



To: Business Editor
[For immediate release]



AUSNUTRIA DAIRY CORPORATION LTD
澳优乳业股份有限公司

Ausnutria Announces a Positive Profit Alert for 3Q2016

[Hong Kong, 4 November 2016] **Ausnutria Dairy Corporation Ltd** (“Ausnutria” or the “Company”, together with its subsidiaries, the “Group”; stock code: 1717.HK), a dairy company which specializes in the manufacture and distribution of infant formula and nutrition products with production facilities based in the PRC, the Netherlands and Australia, is pleased to announce a positive profit alert today, it is expected that the Group’s sales and profit attributable to the shareholders for the 9 months ended 30 September 2016 (the “3Q2016”) will increase significantly.

Based on the currently available information, it is anticipated that the Group will record profit attributable to the shareholders in the range of RMB135.0 million to RMB139.0 million for the 3Q2016, which shows a significant growth when compared with RMB9.7 million for the corresponding period in 2015. The significant increase was partly due to there was a one-off inventory write-off (the “Inventory Write-off”) in the Netherlands of approximately RMB97.8 million for the same period of 2015. When compared to the adjusted profit attributable to the shareholders for the corresponding period of RMB47.1 million, which excludes the impact of the Inventory Write-off, profit attributable to the shareholders in 3Q2016 represented an increase of RMB87.9 million to RMB91.9 million (186.6% to 195.1%).

Ausnutria believes that the incurrence of the expected improvement in financial performance of the Group is primarily attributable to the continuous increase in the sales of the Group which was driven by the adjusted business strategy. Sales of the Group for the 3Q2016 is anticipated to increase by 28.8% (approximately RMB1,893.2 million), among which, the Group’s own-branded cow and goat milk-based infant formula products in the PRC are anticipated to increase by 65.4% and 29.6%, to approximately RMB667.4 million and RMB461.2 million, respectively when compared with the same period of last year. Besides, after the processing and facilities upgrading plan of the factories in the Netherlands was completed at the end of 2015, there is a turnaround in the financial performance of the operations in the Netherlands, which also drives the growth of the Group.

In the third quarter of 2016, the development of Ausnutria's business continued to be promising: In August, it entered into the international nutrition market by acquiring Nutrition Care, a professional nutrition company in Australia. In September, it signed an agreement to set up a joint venture with New Zealand's second largest dairy co-operative, Westland, to build a new milk powder mixing and packaging production plant at Rolleston in New Zealand, which aims to expand the the strategic layout along the global golden milk source.

Mr. Yan Weibin, Chairman of the Group, said, "We are encouraged by the performance in the first three quarters of 2016, and Ausnutria is ready to meet the important opportunities and industry challenges brought by national policies. The Group will continue to increase production capacity, and work on the integration of the upstream industry chain, achieve the diversification of downstream products, enhance the development of our own-brand business, and enter the nutrition industry, to become a global leading formula and nutritional food supplier, nutrition and health consultants and service provider. With our good foundations and our excellent customer service capability, we believe that the Group will achieve further growth and maximize the value of shareholders."

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About Ausnutria Dairy Corporation Ltd

Ausnutria Dairy Corporation Ltd is a leading infant formula company with its production facilities principally based in the PRC and the Netherlands and engaged in the dairy industry with activities ranging from the research and development, milk collection, processing, production, packaging in the Netherlands and marketing and sales of dairy products to the PRC, Europe, North America, Middle East, Russia and CIS and other overseas countries. Ausnutria's factory in the PRC was among one of the first batch of factories in the PRC that succeeded in obtaining the renewed production license and the factories in the Netherlands were among the overseas infant formula manufacturers that succeeded in being approved as the first batch of registered overseas dairy products producers that were granted the registrations for exporting their products to the PRC under the New Policies. Recently, the Group has also extended its business into the manufacture and sale of nutrition products partly through the acquisition of Nutrition Care Pharmaceuticals Pty Ltd., with production facilities based in Australia, as announced by the Company on 24 August 2016.



Issued by Porda Havas International Finance Communications Group for and on behalf of **Ausnutria Dairy Corporation Ltd.** For further information, please contact us at ausnutria@pordahavas.com, or as below:

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