
APPENDIX II**PROFIT FORECAST**

The forecast of the Group’s combined profit attributable to equity holders of the Company for the year ending 31 December 2009 is set out in the section headed “Financial Information — Profit Forecast” in this document.

(A) BASES AND ASSUMPTIONS

The Directors have prepared the forecast of the Group’s combined profit attributable to equity holders of the Company for the year ending 31 December 2009 on the basis of the results shown in the audited combined results of the Group for the six months ended 30 June 2009, unaudited combined results of the Group for the two months ended 31 August 2009 and a forecast of the combined results of the Group for the remaining four months ending 31 December 2009. The forecast has been prepared on a basis consistent in all material respects with the accounting policies currently adopted by the Group as summarised in Appendix I to this document and is based on the following principal assumptions:

- there will be no material changes in the existing political, legal, fiscal, market or economic conditions in the PRC or any other country or territory in which the Group carries on its business or from which it buys or to which it sells the products or sources its materials;
- there will be no changes in government policies, legislation, regulations or rules in the PRC or any other country or territory where the Group carries on its business or with which it has arrangements or agreements, which may have a material adverse effect on its business;
- there will be no material changes in the bases or rates of taxation or duties in the PRC or any other country or territory where the Group carries on its business, except as otherwise disclosed in this document; and
- there will be no material changes in inflation rate, interest rates or foreign currency exchanges rates from those prevailing as at the last audited balance sheet date.

(B) LETTER

Set out below are texts of letter received by the directors from Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of the Company in connection with the forecast of the combined profit attributable to the equity holders of the Group for the financial year ending 31 December 2009.

(a) *Letter from the reporting accountants*



18th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

24 September 2009

The Directors
Ausnutria Dairy Corporation Ltd

Dear Sirs,

We have reviewed the accounting policies and calculations adopted in arriving at the forecast of the combined profit attributable to owners of Ausnutria Dairy Corporation Ltd (the “Company” together with its subsidiaries, hereafter collectively referred to as the “Group”) for the year ending 31 December 2009 (the “Profit Forecast”), as set out in the subsection headed “Profit Forecast” under the section headed “Financial Information” in the document of the Company dated 24 September 2009 (the “Document”) for which the directors of the Company are solely responsible.

The Profit Forecast has been prepared by the Directors based on the audited combined results of the Group for the six months ended 30 June 2009, unaudited combined results of the Group for the two months ended 31 August 2009 and a forecast of the combined results of the Group for the remaining four months ending 31 December 2009.

In our opinion, the Profit Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled in accordance with the bases and assumptions made by the Directors as set out in Appendix III to the Document, and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants’ report dated 24 September 2009, the text of which is set out in Appendix I to the Document.

Yours faithfully,