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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)

### **APPOINTMENT OF AN INDEPENDENT PROFESSIONAL ADVISER AND AN INTERNAL CONTROL CONSULTANT**

Reference is made to the Announcements of the Company dated 29 March 2012 and 10 April 2012.

The Board wishes to inform the shareholders of the Company that the Special Review Committee has appointed (i) BDO as an independent professional adviser on 7 May 2012 to assist the Special Review Committee to review certain observations made by the Company's auditors, Ernst & Young, in the EY Letter in respect of the Unresolved Issues, and (ii) PKF as an internal control consultant on 7 May 2012 to assist the Special Review Committee in reviewing the internal control policies of the Company and Ausnutria China relevant to the Unresolved Issues, particularly the sales cycle of Ausnutria China.

Reference is made to the announcements of Ausnutria Dairy Corporation Ltd (the "**Company**") dated 29 March 2012 and 10 April 2012 (the "**Announcements**").

### **APPOINTMENT OF AN INDEPENDENT PROFESSIONAL ADVISER**

The board (the "**Board**") of directors of the Company wishes to inform the shareholders of the Company that the special review committee (the "**Special Review Committee**") established by the Board on 29 March 2012 has appointed BDO Financial Services Limited ("**BDO**") as an independent professional adviser on 7 May 2012 to assist the Special Review Committee to review certain observations made by the Company's auditors, Ernst & Young, in its letter to the Company of 29 March 2012 (the "**EY Letter**") in respect of various

unresolved issues (the “**Unresolved Issues**”) relating to, among other things, the amount of sales of Ausnutria Dairy (China) Co., Ltd. (“**Ausnutria China**”), a major subsidiary of the Company established in the People’s Republic of China, for the financial year ended 31 December 2011 (in particular for the month of December 2011), and accordingly its inventories and trade receivables as at 31 December 2011.

#### **APPOINTMENT OF AN INTERNAL CONTROL CONSULTANT**

The Board wishes to inform the shareholders of the Company that the Special Review Committee has appointed PKF Consulting Inc. (“**PKF**”) as an internal control consultant on 7 May 2012 to assist the Special Review Committee to review the internal control policies of the Company and Ausnutria China relevant to the Unresolved Issue, particularly the sales cycle of Ausnutria China.

The trading of the Company’s shares has been suspended and the Company will make an announcement on the results of the review by BDO and PKF when BDO and PKF have completed their reviews.

By order of the Board  
**Ausnutria Dairy Corporation Ltd**  
**Wu Yueshi**  
*Chairman*

Changsha City, the People’s Republic of China, 7 May 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.*