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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)

POSITIVE PROFIT ALERT

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Ausnutria Dairy Corporation Ltd (the “**Company**”) and together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571, 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 Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the currently available information, it is anticipated that the Group will record profit attributable to the Shareholders of not less than RMB52.0 million (the “**Expected Profits**”) for the three months ended 31 March 2016. The Expected Profits already exceed the Group’s profit attributable to the Shareholders of RMB50.6 million for year ended 31 December 2015 and signal a significant improvement in the Group’s financial performance when compared with the corresponding figures of RMB18.8 million for the three months ended 31 March 2015.

The Directors believe that the incurrence of the expected improvement in financial performance is primarily attributable to (i) the continuous increase in sale of the Group’s own-branded dairy products; and (ii) the turnaround in the financial performance of the operations in the Netherlands after the facilities upgrading plan of the Group’s factories in the Netherlands was completed in 2015.

The Board wishes to remind the Shareholders and potential investors that the information contained in this announcement is based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the three months ended 31 March 2016. The financial results of the Group for the three months ended 31 March 2016, together with the comparative figures for the corresponding period in 2015, will be published in the Company’s forthcoming quarterly results announcement for the respective period.

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
Yan Weibin
Chairman

Changsha City, the People’s Republic of China, 5 May 2016

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yan Weibin (Chairman), Mr. Lin Jung-Chin, Mr. Bartle van der Meer (Chief Executive Officer) and Ms. Ng Siu Hung; two non-executive Directors, namely Mr. Tsai Chang-Hai and Mr. Zeng Xiaojun; and three independent non-executive Directors, namely Ms. Ho Mei-Yueh, Mr. Jason Wan and Mr. Lau Chun Fai Douglas.