a significant increase in financial performance for the six months ended 30 June 2019 (“1H 2019” or the “Period”), marking the Company’s twelfth consecutive time announcing a positive profit alert.

The Group’s revenue for the 1H 2019 is anticipated to increase by approximately 21.9% to RMB3,147.6 million, when compared with the corresponding figure for the 1H 2018, mainly driven by the continuous increase in sales of the Group’s own-branded goat and cow milk formula products as a result of the continuous strengthening of sales network and brand building. Specifically, the Group’s own-branded goat milk formula products maintained its leadership in the niche market with a year-on-year increase in sales of 45.3% for the 1H 2019, while the sales the Group’s own-branded cow milk formula products recorded a respectable year-on-year growth of 20.7% for the Period.

During the Period, excluding the effect of the fair value change of derivative financial instrument for the 1H 2019, it is anticipated that the Group will record adjusted profit attributable to the equity holders of the Company of approximately RMB434.9 million, representing an increase of 63.8% when compared with the corresponding figure for the 1H 2018. Such increase was spurred by (i) the implementation of the Group’s strategic plans, particularly the continuous improvement of the upstream operational efficiency, streamlining of the global supply chain and enhancement in the product mix, and (ii) the improvement in business structure as a result of the rising proportion of the sales of the Group’s own-branded goat and cow milk formula products, which enjoy higher profit margin.

Mr. Yan Weibin, Chairman of the Group, said “The first half of 2019 has witnessed our solid steps implementing Ausnutria’s ‘Golden Decade’ strategic plan. On one hand, our reinforced efforts in marketing and branding have brought remarkable growth to the Company’s own-branded cow and goat milk formula products business. On the other hand, we adopted a new strategy to enter the full business chain of probiotic products in order to further diversify our nutrition product portfolio, integrate internal resources, and strengthen the construction of sales and service platform. Looking forward the next half, we will still stick to the motto ‘We Strive, We Achieve’ and spare no effort in pursuing excellence and quality in products, heading to become 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 the 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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