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If you have sold or transferred all your shares in Ausnutria Dairy Corporation Ltd, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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)

**PROPOSED RENEWAL OF GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Ausnutria Dairy Corporation Ltd (“AGM”) to be held at 10:00 a.m. on Friday, 18 June 2010 at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong is set out on pages 13 to 15 of this circular. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

30 April 2010

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DEFINITIONS

“AGM”	the annual general meeting of the Company to be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 18 June 2010 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Company”	Ausnutria Dairy Corporation Ltd (澳優乳業股份有限公司), a limited liability company incorporated and existing under the laws of the Cayman Islands on 8 June 2009 and the shares of which are listed on the Stock Exchange
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	subject to the conditions set out in the proposed resolution approving the Issue Mandate at the AGM, the general mandate given to the Board to exercise the power to issue Shares up to a maximum of 20% of the issued share capital of the Company as at the date of the said resolution
“Latest Practicable Date”	26 April 2010, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Renminbi” or “RMB”	the lawful currency of the PRC
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the Repurchase Mandate at the AGM, the general mandate given to the Board to exercise the power to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of Shares in issue of the Company as at the date of the said resolution

DEFINITIONS

“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of our Company
“Shareholder(s)”	registered Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wu Yueshi (*Chairman*)
Mr. Yan Weibin
Mr. Chen Yuanrong (*Chief Executive Officer*)
Ms. Ng Siu Hung

Registered Office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. Qiu Weifa
Mr. Jason Wan
Mr. Chan Yuk Tong

Principal Place of Business in Hong Kong:
Room 2101, Beautiful Group Tower,
77 Connaught Road Central,
Central,
Hong Kong.

30 April 2010

Dear Sir or Madam:

**PROPOSED RENEWAL OF GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with further information regarding the resolutions to be proposed at the forthcoming AGM and the proposed renewal of General Mandates to issue Shares and repurchase Shares, to re-elect retiring Directors and to give you notice of AGM.

A. RENEWAL OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

This circular gives details regarding the renewal of general mandates to issue Shares and repurchase Shares in compliance with the Listing Rules:

LETTER FROM THE BOARD

1. Renewal of Issue Mandate

On 19 September 2009, a general mandate was given to the Directors to exercise the powers of the Company to issue Shares, and thereafter, such mandate has not been exercised or renewed. In accordance with conditions of the general mandate granted, such mandate will be lapsed at the conclusion of the forthcoming AGM.

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, to renew the grant of a general mandate to the Directors to allot, issue and deal with Shares up to 20% of the issued share capital of the Company on the date of passing this ordinary resolution (i.e. not exceeding 209,000,000 Shares based on the issued share capital of the Company of 1,045,000,000 Shares as at the Latest Practicable Date and assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Issue Mandate). In addition, an ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate the number of Shares purchased under the Repurchase Mandate (referred to in section 2 below), if granted.

Details of the Issue Mandate and the extension of the Issue Mandate are respectively set out in resolutions 5 and 7 in the notice of the AGM set out on pages 13 to 15 of this circular. The Issue Mandate will remain in effect until whichever is the earliest of (a) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either unconditional or subject to conditions by ordinary resolution passed at that meeting; or (b) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying such mandate.

The Directors wish to state that they have no immediate plans to allot and issue any new Shares other than such Shares which may fall to be allotted and issued upon the exercise of any options granted under the Share Option Scheme.

2. Renewal of Repurchase Mandate

A general mandate to repurchase Shares was given by the Shareholders in the last general meeting held on 19 September 2009 to the Directors to exercise the powers of the Company to repurchase Shares, and thereafter, such mandate has not been exercised or renewed. In accordance with conditions of the general mandate granted, such mandate will be lapsed at the conclusion of the forthcoming AGM.

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to Directors to repurchase Shares up to 10% of the issued share capital of the Company on the date of passing this ordinary resolution.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,045,000,000 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate on the date of passing the resolution approving the Repurchase Mandate will be 104,500,000 Shares, which represent 10% of the then issued share capital of the Company.

An explanatory statement, giving certain information regarding the Repurchase Mandate, is set out in Appendix I to this circular. The Repurchase Mandate will remain in effect until whichever is the earliest of (a) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either unconditional or subject to conditions by ordinary resolution passed at that meeting; or (b) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying such mandate.

3. AGM

A notice convening the AGM is set out on pages 13 to 15 of this circular.

The resolutions will be voted by poll at the AGM and procedures are set out in section C below.

