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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 in the range of RMB215.0 million to RMB223.0 million for the nine months ended 30 September 2017 (the “**3Q 2017**”), representing an increase of RMB76.1 million to RMB84.1 million, or 54.8% to 60.5%, when compared with the corresponding figure of RMB138.9 million for the nine months ended 30 September 2016 (the “**3Q 2016**”). Sales of the Group for the 3Q 2017 is anticipated to increase by approximately 44.2% to approximately RMB2.7 billion (among which, sales of the Group’s own-branded premium goat milk and cow milk infant formula products are anticipated to increase by approximately 64.5% and 51.8% to approximately RMB0.9 billion and RMB1.0 billion, respectively) when compared with the 3Q 2016.

The Board believes that the improvement in the Group’s financial performance was mainly attributable to (i) the effective marketing strategies implemented by the Group, in particular, on the Group’s core business, the own-branded infant formula; (ii) the continuous expansion in the Group’s sales network; (iii) the unique and leading market position of the Group’s goat milk infant formula business; and (iv) the clear brand positioning which facilitated the Group to penetrate into different sectors and hence cater for different demands in the markets effectively.

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 3Q 2017 and other information currently available to the Board, which have not been audited nor reviewed by the Company’s auditors. The financial results of the Group for the 3Q 2017, together with the comparative figures for the 3Q 2016, will be published in the Company’s forthcoming quarterly results announcement for the respective period.

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, 2 November 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yan Weibin (Chairman), 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.