AUSNUTRIA DAIRY CORPORATION LTD
澳優乳業股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1717)

PROFIT WARNING

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Ausnutria Dairy Corporation Ltd (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Board wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that, based on currently available information, it is expected that the Group will record (i) a revenue in the range of approximately RMB3,065 million to RMB3,165 million for the six months ended 30 June 2026 ("**HY2026**"), representing a decrease as compared with the revenue of approximately RMB3,886.8 million for the six months ended 30 June 2025 ("**HY2025**"); and (ii) a net loss in the range of approximately RMB685 million to RMB785 million for HY2026 as compared with a net profit of approximately RMB180.9 million for HY2025.

The Board also noted that the Group's HY2026 results were affected by a combination of phased adjustments, non-cash accounting effects, and external environmental factors. Excluding a one-time inventory-related adjustment, non-cash asset impairments and other related impacts, the Group's core business fundamentals remained stable. The Group expects to record a core net operating profit in the range of approximately RMB155 million to RMB255 million for HY2026.

The Board is of the view that the Group's operating performance for HY2026 was attributable to the combined effects of changes in the industry and external environment, proactive operational adjustments, and related accounting assessments, mainly including:

1. The continuous changes in the infant milk formula industry and the international supply chain environment had a certain impact on the Group's operating performance for HY2026. As the Group's primary production bases are located in Europe and its business operations involve international supply chain management, the supply schedule of certain products, inventory turnover efficiency and fulfilment costs were adversely affected temporarily during HY2026 due to factors such as changes in the international logistics environment, fluctuations in transportation costs, and tightening regulatory requirements. In response to the aforesaid changes, the Group continued to strengthen its supply chain management capabilities, optimise the allocation of production and inventory resources, and enhance supply chain resilience and operational efficiency to mitigate the impact of external environmental fluctuations on its operations;

2. The Group proactively advanced the optimisation of its channel structure and enhanced its inventory management in line with industry development trends. With a view to the long-term healthy development of channels and the enhancement of consumer experience, the Group conducted a systematic review of channel inventory and related arrangements and accordingly recognised a one-off inventory-related adjustment. While such measures had a short-term impact on the profit for HY2026, they helped improve the inventory structure across the Group's channels, enhance the quality of retail operations and establish a stronger foundation for the subsequent healthy development of the businesses; and

3. The Group continued to optimise its product portfolio, improve operational efficiency, and based on the principle of prudence, conduct relevant asset assessments to further enhance asset quality. In HY2026, centring around its core brands, core products and core channels, the Group continued to streamline its SKU structure, optimise resource allocation, and adjust its overseas operational structure and related functions, resulting in certain temporary operating adjustment costs and other expenses accordingly. At the same time, the Group conducted assessments of certain assets, and based on the assessment results, recognised certain non-cash asset impairments.

The Group will continue to focus on its core businesses by enhancing the quality of its channel operations, optimising its product portfolio, and strengthening global supply chain capabilities, with a view to continuously improving operational efficiency and building a stronger foundation for future long-term development.

The Board wishes to remind the Shareholders and potential investors that the information contained in this announcement is based on a preliminary review and assessment by the Board with reference to the unaudited consolidated management accounts of the Group for HY2026 and other information currently available to the Board, and hence may be subject to further adjustments. The unaudited consolidated management accounts of the Group for HY2026 have not yet been finalised or reviewed and confirmed by the audit committee of the Board. Details of the financial information and performance of the Group for HY2026 will be disclosed in the interim results announcement of the Company for HY2026, which is expected to be published on or before 26 August 2026.

In addition, the Board has noted the recent volatility in the capital markets and the performance of the shares of the Company. Based on its confidence in the Group's long-term development prospects and intrinsic value, and subject to compliance with the Company's existing share repurchase mandate granted by the Shareholders at the annual general meeting of the Company held on 28 May 2026 (the "**Share Repurchase Mandate**") and the Listing Rules and all applicable laws and regulations, the Company intends to utilise the Share Repurchase Mandate at an appropriate time depending on market conditions. The Board is of the view that share repurchases, when appropriate, will facilitate an increase in the value per share and be in the interests of the Company and the Shareholders as a whole.

Up to the date of this announcement, the Company has repurchased 911,000 Shares under the Share Repurchase Mandate. Shareholders and potential investors should note that any proposed share repurchase will be subject to market conditions and will be at the absolute discretion of the Board. There is no assurance of the timing, quantity and/or price of the Shares to be repurchased, or whether the proposed share repurchase will be implemented at all. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Ausnutria Dairy Corporation Ltd
HAN Shixiu
Chairman

The PRC, 24 July 2026

As at the date of this announcement, the Board comprises Mr. Ren Zhijian (Chief Executive Officer), Mr. Bartle van der Meer and Mr. Zhang Zhi as the executive Directors; Mr. Han Shixiu (Chairman), Ms. Yan Junrong and Mr. Zou Ying as the non-executive Directors; and Mr. Ma Ji, Mr. Chen Fuquan and Mr. Aidan Maurice Coleman as the independent non-executive Directors.