

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the 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 a profit attributable to the Shareholders of approximately RMB100.0 million for the three months ended 31 March 2018 (“**1Q 2018**”), representing an increase of approximately RMB35.0 million or approximately 53.8% when compared with the corresponding figure of RMB65.0 million for the three months ended 31 March 2017 (“**1Q 2017**”). The sales of the Group for 1Q 2018 is anticipated to increase by approximately 56.8% to approximately RMB1.2 billion (among which, the sales of the Group’s own-branded cow milk and goat milk formula products are anticipated to increase by approximately 82.1% and approximately 78.1% to each of approximately RMB0.5 billion) when compared with 1Q 2017. During the review period, the Group incurred some one-off expenses in relation to product distribution and quality control totalling approximately RMB56.8 million. As a result, the profit attributable to the Shareholders for the 1Q 2018 has been reduced by approximately RMB42.6 million to approximately RMB100.0 million after taking into account the corresponding tax impact.

The Board believes that the improvement in the Group’s financial performance was mainly attributable to (i) the continuous fine tuning of the strategic plans of the Group’s core business, the own-branded formula milk products; (ii) the product differentiation, particularly the success in goat milk formula and organic infant formula; (iii) the improvements in the Group’s sales network; (iv) the increased public recognition of the high-quality standards of infant formula produced by the Group; and (v) the clear brand positioning which allowed the Group to penetrate different sectors and cater effectively to different market demands.

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 1Q 2018 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 1Q 2018, together with the comparative figures for 1Q 2017, will be published in the Company's forthcoming quarterly results announcement for the respective period on 11 May 2018.

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

The People's Republic of China, 7 May 2018

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.