



China Dairy Corporation Limited

Proposed ASX ticker code: CDC

5th April 2016

CHINA DAIRY IPO CLOSES FOLLOWING SOLID DEMAND

China Dairy Corporation Limited (“China Dairy” or “the Company”) today announced the successful closure of its ASX IPO following solid demand from a broad range of investors raising A\$17 million.

At the offer price of A\$0.20 per Chess Depository Interest (“CDI”), China Dairy will have a market capitalisation of approximately A\$147 million.

BlueMount Capital was the lead advisor to China Dairy Corporation.

The strong response to the IPO reflects the positive long-term fundamentals for the dairy industry, driven by Chinese consumers’ growing demand for high quality food products, including dairy products. Current milk consumption in China stands at about 20kg per capita, less than a quarter of the average world consumption level¹.

China’s relaxation of its one-child policy has also led researchers¹ to estimate that the country will see an average net increase of 3 million people per year and a corresponding RMB 20 billion spent in increased demand for infant formula milk.

The robust pull factors are accompanied by a renewed push by the Chinese government to further modernise agriculture through incorporating new technologies throughout the agricultural value chain to improve productivity, as articulated in the Government’s recent 13th five-year plan.

China Dairy’s Mongolia-based Research & Development facility, which is currently being developed, will underpin the Company’s strategic focus of innovation.

Final allocation and allotment of CDI’s has now been completed. . Trading is expected to commence on the 8 April 2016 under the ticker code CDC.

About China Dairy Corporation

China Dairy Corporation (“CDC”) is a leading producer and wholesale distributor of raw milk in China; as well as breeder and seller of dairy cows.

Established in 2005, China Dairy Corporation has over 160 employees located in the Company’s operations in China.

¹ **China Agri Research**, 8 Jan 2016 “Analysis and forecast on China’s dairy industry”
<http://en.cnagri.com/report/dairy/20160108/252923.html>

Through a number of acquisitions, CDC has grown to become a large dairy farming operation and milk producer in China, with more than 40,000 cows owned by the Company and its partners providing it with an aggregate raw milk production capacity of over 600 tonnes per day.

CDC operates a diversified business model through which the Group expanded beyond breeding company-raised cows, to also outsourcing cattle-raising to farmer-raised and farmer-owned cows – which provides additional revenue streams through the wholesale of raw milk.

The Group has shown consistent historic growth over recent years with FY2015 revenues reaching A\$79.1 million and total comprehensive income reaching A\$39.5, representing a compounded annual growth rate (CAGR) of 19% and 20% respectively since FY2013. CDC's FY2015 net profit margins of approximately 50% give it the highest profitability margins when compared to other ASX-listed dairy companies.

For more information on China Dairy Corporation, visit: www.chinadairyco.com

[1] According to a collaborative report by the OECD and the Food and Agricultural Organisation of the UN.

About BlueMount Capital

BlueMount Capital is a licenced capital markets advisor with offices in Sydney, Melbourne, Brisbane and Perth and with representative offices in Shanghai, Beijing and Hong Kong.

BlueMount as well as being involved in capital raisings and M&A is particularly active in listing foreign companies on the ASX where it has listed several Chinese and other foreign companies over the past 2 years.

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