A proxy form for use at the AGM is enclosed, a copy of which can also be obtained via the website of the Company at www.ausnutria.com.hk or the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the AGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending in person and voting at the AGM or any adjourned meeting if you so wish.

4. Explanatory Statement

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix 1 to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

LETTER FROM THE BOARD

B. RE-ELECTION OF DIRECTORS

In accordance with article 84 of the Company's Articles of Association, Mr. Wu Yueshi, Mr. Yan Weibin and Mr. Chen Yuanrong will retire by rotation at the conclusion of the forthcoming AGM and being eligible, offer themselves for re-election.

The biographical details of the aforesaid retiring Directors proposed to be re-elected are set out in Appendix 2 to this circular. An ordinary resolution approving their re-elections will be proposed at the forthcoming AGM.

C. PROCEDURES AND RESULTS FOR POLL VOTING

Pursuant to Rule 13.39(4) of the Listing Rules and article 66 of the Company's Articles of Association, at any general meeting, a resolution put to the vote of a meeting shall be decided by poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every Share held which is fully paid or credited as fully paid.

The results of the poll on all the resolutions as set out in the notice of the AGM in both English and Chinese will be published on the website of the Company at www.ausnutria.com.hk and the website of the Stock Exchange at www.hkexnews.hk on the AGM date.

D. RECOMMENDATION

The Directors believe that the resolutions of renewal of the Issue Mandate and Repurchase Mandate and the re-election of Directors to be proposed at the AGM are in the best interests of the Company and its Shareholders. Accordingly, the Board recommends you to vote in favour of the resolutions to be proposed at the AGM.

E. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By Order of the Board
Ausnutria Dairy Corporation Ltd
Wu Yueshi
Chairman

This Explanatory Statement includes information required under Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders in connection with the proposed Repurchase Mandate.

(I) LISTING RULES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions.

(II) SHAREHOLDERS' APPROVAL

The Listing Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by specific approval of a particular transaction or by a general mandate to the directors of the company to make such repurchases.

(III) EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, there were 1,045,000,000 Shares in issue. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued and no Shares are repurchased prior to the AGM, the Directors would be authorized under the Repurchase Mandate to repurchase a maximum of 104,500,000 Shares, which represent 10% of the then issued share capital of the Company.

(IV) REASONS FOR THE REPURCHASE OF SHARES

The Directors believe that the Repurchase Mandate is in the best interest of the Company and its Shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per Share. The Directors are seeking the grant of Repurchase Mandate to give the Company flexibility to do so if and when appropriate. The timing and the number(s), the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

(V) SOURCE OF FUNDS

Repurchases must be made out of funds which are legally available for such purpose in accordance with all applicable laws of the Cayman Islands and the Articles of Association. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

Under the Companies Law, repurchases by the Company may only be made out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

There could be adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2009) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level.

(VI) SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange monthly since the date of listing to the Latest Practicable Date were as follows:

	Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
October (<i>Note</i>)	6.860	4.140
November	7.250	5.800
December	6.720	5.720
2010		
January	6.850	5.300
February	6.050	5.310
March	5.950	5.350
April (up to the Latest Practicable Date)	5.840	4.970

Note: Shares of the Company have been listed on the Stock Exchange since 8 October 2009.

(VII) UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. The Directors have also undertaken not to repurchase any Shares if there is less than a minimum of 25% of the total issued share capital of the Company in public hands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associate(s), currently intends to sell the Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

No Connected Person has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so in the event that the Company is authorized to make repurchases of the Shares.

(VIII) TAKEOVERS CODE

Pursuant to Rule 32 of the Takeovers Code, if as a result of a Share repurchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for the Shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Wu Yueshi ("Mr. Wu") was interested in 593,000,000 Shares, representing approximately 56.75% of the issued share capital of the Company. In the event that the Directors exercised the Repurchase Mandate in full, the shareholding of Mr. Wu in the Company would be increased to approximately 63.05% of the issued share capital of the Company. The increase of Mr. Wu's proportionate interest in the Company will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, Mr. Wu or a group of Shareholders acting in concert with it could obtain or consolidate control of the Company and, when exceeding the 2% creeper, become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.

Save as disclosed herein, the Directors are not aware of any consequences which may arise under the Takeovers Code if the Repurchase Mandate is exercised. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would trigger the application of the Takeovers Code in the manner described above.

