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CHINA YURUN FOOD GROUP LIMITED

中國雨潤食品集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1068)

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS AND RECENT BUSINESS OPERATION PERFORMANCE OF THE GROUP

Unusual price and trading volume movements

This statement is made pursuant to rule 13.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of China Yurun Food Group Limited (the “Company”, together with its subsidiaries, the “Group”) has noted the recent decreases in the price and increases in the trading volume of the shares of the Company. The Board wishes to state that, save as disclosed in the section headed “Recent Business Operation Performance of the Group” below, it is not aware of any other reasons for such decreases in the price and increases in the trading volume.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23 of the Listing Rules, save as disclosed in the section headed “Recent Business Operation Performance of the Group” below, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

Recent Business Operation Performance of the Group

The Board hereby reports to the shareholders and potential investors on the latest business operation performance of the Group.

Based on the Group's (i) unaudited management accounts of August 2011, and (ii) operational data currently available for the month of September 2011 up to the present, the Board expects that the profits of the Group in the third quarter this year would decrease as compared with that of the same period of last year. The Board believes that such decrease may be caused by: the continual publication of negative media reports in the past few months which have an impact on consumers' confidence; the substantial increase in raw material costs (in particular hog price) which undermines the consumption desire of the consumers; as well as the increasing difficulty in transferring the Group's increased operation costs to its consumers. The Board expects that these unfavourable factors may continue to have an impact on the business of the Group in the fourth quarter this year.

Information contained in this announcement is made after the Board's preliminary review of the unaudited management accounts and other operational data of the Group and is not based on any figures and information which have been audited or reviewed by the Company's auditors. As at the date of this announcement, the Group's management accounts for the month of September 2011 are yet to be completed and the performance of the Group for the remaining months of year 2011 are yet to be quantified and determined.

For short term goals, the Group will make its best endeavours in the coming few months to take all necessary actions and measures that the Board thinks fit, including reinforcing corporate image, strengthening public relations efforts and implementing a series of marketing activities, to do the best to restore the Group's business to normal. In spite of the uncertainties in operations and future challenges, the Group will continue to implement its long term development strategies and make efforts to achieve its set goals.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Zhu Yicai
Chairman

Hong Kong, 26 September 2011

As at the date of this announcement, the executive directors of the Company are Zhu Yicai, Zhu Yiliang, Feng Kuande, Ge Yuqi and Yu Zhangli; the non-executive directors are Jiao Shuge (alias Jiao Zhen), Wang Kaitian and Li Chenghua; and the independent non-executive directors are Gao Hui, Qiao Jun and Chen Jianguo.

** For identification purposes only*