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Bubs strikes deal with China distributor

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Bubs strikes China baby deal. ASX-listed food company Bubs Australia has announced a deal to supply China's largest distributor of infant nutrition products.

The Chinese company, QianJiaWanPu, supplies 80,000 stores across China specialising in catering to the mother and baby market, with strong ties to a core group of 50,000 stores.

Under the deal, announced at a seminar on the Chinese infant formula market in Sydney today, Bubs ([BUB](#)) will supply organic baby food products, cereals and snacks to the Chinese distributor.

The initial order, worth \$1.1 million, will be supplied between June and December this year.

The company, which was founded in Sydney in 2006, is also looking to sell its goat milk infant formula products into China through the company once it is given approval by Chinese regulatory authorities.

"This is a very exciting and significant development in the execution of our China strategy," Kristy Carr, founder and director of Bubs said today, announcing the deal.

She said QianJuaWanPu was a trusted distribution partner in China for many of the country's largest brands as well as the lead distributor for products from Nestle and Wyeth Nutrition in China.

"The company's chairman and founder, Mr Zhou Dongming, recognises Bubs' growth potential and is committed to supporting our launch into physical retail stores throughout China," she said.

"The importance of this partnership cannot be underestimated given that mother and baby stores account for over half of all the infant formula products sold in China," she said.

"They are also the prime source for new parents and parents to be seeking advice about baby's development and infant nutrition products."

"This is why physical representation in the sector is critical to our long term success in the market, not withstanding the importance of cross border e-commerce and daigou shoppers as our existing primary routes to market."

QianJiaWanPu chairman Mr Zhou said the company saw the addition of Bubs organic baby food products as an important extension of its international product portfolio.

"We look forward to deepening our association with Bubs once its goat milk infant formula products are approved for import," he said.

"Premium organic baby food and goat milk-based formulas are two segments of the category experiencing rapid growth in China.

"I'm confident my retail customers and Chinese mothers will find Bubs' Australian brand story and premium quality attributes a winning combination.

"No other infant formula brand in the world uses Australian goat milk, so this point of differentiation will be highly sought after."

Bubs will begin supplying the company with products certified by the China Certification and Inspection Group Shanghai. (CCIC).

Bubs shares, which were suspended on Friday pending the announcement, rose from 79.5 cents to 81.5 cents after trading resumed this morning.

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