



AUSNUTRIA DAIRY CORPORATION LTD

澳優乳業股份有限公司

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

The First Positive Profit Alert in the Dairy Products Industry in 2020 Continuous Development of Own-branded Products Boosted Increase in Revenue

Revenue	<p>Approximately RMB6,690.0 million to RMB6,745.0 million, representing an anticipated increase of 24.1% to 25.1% when compared with the Year 2018 (RMB5,389.6 million)</p> <p><i>Among which:</i></p> <p><i>Own-branded goat milk powder</i> – approximately RMB2,858.0 million to RMB2,868.0 million, representing an increase of 40.6% to 41.0% when compared with the Year 2018 (RMB2,033.4 million)</p> <p><i>Own-branded cow milk powder</i> – approximately RMB3,138.0 million to RMB3,168.0 million, representing an increase of 32.5% to 33.8% when compared with the Year 2018 (RMB2,368.0 million)</p> <p><i>Private label and others</i> – approximately RMB694.0 million to RMB709.0 million, representing a decrease of 28.3% to 29.8% when compared with the Year 2018 (RMB988.2 million)</p>
Profit attributable to equity holders of the Company	<p>Approximately RMB848.4 million to RMB878.4 million, representing an anticipated increase of 33.6% to 38.3% when compared with the Year 2018 (RMB635.1 million)</p>

Adjusted profit attributable to equity holders of the Company ¹	Approximately RMB912.0 million to RMB942.0 million, representing an anticipated increase of 56.8% to 62.0% when compared with the Year 2018 (RMB581.5 million)
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(Hong Kong, 19 February 2020) **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 year ended 31 December 2019 (the “Year 2019”), marking the Company’s fourteenth consecutive time announcing a positive profit alert.

The Group’s revenue for the Year 2019 is anticipated to increase by not less than 24.1% when compared with the corresponding figure for the Year 2018. The Board considers that such increase in revenue is mainly driven by the increase in sales of the Group’s own-branded goat and cow milk formula products by at least 40.6% and 32.5% respectively, when compared with that of the Year 2018, as a result of the continuous strengthening of sales network and brand building.

Excluding the effect of accounting loss, it is anticipated that the Group will record an adjusted profit attributable to the equity holders of the Company in a range of RMB912.0 million to RMB942.0 million, representing an increase of not less than 56.8% when compared with the corresponding figure for the Year 2018. Such increase was spurred by (i) better brand awareness and acceptance of the Group’s goat and cow brands in the market; (ii) the implementation of the Group’s strategic plans, in particular, continuous improvement of the upstream operational efficiency, streamlining of the global supply chain and enhancement in the product mix; and (iii) 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.

Mr. Yan Weibin, Chairman of the Group, said “In the year of 2019, the Group has accomplished remarkable achievement with efforts in strategic plan implement and business structure improvement. Since 2020, the outbreak of the novel coronavirus pneumonia epidemic has been affecting the whole country and various industries have been facing enormous challenges. At this particular time, all of our staff have been making efforts to overcome difficulties and ensure the Group’s normal operation, while the Group has been monitoring the development of the epidemic and taking steps and measures to protect our employees. Meanwhile, the Group has been actively fulfilling social responsibility, with five batches of donations of cash, medical supplies and nutrition

¹ Adjusted for the loss on the fair value change of derivative financial instruments in the Year 2019 of RMB63.6 million (Year 2018: gain of RMB22.3 million). In the Year 2018, also adjusted for a one-off net gain of RMB31.3 million arising from the re-measurement of an asset and the change in fair value of derivative financial instrument.

products to charities in the PRC which worth RMB44.0 million in total. Experiencing the epidemic, the society and market will propose higher demands and greater opportunities for companies on a mission to achieve science-based nutrition like Ausnutria. The Group will continue our efforts with strategic certainty, powerful innovation and execution to realize a steady and healthy long-term development, as well as contribute to the progress of healthy China and human society.”

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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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