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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 SUSPENSION OF TRADING

References are made to the announcements of Ausnutria Dairy Corporation Ltd (the “**Company**”) dated 29 March 2012, 10 April 2012, 7 May 2012, 3 July 2012, 30 August 2012 and 4 October 2012 (collectively, the “**Announcements**”) in relation to, among other things, the suspension of trading of shares (the “**Shares**”) of the Company, delay in issuing annual results announcement for the year ended 2011 and despatch of annual report, conditions for resumption of trading of the Shares, and update on recent development of suspension of trading. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

The Board wishes to provide an update to the shareholders (the “**Shareholders**”) of the Company regarding the latest development concerning the suspension of trading of the Shares.

PwC, the independent professional adviser appointed by the Special Review Committee, is in the process of finalising its review, and report on, the observations made by EY in respect of the Unresolved Issues; PKF, the internal control consultant appointed by the Special Review Committee, is in the process of finalising its review, and report on, the above internal control policies.

The Board will update the Shareholders and public investors on (i) the progress and results of PwC’s review of the above observations made by EY in respect of the Unresolved Issues; and (ii) the progress and results of PKF’s review of the above internal control policies, as and when appropriate.

The Board will then inform the Shareholders and public investors when the Company will publish its annual results for the year ended 2011 and interim results for the six months ended 30 June 2012 and despatch the relevant annual report and interim report accordingly.

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
Wu Yueshi
Chairman

Changsha City, the People's Republic of China, 16 November 2012

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Wu Yueshi, Mr. Yan Weibin, Mr. Chen Yuanrong and Ms. Ng Siu Hung, and three independent non-executive directors, namely, Mr. Qiu Weifa, Mr. Jason Wan and Mr. Chan Yuk Tong.