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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**

Reference is made to the announcements published by Ausnutria Dairy Corporation Ltd (the “**Company**”) between 29 March 2012 and 20 March 2014 in relation to, *among other things*, the Unresolved Issues, the Review, the preliminary management responses and remedial actions taken or to be taken by the Company, the internal control review conducted by PKF, and the delay in the publication of the Group’s interim results for the six months ended 30 June 2012 and 30 June 2013 and the Group’s annual results for the years ended 31 December 2012 and 31 December 2013 (the “**Outstanding Financial Results**”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Company’s announcements dated 18 August 2013 and 20 March 2014.

As stated in the Company’s announcement dated 20 March 2014, the Company has engaged PKF to conduct a comprehensive review of the Group’s internal control systems, including the Group’s internal control components which are not related to the Unresolved Issues and not covered by the 2013 Internal Control Review carried out by PKF. The Company would like to advise that this further internal control review has been commenced and is expected to be completed in May 2014. Further announcement will be made by the Company when the further internal control review is completed.

The Company would also like to advise that the Board is striving to publish the Outstanding Financial Results by the end of May 2014. The Company is advised by its auditors that additional audit procedures have been conducted in order to ensure the Unresolved Issues and matters relating to the disclaimer audit opinion issued for the financial year ended 31 December 2011 are properly addressed. The additional audit procedures include, but are not limited to, performing site visit to the distributors of Ausnutria China in order to verify their transactions with Ausnutria China for the financial years ended 31 December 2012 and 31 December 2013 (the “**Relevant Periods**”) and extending the sample size to verify the occurrence of the sales transactions that took place during the Relevant Periods by vouching to the corresponding delivery documents and acknowledgement of receipts by the distributors and the corresponding bank advices and bank statements for settlements from the respective distributors.

As at the date of this announcement, the audit of the Company's financial statements for the Relevant Periods has not been finalised. The Company is advised by its auditors that the completion of the audit is pending for, including but not limited to, obtaining audit confirmations from the Group's suppliers and distributors, and evaluating the basis of significant accounting judgements and estimates the Company adopted.

The Company will inform the Shareholders and the potential investors of the date of publication of the Outstanding Financial Results as soon as possible.

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, 23 April 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, and three independent non-executive directors, namely Mr. Qiu Weifa, Mr. Jason Wan and Mr. Chan Yuk Tong.*