

ASX Announcement

16 May 2017

Financial update for the 9 months ending 31 March 2017

China Modern Agricultural Information Inc. (“**CMCI**”) is listed on OTC Markets Group (“**OTC**”) in the US and through its wholly owned subsidiary, Hope Dairy Holdings Ltd., is the majority shareholder in CDC.

On 15 May 2017 (Eastern Standard Time), CMCI filed a Form 10-Q (Quarterly Report) for the period ended 31 March 2017 with the U.S. Securities and Exchange Commission and OTC.

CMCI’s results have been adjusted to represent the financial position of CDC for the 9 months ended 31 March 2017. The financial information presented is unaudited, but is accompanied by a review report from Wei, Wei & Co., LLP, the Company’s independent registered public accounting firm.

The financial information presented below has been prepared under US GAAP.

For and on behalf of China Dairy Corporation Limited,



David Paul Batten

Independent Director and Local Agent

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Profit and Loss for the 9 months ending 31 March 2017 presented in \$US

Unaudited Profit and Loss	9 months ending 31 March 2016	9 months ending 31 March 2017
Revenues		
Milk sales	56,576,754	75,854,589
Sales commissions	15,051,808	13,108,802
Total revenues	71,628,562	88,963,391
Cost of goods sold	(39,112,813)	(55,481,417)
Gross profit	32,515,749	33,481,974
Operating expenses		
Selling and marketing	(1,517,054)	(1,484,886)
General and administrative	(2,121,318)	(2,515,772)
Total operating expenses	(3,638,372)	(4,000,658)
Operating income	28,877,377	29,481,316
Other income and expenses		
Interest income on notes receivable	486,312	663,660
Gain (loss) on disposal of non-current assets	(103,913)	-
Other non-operating income	123,266	1,286,286
Other income and expenses	505,665	1,949,946
Income before provision for income taxes	29,383,042	31,431,262
Provision for income taxes	(2,415,816)	-
Net income before non-controlling interests	26,967,226	31,431,262
Non-controlling interests	(168,760)	(230,202)
Net income attributable to common shareholders	26,798,466	31,201,060
Other comprehensive income		
Foreign currency translation adjustment	(6,556,665)	(5,440,712)
Total comprehensive income	20,241,801	25,760,348

Balance Sheet as at 31 March 2017 presented in \$US

Unaudited Balance Sheet	30 June 2016	31 March 2017
Assets		
Current Assets		
Cash	27,713,067	32,403,119
Accounts receivable	24,783,720	24,697,889
Inventories	1,122,843	852,253
Prepayments	1,216,963	710,043
Advance to supplier	-	1,715,082
Interest receivable	474,803	1,101,147
Notes receivable	2,097,363	3,859,089
Total Current Assets	57,408,759	65,338,622
Non-Current Assets		
Property, plant and equipment	34,327,757	33,720,556
Notes receivable	4,943,622	17,247,903
Prepayments	45,483,513	42,603,638
Biological assets	64,136,851	68,766,790
Total Non-Current Assets	148,891,743	162,338,887
Total Assets	206,300,502	227,677,509
Liabilities		
Current Liabilities		
Accrued expenses and other payables	401,430	334,429
Dividend payable	3,116,969	3,596,221
Related party loans	1,430,707	1,497,922
Total Current Liabilities	4,949,106	5,428,572
Non-Current Liabilities		
Deferred income taxes	40,876,903	39,414,937
Total Non-Current Liabilities	40,876,903	39,414,937
Total Liabilities	45,826,009	44,843,509
Net Assets	160,474,493	182,834,000
Equity		
Issued and paid-up capital	51,522,467	51,522,467
Retained earnings	113,387,170	141,012,704
Statutory reserve fund	792,174	792,174
Non-controlling interests	1,570,315	1,745,000
Foreign currency translation reserve	(6,797,633)	(12,238,345)
Total Equity	160,474,493	182,834,000

CHINA DAIRY CORPORATION LIMITED

ARBN: 607 996 449

Hong Kong Company Registration Number: 2190508

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Review report from Wei, Wei & Co. LLP on 9 months ending 31 March 2017



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of China Dairy Corporation Limited

We have reviewed the condensed consolidated balance sheet of China Dairy Corporation Limited, and subsidiaries (the "Company") as of March 31, 2017, and the related condensed consolidated statements of income and comprehensive income, change in stockholders' equity, and cash flows for the nine months ended March 31, 2017 and 2016. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

Wei, Wei & Co., LLP
Flushing, New York
May 15, 2017

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CHINA DAIRY CORPORATION LIMITED

About China Dairy Corporation Limited

China Dairy Corporation Limited (ASX: CDC) is a company primarily engaged in the production and wholesale of raw milk and the rearing, breeding and sale of dairy cows in Heilongjiang province, China.

CDC generates revenue through two primary business models;

- the sale of raw milk from cows that are owned by the company; and
- milk sale commissions on the sale of raw milk from cows the company has sold to farmers.

As at 31 March 2017, CDC owned 31,877 cows and partnered with farmers with an additional 20,927 cows from which CDC makes a sales commission on the milk sold.

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