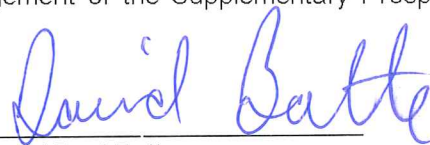


This is a Supplementary Prospectus dated 19 November 2015 intended to be read with the Prospectus dated 30 October 2015 relating to the Offer to apply for CDIs in the Company.

China Dairy Corporation Limited
ARBN 607 996 449
Hong Kong Company
Registration Number 2190508
Supplementary Prospectus

I, David Paul Batten, Independent Non-Executive Director of China Dairy Corporation Limited, consent to the lodgement of the Supplementary Prospectus with ASIC.



David Paul Batten

Dated: 19 NOVEMBER 2015

Important Information

This supplementary prospectus is dated 19 November 2015 (**Supplementary Prospectus**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on the same date. This Supplementary Prospectus is supplementary to the Prospectus dated 30 October 2015 issued by China Dairy Corporation Limited, a company incorporated in Hong Kong with the Hong Kong Company Registration Number 2190508 and registered in Australia as a foreign company with the ARBN 607 996 449 (**Company**) in relation to the Offer of CDIs by the Company (**Prospectus**).

Neither ASIC nor ASX takes any responsibility for the contents of this Supplementary Prospectus. This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and the Supplementary Prospectus, the Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus and the Prospectus can be accessed online at www.chinadairyco.com.

1. Background

The Group had acquired the land use rights to two tracts of land in Harbin, Heilongjiang in May 2015 (refer to section 3.9 of the Prospectus for further details on the Group's farmlands). In order to take advantage of the lower transportation costs from these nearer tracts of land in the Harbin region, the Group has migrated to them all of its company-raised cows owned by Xinhua Cattle and the majority of the company-raised cows owned by Yulong cattle (refer to section 3.5 of the Prospectus for further details of the Group's company-raised cows).

The company-raised cows belonging to Xinhua Cattle were previously located in the Qiqihaer region of Heilongjiang and the company-raised cows belonging to Yulong Cattle were previously located in the Shangzhi region of Heilongjiang.

In addition to migrating its company-raised cows to farmland in Harbin, the Group has also migrated its farmer-raised cows from the Qiqihaer region in Heilongjiang to the Harbin region (refer to section 3.5 of the Prospectus for further details of the Group's farmer-raised cows).

While the migration of the dairy cows caused a minor disruption to the business, milk production has been restored to levels prior to the migration. In total, the migration took place over a 10 day period with the cows moved in batches to the new locations.

2. Entrust feeding agreements

Due to the migration of its farmer-raised cows to the Harbin region from the Qiqihaer region, the Group has replaced its previous entrusted farmers, all of which were located around the Qiqihaer region with new entrusted farmers that are now located in and around the Harbin region.

In line with the agreements with its previous entrusted farmers in the Qiqihaer region, the agreements entered into with the new entrusted farmers in the Harbin region specify, amongst other things, the fees paid by the Group to raise and feed the Group's dairy cows. This fee is determined based on the age of the dairy cows.

Agreements with the previous 200 entrusted farmers were terminated and new agreements were entered into with 179 entrusted farmers in the Harbin region. The entrusted farmers were allocated over 21,000 of the Group's dairy cows to raise. The operations of these new entrusted farmers range in size with an average herd size of approximately 118 dairy cows and with the largest herd size being over 390 dairy cows.

The fees paid to the new entrusted farmers to feed the Group's dairy cows has increased to account for higher market feed prices. Total monthly feeding and other fees payable to entrusted farmers are as follows:

- (a) RMB 440 (A\$95) in respect of each calf aged six months or under;
- (b) RMB 560 (A\$121) in respect of each adult cattle aged between 7 and 18 months;
- (c) RMB 650 (A\$140) in respect of each young cattle aged between 19 months and the age at which the cattle gives birth to its first calf; and
- (d) RMB 1,020 (A\$220) in respect of each adult cow that has given birth to its first calf.

This increase in the feeding fee paid to entrusted farmers would have taken place regardless of the change in entrusted farmers as the previous prices were based on prices set in March 2015. These prices are periodically reviewed by the Group and over the last 12 months have been increased twice; once in March 2015 (from prices previously set in December 2014) at an increase of between approximately 18 and 26% depending on the age of the dairy cow and again, more recently with an increase of between approximately 17 to 21% depending on the age of the cow. These prices are determined between the Group and the entrusted farmers by taking into account the market price for feed as well as expected future fluctuations in feed costs. This price is then locked in to ensure long-term stability and reviewed periodically to determine if adjustments need to be made.

