

9 February 2018

**ASX Announcement
Update on suspension of trading in CDC shares**

China Dairy Corporation Limited (ASX: CDC) (the **Company**) provides the following update on the existing suspension of the Company's shares.

Quotation of the ordinary shares in the Company was suspended on 11 December 2017 pending the Company's responses to ASX's enquiries.

Between 11 December 2017 and 16 January 2018, ASX wrote to the Company, querying the corporate governance arrangements that the Company has had in place. The Company has since responded to those queries. Reference is made to the announcements released to market setting out the Company's responses to ASX queries on 18 December 2017 and 23 January 2018.

ASX has now determined and advised the Company that it is concerned about aspects of the Company's existing corporate governance arrangements and that suspension of trading in the Company's shares on the ASX will remain until the Company:

1. reviews its corporate governance arrangement; and
2. makes an announcement disclosing its updated corporate governance arrangements, which incorporates governance changes to address ASX's concerns.

Proposed Timetable

The Company is currently seeking professional advice from law firm Baker McKenzie on its existing corporate governance arrangements and the implementation of the necessary changes to address ASX's concerns.

The Company intends to submit its updated corporate governance arrangement to ASX for approval within 14 days of the date of this announcement, so that trading of the Company's shares on ASX can be resumed before the end of February 2018.

Enjia Liu
Chairman

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