

## **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*

Phone: +61 2 8051 3008

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

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

Unaudited Balance Sheet	30 June 2016	31 March 2017
<b>Assets</b>		
<b>Current Assets</b>		
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
<b>Total Current Assets</b>	<b>57,408,759</b>	<b>65,338,622</b>
<b>Non-Current Assets</b>		
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
<b>Total Non-Current Assets</b>	<b>148,891,743</b>	<b>162,338,887</b>
<b>Total Assets</b>	<b>206,300,502</b>	<b>227,677,509</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
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
<b>Total Current Liabilities</b>	<b>4,949,106</b>	<b>5,428,572</b>
<b>Non-Current Liabilities</b>		
Deferred income taxes	40,876,903	39,414,937
<b>Total Non-Current Liabilities</b>	<b>40,876,903</b>	<b>39,414,937</b>
<b>Total Liabilities</b>	<b>45,826,009</b>	<b>44,843,509</b>
<b>Net Assets</b>	<b>160,474,493</b>	<b>182,834,000</b>
<b>Equity</b>		
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)
<b>Total Equity</b>	<b>160,474,493</b>	<b>182,834,000</b>

**CHINA DAIRY CORPORATION LIMITED**

ARBN: 607 996 449

Hong Kong Company Registration Number: 2190508

Level 36, Gateway Tower, 1 Macquarie Place, Sydney NSW 2000



CHINA DAIRY CORPORATION LIMITED

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



• **MAIN OFFICE**  
133-10 39<sup>TH</sup> AVENUE  
FLUSHING, NY 11354  
TEL. (718) 445-6308  
FAX. (718) 445-6760

• **CALIFORNIA OFFICE**  
36 W BAY STATE STREET  
ALHAMBRA, CA 91801  
TEL. (626) 282-1630  
FAX. (626) 282-9726

• **BEIJING OFFICE**  
SUITE 2503  
CHINA WORLD OFFICE 2  
1 JIANGUOMENWAI AVENUE  
BEIJING 100004, PRC  
TEL. (86 10) 65355871  
FAX. (86 10) 65355870

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

---

CHINA DAIRY CORPORATION LIMITED

ARBN: 607 996 449

Hong Kong Company Registration Number: 2190508

Level 36, Gateway Tower, 1 Macquarie Place, Sydney NSW 2000



### **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.