

1. ABOUT THIS REPORT

1.1 Reporting Standards

To share with our stakeholders our sustainability values, initiatives and performance, we proudly present Ausnutria Dairy Corporation Ltd's ("Ausnutria" or the "Group") first environmental, social and governance (the "ESG") report. This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

1.2 Reporting Scope and Period

The reporting period is from 1 January 2016 to 31 December 2016. The information disclosed in this report covers the key initiatives and performance on the material ESG aspects, which are identified through stakeholder engagement, at our major operating sites in the People's Republic of China (the "PRC") and the Netherlands within the reporting period, unless otherwise stated.

As this is our first ESG report, we would also like to share with our stakeholders the Group's management approach and related policies on the material ESG aspects. In order to provide stakeholders a comprehensive picture on Ausnutria's ESG commitments and achievements, we also mentioned a few milestones in the previous years, beyond the reporting period, with a clear statement on the time period when it happened.

1.3 Accessibility of the Report

The report will be disseminated via electronic means. It is available on Ausnutria's website (www.ausnutria.com.hk) and the website of the Stock Exchange.

We welcome your comments on this report and the Group's sustainability development. Please share with us your feedback and suggestions via email at info@ausnutria.com.