

ABOUT AUSNUTRIA

CORPORATE PROFILE

Ausnutria is a listed company on the Stock Exchange (stock code: 1717). As one of the fast-growing companies in the industry, Ausnutria upholds its principles and works closely with its subsidiaries to create shared value with its stakeholders. The Group currently distributes products ranging from infant formula, toddler formula, adult formula, liquid milk to nutrition products in the PRC and over sixty other countries and regions.

The Group started by selling imported cow milk formula products in the PRC under the brand names of *Allnutria*, *A-choice* and *Best-Choice*. It later acquired Ausnutria B.V. (formerly the Hyproca Dairy Group) together with three factories in the Netherlands (all are wholly-owned subsidiaries of the Group now), and capitalised the opportunity in launching *Kabrita*, the Group's own-branded goat milk infant formula. Through a number of investments and acquisitions over the years, the Group continued to expand its product offerings, supply chain and sales network on a global level. In 2016, the Group further extended its business to the nutrition sector in the PRC through the sales of imported functional milk and the acquisition of a high-end nutritional business based in Australia, NCP. As at the date hereof, the Group owns ten factories in the PRC, the Netherlands, Australia and New Zealand, serving all age groups with quality products under multiple brands. Ausnutria believes that the Group is currently one of the few corporations that owns and operates an entire integrated business chain with milk sourced and produced from the golden milk zone in the world and products marketed and distributed in some of the fastest-growing markets in the world such as the PRC.



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Win-win with Business Partners

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NOURISHING LIFE & GROWTH

THE GROUP'S OWN BRANDS

佳贝艾特®
kabrita

alnutria
能立多

 **hyproca**
海普诺凯

Puredo
美纳多®

 **mygood**
美优高

Eurlate®

澳滋®
Oz Farm®

 **Nutrition Care**®
Products you can trust

合力素
Hollisure

悠蓝®
Neolac®

淳璀
ExtraPure

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BUSINESS HIGHLIGHTS IN 2018

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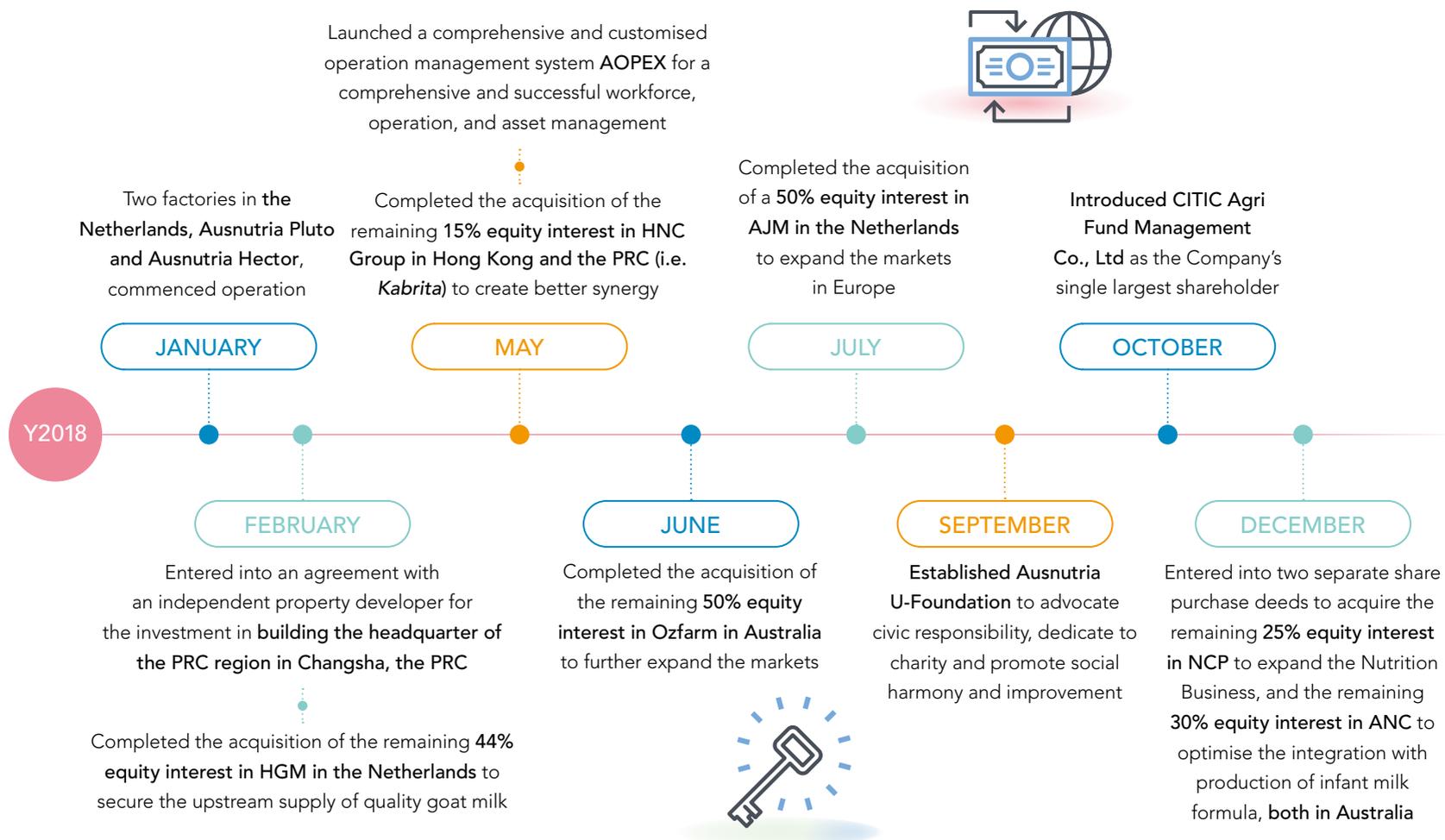
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MEMBERSHIPS

Ausnutria is mindful of its responsibilities as a fast-growing company in the dairy and nutrition industry, and actively participates in industry associations and initiatives, especially in locations where the business operations lie in. In order to achieve collaborative success, the Group communicates with the industry players not only for experience and knowledge exchange, but also mutual improvements in the sector.



nederlandse zuivel organisatie

Dutch Dairy Association

Ausnutria is one of the thirteen members in Dutch Dairy Association (“NZO”) and participates in the working groups to promote knowledge sharing and continuous improvement in Dutch milk processing.



