

KEYTONE RECEIVES SECOND WALMART CHINA ORDER

23 September 2019

- Keytone Dairy receives second order from Walmart China for private label whole and skim milk powders to Walmart's Sam's Club China
- Second order magnitudes higher in value compared with first order
- First two orders from Walmart China total approximately NZD1,000,000, received within a matter of weeks of each other

Sydney and Melbourne, Australia and Christchurch, New Zealand - Keytone Dairy Corporation Ltd (ASX:KTD) ("Keytone" or the "Company") is pleased to provide the following update.

Keytone announced on 11 September 2019 it had received a first order from Walmart (China) Investment Co., Ltd ("Walmart China") to manufacture whole and skim milk powder for Sam's Club West, Inc. (China) ("Sam's Club China"). Within two weeks of receiving the initial order, Keytone has now received a second follow-up order for Sam's Club China private label milk powders, totalling approximately NZD870,000. The second order is magnitudes higher than the first order and the value of the combined first two orders from Walmart China total approximately NZD1,000,000.

The value of multiple orders received during September 2019 from Walmart China represents approximately 40% of Keytone's prior full year revenue, being the 2019 financial year ended 31 March 2019.

On receipt of this second order, Keytone's Chief Executive Officer, Danny Rotman, commented: "We are extremely pleased with the level of demand from Walmart China in such a short time frame. This second order highlights the size of the Walmart China operation, the vast volume of customers it serves in China and the significant opportunity it presents for Keytone. Furthermore, it validates Keytone's quality, product and manufacturing credentials, and we look forward to working closely with Walmart China to support future demand and growing volumes."

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Further Information

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About Keytone Dairy Corporation Limited

Based in Sydney and Melbourne, Australia and Christchurch, New Zealand, Keytone Dairy Corporation Ltd is an established manufacturer and exporter of formulated dairy products and health and wellness products. Keytone Dairy's wholly-owned subsidiary Omniblend is a leading Australian product developer and manufacturer in the health and wellness sector, with both dry powder and ready to drink health and wellness-based product capability. In addition to Keytone Dairy's own brands, the company is a trusted production partner, contract packing for well-known brands in Australia, New Zealand and internationally. The Company's purpose-built production facilities in Australia and New Zealand offer a wide range of dairy, health and wellness and nutritional packing solutions, meeting the diverse needs of consumers from different markets and cultures. Please visit www.keytonedairy.com for further information.

About Sam's West Inc. (trading as Sam's Club), China

Sam's Club is a chain of high-end membership-only clubs and a 100% subsidiary of Walmart Inc, a Fortune 500, named by the retail giant Mr. Sam Walton, founder of Wal-Mart. Since the first Sam's Club opened in Midwest City in Oklahoma State in April of 1983, Sam's Club has a history over 30 years. At the beginning of 90's, Sam's Club entered international market and has become one of the largest membership clubs internationally. At the present, Sam's Club has developed 800 chain clubs globally and provides superior service to over 50 million individual members and business members.

The first Sam's Club in China was opened in Shenzhen on August 12, 1996. So far, Sam's Club has developed a total of 18 clubs in China which are located in Beijing, Shanghai, Shenzhen, Guangzhou, Fuzhou, Dalian, Hangzhou, Suzhou, Wuhan, Changzhou, Zhuhai, Tianjin, Xiamen, Nanjing and Changsha.

A Sam's Club has an average shopping area of 20,000 square meters and offers bulk groceries and general merchandise. To satisfy customers' needs for higher quality, Sam's Club only provides either the best quality product in the category or the best-selling brand. The Club offers 4,000 high quality-to-price ratio items, including categories such as fresh, groceries, household appliances, home and apparel.

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