3. Raw milk customers

The migration of the Group's company-raised and farmer-raised cows to the Harbin region in Heilongjiang, had created a large geographical distance between the location of its dairy cows and its customers which were located closer to the Qiqihaer region. Due to this, the Group has terminated four of its five milk sale agreements relating to the milk produced from its company-raised and farmer-raised cows. These agreements relate to the following customers:

- (a) Heilongjiang Farm Agricultural Reclamation Delong Dairy Industry Co., Ltd;
- (b) Qiqihaer Heshan Dairy Co., Ltd;
- (c) Heilongjiang Longxing Dairy Industry Co., Ltd; and
- (d) Suihua Dongxing Dairy Foods Co., Ltd.

The above customers have been replaced with three new customers and include:

- (a) Heilongjiang Wandashan Harbin Dairy Co., Ltd;
- (b) Heilongjiang Wanjiabao Fresh Milk Investment Co., Ltd; and
- (c) Harbin Ruduobao Dairy Co., Ltd.

The four customers which the Group has terminated agreements with previously purchased milk from the Group under one year contractual terms at a milk price of RMB 3.50 per kilogram. The Group's

three new customers are on two year contractual terms and state that they will purchase milk at RMB 3.80 per kilogram.

In addition to stating the price that milk produced by the Group will be purchased at, the milk sale agreements also state the minimum quality of milk that must be supplied. Prior to changing its four customers as outlined above, all customer contracts stipulated that milk sold must have at a minimum fat content of 3.1%, a protein content of at least 2.95% and a standard plate count (**SPC**) of no greater than 0.5 million colony forming units (**CFU**) per millilitre (**mL**). Of the current customers that purchase milk from the Group's company-raised and farmer-raised cows, only one customer requires that milk meets the aforementioned minimum quality standards.

The contracts with the Group's three new customers require a fat content of at least 3.1%, and a SPC of no greater than 2.0 million CFU per mL, in line with the PRC standards for raw milk. With respect to protein content, two of the three new customers require a protein content of at least 2.95% and the other requires a protein content of at least 2.8%, in line with the PRC standards for raw milk.

4. Repurposing of farmland

The Group's current farmlands are outlined in the Table 1 below and discussed in section 3.9 of the Prospectus. The migration of the Group's company-raised cows from their previous locations in Qiqihaer (farmland numbered 3 in the table below) and Shangzhi (farmland numbered 2 in Table 1 below) has been undertaken to repurpose these tracts of land.

| No. | Location | Area of Land (mu) | Area of Land (m²) | Start of LUR | Expiration of LUR |
|------------|------------------------|--------------------------|-------------------------------------|---------------------|--------------------------|
| 1 | Qiqihaer, Heilongjiang | 25,000 | 16,666,750 | 9 October, 2011 | 8 October, 2021 |
| 2 | Shangzhi, Heilongjiang | 642 | 427,572 | 1 March, 2013 | 28 February, 2063 |
| 3 | Qiqihaer, Heilongjiang | 375 | 250,000 | 10 May, 2013 | 9 May, 2063 |
| 4 | Harbin, Heilongjiang | 357 | 238,000 | 7 May, 2015 | 6 May, 2045 |
| 5 | Harbin, Heilongjiang | 425 | 283,333 | 14 May, 2015 | 13 May, 2045 |

Prior to the migration of its company-raised cows to Harbin, the Group utilised the farmland numbered 1 in Table 1 above to produce and supply Grass for the Group's cows. It will now also utilise the other farmland in Qiqihaer (farmland numbered 3 in Table 1) for growing and producing grass for the Group's dairy cows. In addition, this farmland will also be used to cultivate different types of fodder to be used in the Group's Group's proposed processed liquid milk business, as described in section 2.16 and 3.11.2 of the Prospectus.

The farmland in Shangzhi (farmland numbered 2 in Table 1) will be used for developing the initial base of operations where the Group's research and development facilities related to its proposed processed liquid milk business will be established.

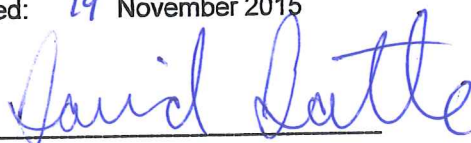
5. Directors' belief

The Directors believe that the information contained in this Supplementary Prospectus is not materially adverse from the point of view of an investor.

6. Directors' authorisation

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgment of this Supplementary Prospectus with ASIC.

Dated: 19 November 2015



Signed for and on behalf of
China Dairy Corporation Limited
David Paul Batten
Independent Non-Executive Director