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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

CONDITIONS FOR RESUMPTION OF TRADING

Reference is made to the Announcements of the Company in relation to the background leading to the suspension of trading in the Shares.

The Company received a letter dated 26 June 2012 from the Stock Exchange, in which the Stock Exchange stated certain resumption conditions for the Company.

At the Company's request, trading in the Company's shares was suspended from 9:00 a.m. on 29 March 2012. Trading in the Shares will remain suspended until further notice.

INTRODUCTION

Reference is made to the announcement dated 29 March 2012 of Ausnutria Dairy Corporation Ltd (the "**Company**", together with its subsidiaries, the "**Group**") in respect of the suspension of trading (the "**Suspension**") of its shares (the "**Shares**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the two announcements of the Company dated 10 April 2012 and 7 May 2012 (collectively, the "**Announcements**") in relation to the background leading to the Suspension of the Shares of the Company and the appointment of independent professional adviser and internal control consultant by the special review committee of the Company ("**SRC**") to carry out investigation and internal control review.

Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Announcements.

CONDITIONS FOR RESUMPTION OF TRADING OF SHARES

On 26 June 2012, the Company received a letter from the Stock Exchange, in which the Stock Exchange stated the following resumption conditions for the Company:

- (a) ensure the independent professional adviser engaged by the SRC to conduct forensic audit and investigation to address all the Unresolved Issues raised in the EY Letter;
- (b) inform the market of all information (including those matters highlighted in the EY Letter and the findings of the independent professional adviser in this regard) that is necessary to appraise the Group's position, including their implications to the Group's assets, financial and operational position;
- (c) publish all outstanding financial results and report, and address any concerns raised by the Company's auditors through qualifications in their audit report or otherwise; and
- (d) demonstrate that there are no significant deficiencies in the Group's corporate governance, and that the Company has put in place adequate financial reporting procedures and internal control systems to meet obligations under the Listing Rules.

The Company should also comply with the Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption.

The Stock Exchange may modify any of the above and/or impose further conditions at its discretion.

The Company shall make further announcement if it is aware of any material development in respect of the above matter when appropriate.

SUSPENSION OF TRADING

At the Company's request, trading in the Company's 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, 3 July 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.