中国乳制品工业协会
CHINA DAIRY INDUSTRY ASSOCIATION

China Dairy Industry Association

Ausnutria was selected as one of the vice-president units of the sixth committee of the China Dairy Industry Association to support the promotion of high standard dairy products and the development of industry reference and guidelines. The Group also provides administrative support to the association.



Nederlandse
NGZO
GeitenZuivel Organisatie

Dutch Goat Dairy Association

Ausnutria is a working group member of the Dutch Goat Dairy Association (“NGZO”), striving to promote brand image, environmental and animal welfare issues of the industry. Together with its goat milk suppliers, Ausnutria also supports the “KwaliGeit” program and Durability Program introduced by NGZO. Further details can be found in *Win-win with Business Partners*.



CNHFA
中国营养与健康食品协会

China Nutrition and Health Food Association

Ausnutria is a member of the board of directors of the China Nutrition and Health Food Association. The Group’s chief supervisor, party secretary and chairman of the labour union in PRC region, Mr. Liu Yuehui, represents Ausnutria as the President and Secretary General of China Nutrition and Health Food Association for the Hunan Province to foster the development of the dairy industry in the PRC.



DUURZAME ZUIVELKETEN

Sustainable Dairy Chain

Ausnutria pledged to support Sustainable Dairy Chain’s 2020 goals to achieve sustainable dairy production by introducing and implementing environmental best practices in the Group’s operations.



European Chamber
中欧商会

European Union Chamber of Commerce

Ausnutria joined the Paediatric Nutrition Desk of the European Union Chamber of Commerce in China as a member company in support of breastfeeding and the proper use and marketing of paediatric nutrition products in the PRC market.



VNFKD
Vereniging van
Nederlandse Fabrikanten
van Kinder- en

The Association of Dutch Manufacturers of Children and Dietary Nutrition

Ausnutria is a member of the Association of Dutch Manufacturers of Children and Dietary Nutrition. The Group supports the association to represent the collective industry interests in advocating good infant formula production and marketing practices.



AUSTRALIA CHINA
NUTRITION AND HEALTH ASSOCIATION

Australian China Nutrition and Health Association

Ausnutria is a member of the Australia China Nutrition and Health Association where it builds partnerships with peer companies, universities, associations and not-for-profit groups to promote health and wellbeing through balanced nutrition and lifestyle choices within Australia and the PRC.



Infant
Nutrition
Council
Industry incorporating both
Breastfeeding & Infant Formula
AUSTRALIA & NEW ZEALAND

Association of Infant Nutritional Council

As a member of the Association of Infant Nutritional Council, Ausnutria actively participates in industry policy discussions.



cma
Complementary
Medicines
Australia

Complementary Medicines Australia

Ausnutria is a member of Complementary Medicines Australia and contributes by giving advice on industry practices and feedback on regulatory changes.

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CORPORATE GOVERNANCE

The Board is responsible for determining strategic prospecting of the Group's operations and business to ensure long-term success and safeguard the interests of its shareholders. To achieve the goals, the Board commits to achieving high standards of corporate governance within the Group.

Ausnutria has adopted stringent corporate governance practices that are in line with the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules. The Directors are required to perform their duties by acting in the best interests of the Group, and regularly monitoring, reviewing and advising corporate governance policies and practices to ensure compliance under the latest developments, thus cultivating transparency, independence and integrity within Ausnutria.

Ausnutria recognises the significance of building a diverse and inclusive board for the sustainable development of the Group. The Board adopts a board diversity policy which pursues a balance of gender, age, ethnicity, educational background, professional expertise, industry experience, management function and length of service. The Board comprises nine members, including three executive Directors, three non-executive Directors and three independent non-executive Directors as at the date of this report.

For more information about Ausnutria's corporate governance policies and practices, please refer to the Corporate Governance Report section in [Ausnutria's 2018 Annual Report](#).

ANTI-CORRUPTION

Ausnutria upholds high standard of integrity by adopting the Code of Conduct and other anti-corruption initiatives to counteract corruption in the business environment. The Code of Conduct is communicated to all employees, which lists out acceptable and unacceptable behaviours, and details the handling procedures when facing conflicts of interest, bribery and corruption and integrity breaches. Any acts of non-compliance may result in verbal warning, formal warning, or other disciplinary or legal measures. Anti-fraud and whistleblowing procedures are overseen by the Board to facilitate employees in raising concerns about any possible improprieties in financial reporting, internal control or other matters in relation to business ethics principles. The procedures also help ensure that all reported cases are thoroughly investigated and enable Ausnutria to take appropriate and adequate actions.

The Board is committed to monitoring the effectiveness of such measures and ensuring all employees have observed the stated policies. Correspondingly, Internal Audit Department keeps a close eye on the financial and operational data to identify any suspected acts of corruption.



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