(IX) SHARES REPURCHASED BY THE COMPANY

The Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

At the AGM, an ordinary resolution to re-elect the following persons as Directors will be proposed. In compliance with Rules 13.51(2) of the Listing Rules, details of the relevant persons are as follows:

Mr. Wu Yueshi (“Mr. Wu”), aged 52, became our executive Director and Chairman on 8 June 2009. He is a director of the Company’s subsidiaries, namely Ausnutria Dairy Company Limited (“Ausnutria Hong Kong”), Ausnutria Dairy (HK) Company Limited (“Ausnutria (HK)”), Ausnutria Australia Dairy Pty Ltd. (“Ausnutria Australia”), Ausnutria Dairy (Hunan) Company Ltd (“Ausnutria Hunan”) and Spring Choice Limited (“Spring Choice”). Mr. Wu joined our Group at the establishment of Ausnutria Hunan in September 2003. He is primarily responsible for the overall corporate strategy, planning and business development of our Group. Mr. Wu completed a Master of Business Administration program at the International College of Beijing University, and obtained the Executive Master’s of Business Administration degree from Fordham University. Prior to joining our Group, he was employed by the Labour Department of Hunan Province (湖南省勞動廳), a director and the chief executive officer of Hunan Ava Seed Co., Ltd* (湖南亞華種業股份有限公司) (“Hunan Ava Seed”), a company whose shares are listed on the Shenzhen Stock Exchange. Mr. Wu is presently the chairman of Changsha Xin Da Xin Group Company* (長沙新大新集團有限公司) which changed its name to Changsha Xin Da Xin Vilmorin Agri-Business Co., Ltd* (長沙新大新威邁農業有限公司) (“Changsha Xin Da Xin Group”) and also the vice chairman of the Chamber of Commerce and Industry (Hunan)* (湖南省工商業聯合會). Since 2004 until now, being the chairman and director of Yuan Longping High-tech Agriculture Co., Ltd* (袁隆平農業高科技股份有限公司) (“Longping High-tech”), a company whose shares are listed on the Shenzhen Stock Exchange, Mr. Wu is not involved in any other listed company as director in the last 3 years.

At the latest practicable date, Mr. Wu is interested in 593,000,000 Shares (within the meaning of Part XV of SFO) through Controlled Company (representing 56.75% of issued share capital of the Company). Save as disclosed above, Mr. Wu did not have any interest in the Shares, underlying Shares or debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Wu is a director and shareholder respectively of Brave Leader Limited (“Brave Leader”) and Ausnutria Holding Co Ltd (“Ausnutria BVI”), the substantial shareholders (as defined in the Listing Rules) and Silver Castle International Limited (“Silver Castle”), a shareholder of the Company. Save as disclosed above, Mr. Wu was not related to any Directors, senior management, substantial or controlling shareholders of the Company.

There is a service contract between the Company and Mr. Wu for a term of three years from 8 October 2009. Mr. Wu is entitled to an annual director’s fee of HK\$100,000. Mr. Wu’s remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

Mr. Yan Weibin (“Mr. Yan”), aged 44, became our executive Director on 8 June 2009. He is also a director of the Company’s subsidiaries, namely Ausnutria Hong Kong, Ausnutria (HK), Ausnutria Australia, Ausnutria Hunan and Spring Choice. He joined our Group since the establishment of Ausnutria Hunan in September 2003. Mr. Yan is primarily responsible for the overall corporate strategy, planning and business development of our Group. Mr. Yan graduated from Hunan University with a degree in Bachelor of Engineering and MBA. He was a director of Changsha Xin Da Xin Real Estate Company* (長沙新大新置業有限公司), a director and the vice president of Hunan Ava Seed, and the chief executive officer and director of Ausnutria Hunan and Changsha Xin Da Xin Group. M. Yan is the chief executive officer of Longping High-tech since 2004. Mr. Yan is not involved in any other listed company as director in the last 3 years.

At the latest practicable date, Mr. Yan is interested in 200,000,000 Shares (within the meaning of Part XV of SFO) through controlled company (representing 19.14% of issued share capital of the Company). Save as disclosed above, Mr. Yan did not have any interest in the Shares, underlying Shares or debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Yan is a director and shareholder respectively of Brave Leader and Ausnutria BVI, the substantial shareholders (as defined in the Listing Rules) and Silver Castle, a shareholder of the Company. Save as disclosed above, Mr. Yan was not related to any Directors, senior management, substantial or controlling shareholders of the Company.

