



## AUSNUTRIA DAIRY CORPORATION LTD

澳優乳業股份有限公司

### 2020 Interim Results Continued to Record Significant Growth Announced Positive Profit Alert Sixteenth Consecutive Times

#### *Steady Growth of Own-Branded Products Product Portfolio Continuously Expanded*

Revenue	<p>Approximately RMB3,780.0 million to RMB3,870.0 million, representing an anticipated increase of 20.1% to 23.0% compared to 2019 Interim Period (RMB3,147.6 million)</p> <p><i>Among which:</i></p> <p><i>Own-branded cow milk powder</i> – approximately RMB1,730.0 million to RMB1,760.0 million, representing an increase of 22.7% to 24.8% compared to 2019 Interim Period (RMB1,410.4 million)</p> <p><i>Own-branded goat milk powder</i> – approximately RMB1,627.0 million to RMB1,657.0 million, representing an increase of 23.3% to 25.6% compared to 2019 Interim Period (RMB1,319.1 million)</p>
Profit attributable to equity holders of the Company	<p>Approximately RMB400.1 million to RMB420.1 million, representing an anticipated increase of 53.6% to 61.3% compared to 2019 Interim Period (RMB260.5 million)</p>

Adjusted profit attributable to equity holders of the Company <sup>1</sup>	Approximately RMB566.0 million to RMB586.0 million, representing an anticipated increase of 30.1% to 34.7% compared to 2019 Interim Period (RMB434.9 million)
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<sup>1</sup> Adjusted for the loss on the fair value change of derivative financial instruments in the 2020 Interim Period of RMB165.9 million (2019 Interim Period: RMB174.4 million).

(Hong Kong, 31 July 2020) **Ausnutria Dairy Corporation Ltd** (“Ausnutria” or the “Company”, together with its subsidiaries, the “Group”; stock code: 1717.HK), 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 anticipates the Group will record a significant increase in its financial performance for the six months ended 30 June 2020 (the “**2020 Interim Period**”), marking the Company’s sixteenth consecutive positive profit alert announcement.

The Group’s revenue for the 2020 Interim Period is anticipated to increase by not less than 20.1% compared to revenue recorded during the 2019 Interim Period. The Board of the Company (the “Board”) considers the increase in revenue is mainly attributed to increasing brand awareness and acceptance of the Group’s own-branded formula milk powder in the market. Yet, growth in the Group’s revenue in the second quarter of 2020 mildly slowed when compared with that in the first quarter of 2020. In late May 2020, the Company first became aware that there is overstocking of certain brands in the distribution level due to various effects after the outbreak of the coronavirus disease (COVID-19). To cater for such changes, the Company decided to take a conservative approach by moderating its delivery to its distributors for certain brands as a measure to optimize the stock level in the Group’s distribution channels. The Group expects its distribution channel optimization will not affect its long term strategies on the development of its own-branded formula milk powder and will benefit the Group and its distributors in the long run, albeit the adjustment will have a temporary impact on the financial performance of the Group in 2020.

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 RMB566.0 million to RMB586.0 million, representing an increase of not less than 30.1% compared to the corresponding figure for the 2019 Interim Period.

**Mr. Yan Weibin, Chairman of the Group**, commented, “In the first half of 2020, domestic and global economic production activities were affected to varying extent by the global outbreak of the COVID-19 pandemic. Since the outbreak, the Board regularly monitors the impact of the pandemic on consumer spending as well as the impact to the Group’s business. The Company has adjusted its business strategy and taken immediate steps to protect its market as it maintains its daily operation by quickly responding to customers new purchasing habits and cooperating with partners to create a more valuable ecosystem.

Meanwhile, the Group is actively fulfilling its social responsibility and has donated cash and materials worth more than RMB78 million in the first half of the year. In the future, the Group intends to continue upholding its mission of ‘Global Nutrition, Care for Growth’, by seizing new growth opportunities within the nutrition and health industry as it continues to strengthen its financial performance.”

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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](mailto:ausnutria@pordahavas.com), or as below:

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