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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 POSSIBLE TRANSACTION PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE**

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 “**Takeovers 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 dated 21 January 2015, 18 February 2015 and 18 March 2015 (the “**Announcements**”) in relation to the LOI entered into between the Sellers and the Purchaser on 21 January 2015 in respect of the Possible Transaction. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Company wishes to update its shareholders that as at the date of this announcement, (i) the discussions between the Sellers and the Purchaser in respect of the Possible Transaction are still in progress; and (ii) other than the LOI, no formal or legally binding agreement has been entered into between the Sellers and the Purchaser in respect of the Possible Transaction.

Further announcement(s) setting out the progress of the Possible Transaction will be made as and when necessary in accordance with the Listing Rules and the Takeovers Code and on a monthly basis until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Proposed Transaction is made.

Shareholders and potential investors of the Company shall be aware that the LOI is non-legally binding. There is no assurance that any discussion mentioned in this announcement will either materialise or eventually be consummated, and the discussion in relation to the Possible Transaction set out in the LOI may or may not proceed with and the terms of the Possible

Transaction are subject to negotiations between the parties to the LOI. As such, the discussion may or may not lead to the making of general offer for the Shares. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Changsha City, the People's Republic of China, 20 April 2015

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Yan Weibin (Chairman), Mr. Lin Jung-chin, 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. Lau Chun Fai Douglas.

The directors of the Company jointly and severally accept fully responsibility for 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 statement in this announcement misleading.