

To: Business Editor

[For immediate release]



AUSNUTRIA DAIRY CORPORATION LTD

澳優乳業股份有限公司

Ausnutria Expects the Sales of Own-Branded Formula Milk Powder Products for Q3 to Grow by Over 30% YOY

Announces Share Repurchase Plan and Progress of the Independent Review

(Hong Kong, 27 September 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 the updates on its financial performance, the Company’s share repurchase plan and the progress of the independent review, after trading hours yesterday. Meanwhile, the Company also makes a response to the unusual price and trading volume movements yesterday.

The Sales of Own-Branded Formula Milk Powder Products for Q3 Expected to Grow by Over 30% YOY

Ausnutria announces that the Group’s financial and operating position remain positive currently and the revenue growth in the past few years is expected to continue for the three months ended 30 September 2019, mainly contributed by the Group’s own-branded formula milk powder products. The Group expects that sales of its own-branded formula milk powder products for the three months ended 30 September 2019 will increase by more than 30% year-on-year.

Share repurchase

The Board of Ausnutria has resolved to conduct repurchase of shares (the “Share Repurchase”) in the open market from time to time at an initial aggregate consideration of HK\$100 million, and may resolve to further increase the scale of the Share Repurchase as and when considered appropriate. Ausnutria believes that a share repurchase in the present conditions will demonstrate the Company’s confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the shareholders. The Company also believes that its current financial resources would enable it to implement the Share Repurchase while maintaining a solid financial position.

Progress of the independent review

Previously, the short seller reports published by Blue Orca, a short seller, put forward 6 allegations against the Company. After numerous detailed clarifications, Ausnutria further established an independent review committee (the “IRC”), comprising all independent non-executive Directors, and the IRC has engaged Deloitte Advisory (Hong Kong) Limited as the independence consultant to conduct an independent review. The independent review will be conducted in two phases. Specifically, the phase 1 will cover Allegation 1, Allegation 2 and Allegation 3, and phase 2 will cover Allegation 4, Allegation 5 and Allegation 6.

On 16 September, Ausnutria announced the key findings of phase 1 independent review, indicating the short seller’s allegations groundless. The phase 2 of the independent review is being conducted as scheduled and is expected to be completed in October 2019. Further announcement(s) will be made by the Company to update the shareholders and potential investors the progress and key findings of phase 2 of the independent review in due course.

Unusual price and trading volume movements

Regarding the unusual price and trading volume movements yesterday, the Company is not aware of any reasons for such fluctuation and no inside information needs to be disclosed.

- End -

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:

Porda Havas International Finance Communications Group

Bunny Lee	+852 3150 6707	bunny.lee@pordahavas.com
Angela Shi	+852 3150 6778	angela.shi@pordahavas.com
Tracy Chen	+852 3120 6514	tracy.chen@pordahavas.com
Sarah Liang	+852 3150 6765	sarah.liang@pordahavas.com