There is a service contract between the Company and Mr. Yan for a term of three years from 8 October 2009. Mr. Yan is entitled to an annual director’s fee of HK\$100,000. Mr. Yan’s remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

Mr. Chen Yuanrong (“Mr. Chen”), aged 50, is the chief executive officer of our Group and became our executive Director on 8 June 2009. He is also a director of the Company’s subsidiaries, namely Ausnutria Hong Kong, Ausnutria (HK), Ausnutria Hunan and Spring Choice. Mr. Chen joined our Group in December 2003 as the director and chief executive officer of Ausnutria Hunan. He is primarily responsible for the day-to-day management and operation of the Group. Mr. Chen has taken a business administration course at University of Helsinki. He was employed as the deputy general manager of Hunan Nanshan Dairy Farm* (湖南省南山牧場), a general manager of Nanshan Green Food Development Co., Ltd (南山綠色食品(乳品)開發總公司), a director, an assistant to the president and an asset controller of Hunan Ava Holding Co., Ltd.* (湖南亞華種業股份有限公司), the general manager of Hunan Ava Nanshan Dairy product branch* (湖南亞華南山乳品分公司) and Nanshan Dairy Marketing Company* (南山乳業營銷有限公司). Mr. Chen has substantial experience in cattle breeding, management of cattle farm, production and marketing of dairy products and its business management. Mr. Chen is not involved in any other listed company as director in the last 3 years.

At the latest practicable date, Mr. Chen is interested in 107,000,000 Shares (within the meaning of Part XV of SFO) through Controlled Company (representing 10.24% of issued share capital of the Company). Save as disclosed above, Mr. Chen did not have any interest in the Shares, underlying Shares or debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Chen is a director and shareholder of All Harmony International Limited, a substantial shareholder (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. Chen was not related to any Directors, senior management, substantial or controlling shareholders of the Company.

There is a service contract between the Company and Mr. Chen for a term of three years from 8 October 2009. Mr. Chen is entitled to an annual director’s fee of HK\$100,000 and emolument of RMB650,000 for the post of chief executive officer. Mr. Chen’s remuneration is determined with reference to his qualifications, experience, duties and responsibilities with the Company as well as market rate.

Save as disclosed herein, there is no information that should be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters relating to the above directors that need to be brought to the attention of the Shareholders.

* *For identification purpose only*

**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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Ausnutria Dairy Corporation Ltd (the “Company”) will be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 18 June 2010 at 10:00 a.m. for the following purposes: -

1. To receive and consider the audited consolidated financial statements and the Reports of the Directors and the Auditors for the year ended 31 December 2009;
2. To re-elect directors and to authorise the board of directors (“Board”) to fix their remuneration and emolument;
3. To declare a final dividend of HK\$6 cents per share for the year ended 31 December 2009;
4. To re-appoint Ernst & Young as auditors and to authorise the Board to fix their remuneration;
5. **“THAT:**
 - (a) subject to paragraph (c), a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to allot, issue and dispose of shares (the “Shares”) of HK\$0.10 each in the share capital of the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;
 - (b) the mandate in paragraph (a) shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers

and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iii) any scrip dividend or similar arrangement pursuant to the articles of association of the Company from time to time, or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said mandate shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either unconditional or subject to conditions by ordinary resolution passed at that meeting; or
- (ii) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying such mandate.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT:**

- (a) a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution; and

(b) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either unconditional or subject to conditions by ordinary resolution passed at that meeting; or
- (ii) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying such mandate.

7. **“THAT:**

conditional upon the passing of Resolutions 5 and 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares which are purchased or otherwise acquired by the Company pursuant to Resolution 6 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to Resolution 5.”

Yours faithfully
By Order of the Board
Ausnutria Dairy Corporation Ltd
Wu Yueshi
Chairman

Changsha City, China, 30 April 2010

Notes:

1. Any member entitled to attend and vote at the AGM is entitled to appoint one or more person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of attorney, must be deposited not less than 48 hours before the time appointed for the holding of the AGM at the Company’s Share Registrar.
3. The Register of Members of the Company in Hong Kong will be closed from 15 June 2010 to 18 June 2010 (both dates inclusive) during which period no transfer of shares will be registered. To be qualified to attend the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 14 June 2010.
4. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the AGM if the member so desires, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Information containing further details regarding the proposed Resolutions nos.2 and 6 set out in the above notice as required by the Listing Rules are set out in Appendix 1 and 2 of this circular.