嘉士利集團有限公司

Jiashili Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1285)

POSITIVE PROFIT ALERT

This announcement is made by Jiashili Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 and information currently available to the Board, the Group is expected to record a growth of not less than 15% in the net profit from continuing operation excluding non-recurring items for the year ended 31 December 2015, compared with that for the year ended 31 December 2014. The non-recurring items in 2014 represent listing expenses of approximately RMB15.8 million and fair value loss on the convertible promissory notes issued prior to the Company's listing of approximately RMB2.7 million. The non-recurring items in 2015 represent the provisions made for the costs and expenses associated with the Group's planned relocation of a factory in 2016 of approximately RMB7.0 million.

The aforesaid growth in net profit is primarily attributable to (a) the increase in revenue mainly driven by the sales contribution from the Group's new biscuit product launched in the second half of 2014 and the continued growth in sales of certain principal products of the Group; and (b) the improvement in gross profit margin, the combined effect of which has been partly offset by the increase in advertising and promotion expenses, staff costs, transportation expenses, and legal and professional fees incurred by the Group during the year. The improvement in the gross profit margin was mainly contributed by the continuing optimisation of product portfolio with increased sales proportion of products of higher margin, while the cost of raw material as a percentage of sales was lower and the average direct labour cost was saved through further automation of production facilities.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2015 and the related audit work has not yet been completed. The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 and the information currently available, which have not been confirmed or audited by the Company's audit committee or external auditors. The actual results for the Group may be different from what is disclosed in this announcement. Shareholders and investors should read carefully the results announcement of the Company for the year ended 31 December 2015, which is expected to be published before the end of March 2016.

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
Jiashili Group Limited
Huang Xianming
Chairman

Hong Kong, 11 March 2016

As at the date of this announcement, the Board comprises Mr. Huang Xianming, Mr. Tan Chaojun, Mr. Chen Minghui, Mr. Lu Jianxiong and Mr. Lee Ping Nam as executive directors; Mr. Lin Xiao as a non-executive director; Mr. Kam Robert, Ms. Ho Man Kay, and Mr. Cheung Yuen Tak as independent non-executive directors.