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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)

ANNOUNCEMENT

UPDATE ON THE PROPOSED TRANSACTION PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

THE PROPOSED TRANSACTION WILL NOT PROCEED

This announcement is made by Ausnutria Dairy Corporation Ltd (the “**Company**”) pursuant to Rule 3.7 of the Code on Takeovers and Mergers of Hong Kong (the “**Takeover Code**”), the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

References are made to the Company’s announcements (the “**Announcements**”) dated 18 September 2013, 17 October 2013, 15 November 2013 and 13 December 2013 in relation to the LOI entered into between the Vendors and the Purchaser on 17 September 2013 in respect of the Proposed Transaction. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The Company wishes to update its shareholders that on 6 January 2014, the Company received a copy of notice dated 6 January 2014 issued from the Vendors to the Purchaser, copying to the Company, stating that as no formal transaction documents had been entered into between the Vendors and the Purchaser, the Vendors exercised their unilateral right under the LOI to serve a notice to the Purchaser to formally terminate further negotiation for the Proposed Transaction. Accordingly, the Proposed Transaction will not proceed.

SUSPENSION OF TRADING OF SHARES

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, 8 January 2014

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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statement in this announcement misleading.