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Company Announcements Office
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Freedom Foods Group Limited
AFR Article relating to Changes to China Cross Border

Freedom Foods Group Limited (ASX Code: FNP) (Freedom Foods) noted today the article in the Australian Financial Review (AFR) relating to changes to China's commerce cross border law and potential impact on UHT Milk and Adult Milk Powder.

On Friday 8th April, China instituted tax changes to products on China cross border ecommerce sales such that the tax differential between cross border and traditional ecommerce and retail channels in China have become more equalised. Under the changes, a list of products allowed to enter the free trade zone excluded UHT milk products and Adult milk powder.

The changes announced have no impact on the sale of UHT Milk through general trade ecommerce and traditional retail distribution channels in China.

FNP sales of UHT Milk into China are mainly through traditional retail distribution channels through manufacture of products for major Chinese dairy companies and other branded distributors including its branded Australia's Own Kids Milk. The demand for these products continues to grow and compliments increasing sales in Australia and South East Asia. The cost of UHT Milk into China will reduce through the progressive elimination of tariffs under the Australia China Free Trade Agreement.

FNP expects distribution of its branded "So Natural" UHT products through cross border ecommerce channels to transfer to general trade ecommerce channels with the major online retailers JD and Tmall. The general trade ecommerce channel continues to be the primary growth channel for ecommerce in China. FNP continues to build the brand in traditional retail distribution channels, having established initial distribution in 2014.

FNP has no current exposure to sales of Adult Milk Powder.

Sales of Cereal based products continue to be distributed through cross border and general trade ecommerce with JD.com and Tmall.

For further information, please contact:

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