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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)

ANNOUNCEMENT

This announcement is made by Ausnutria Dairy Corporation Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the Company’s announcements dated 12 January 2015, 16 June 2015, 21 July 2015, 19 August 2015, 23 October 2015, 21 December 2015, 29 February 2016, 9 May 2016, 26 August 2016 and 1 August 2017 (collectively, the “**Announcements**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

LATEST DEVELOPMENT AND PROGRESS OF THE ACTION

The Board wishes to update the Shareholders and potential investors of the Company that as informed by Mr. Lin, the Taipei District Court handed down the judgement of the Action on 1 September 2017 (after trading hours). Mr. Lin was convicted of (i) two offences in conducting transactions not in the normal course of operation, violating article 171(1)(2) of the Securities and Exchange Act in Taiwan (the “**Act**”) and (ii) two offences in breach of trust, violating article 171(1)(3) of the Act. As a result of the aforesaid conviction, Mr. Lin was sentenced to ten years of imprisonment.

The Company is given to understand that under the criminal procedure in Taiwan, an appeal application could be made by Mr. Lin against the conviction within ten days after the formal written judgement is given by the Taipei District Court. As at the date of this announcement, Mr. Lin is on bail and according to Mr. Lin, he would apply for leave to appeal against the conviction and sentence.

To the best knowledge of the Company, the details and rationales of the judgement are expected to be given by the Taipei District Court in a few weeks time. The Company will consider the follow-up actions to be taken after seeking legal advice on such details and rationales of the judgement, and will make further announcement(s) in accordance with the Listing Rules where necessary.

As the Action has no relation with the businesses of the Group, the Board believes that the Action does not have an adverse impact to the operation and financial position of the Company and its subsidiaries as a whole.

Shareholders and potential investors of the Company 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, 3 September 2017

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.