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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 RMB152.0 million to RMB158.0 million for the six months ended 30 June 2017 (the “**2017 Interim Period**”), representing an increase of RMB50.5 million to RMB56.5 million, or 50% to 56%, when compared with the corresponding figure of RMB101.5 million for the six months ended 30 June 2016 (the “**2016 Interim Period**”). Sales of the Group for the 2017 Interim Period is anticipated to increase by approximately 36% to approximately RMB1.7 billion (among which, sales of the Group’s own-branded goat milk-based and cow milk-based infant formula products are anticipated to increase by approximately 50% to approximately RMB1.2 billion) when compared with the 2016 Interim Period.

The Board believes that the improvement in the Group’s financial performance was mainly attributable to (i) the preliminary success of the restructuring of the strategic plans of the Group’s core business, the own-branded infant formula; (ii) the continuous improvements in the Group’s sales network; and (iii) the clear brand positioning which facilitated the Group to penetrate into different sectors and hence cater for the 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 2017 Interim Period 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 2017 Interim Period, together with the comparative figures for the 2016 Interim Period, will be published in the Company’s forthcoming interim results announcement.

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, 1 August 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.