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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)

**UPDATE ON RECENT DEVELOPMENT OF SUPENSION OF TRADING**

Reference is made to the announcements published by Ausnutria Dairy Corporation Ltd (the “**Company**”) between 29 March 2012 and 30 September 2013 in relation to, *among other things*, the Unresolved Issues raised by EY in the EY Letter, the key findings of the Review conducted by PwC, the preliminary management responses and remedial actions taken or to be taken by the Company, and the delay in the publication of the Company’s results and the despatch of the Company’s financial reports. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Company’s announcement dated 18 August 2013.

As disclosed in the Company’s announcement dated 30 September 2013, EY was expected to complete the audit of the annual results of the Group for the year ended 31 December 2011 in October 2013. The Company has been further advised that EY has completed its audit work and is in the final stage of finalising its audit opinion. It is expected that the audit of the annual results of the Group for the year ended 31 December 2011 will be completed in November 2013. The Board will then further discuss with EY in relation to the time for the publication of the interim results of the Group for the six months ended 30 June 2012 and 30 June 2013 as well as the annual results of the Group for the year ended 31 December 2012.

Further, in respect of PKF’s review of the internal control systems of the Company and the China Subsidiary which are relevant to the Unresolved Issues, the Company has been advised that PKF is finalising its report and will issue its report to the Special Review Committee in November 2013.

At the Company's request, trading in the Shares was suspended from 9:00 a.m. on 29 March 2012, and will remain suspended until further notice.

By order of the Board  
**Ausnutria Dairy Corporation Ltd**  
**Yan Weibin**  
*Chairman*

Changsha City, the People's Republic of China, 31 October 2013

*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, one non-executive director, namely, Mr. Dai Li, and three independent non-executive directors, namely, Mr. Qiu Weifa, Mr. Jason Wan and Mr. Chan Yuk Tong.*