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China Modern Dairy Holdings Ltd.
中國現代牧業控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1117)

**UNAUDITED CONSOLIDATED FINANCIAL INFORMATION OF
MODERN FARMING (GROUP) CO., LTD.*
A NON-WHOLLY OWNED SUBSIDIARY OF THE COMPANY
FOR THE THREE MONTHS ENDED 31 MARCH 2013**

This announcement is made by the board (the “**Board**”) of China Modern Dairy Holdings Ltd. (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of the Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 28 March 2013 in relation to the completion of the issuance by 現代牧業(集團)有限公司 (Modern Farming (Group) Co., Ltd.) (“**Modern Farm**”), a non-wholly owned subsidiary of the Company, of the first tranche of the short term notes of an aggregate principal amount of RMB0.7 billion; and (ii) the announcement of the Company dated 19 April 2013 in relation to the release of the unaudited consolidated financial information of Modern Farm for the three months ended 31 March 2013.

Pursuant to applicable laws and regulations in the PRC, the unaudited consolidated financial information of Modern Farm for the three months ended 31 March 2013 prepared in accordance with the PRC Generally Accepted Accounting Principles (“**Modern Farm’s Unaudited Consolidated Financial Information**”) has been published on the websites of Shanghai Clearing House (www.shclearing.com) and China Foreign Exchange Trade System (<http://www.chinamoney.com.cn>) on 25 April 2013.

Unaudited consolidated financial information of 現代牧業(集團)有限公司 (Modern Farming (Group) Co., Ltd) (“Modern Farm”) for the three months ended 31 March 2013 is attached as Appendix to this announcement.

The Unaudited Consolidated Financial Information of Modern Farm is prepared in accordance with the PRC Generally Accepted Accounting Principles, which may require adjustment during the course of auditing. In addition, the information contained therein is limited solely to Modern Farm and its subsidiaries, which does not provide a full picture of the operation status of the Group. Shareholders and potential investors should exercise caution when dealing in the shares of the Company and should not rely solely on such information.

For and on behalf of the Board
China Modern Dairy Holdings Ltd.
WOLHARDT Julian Juul
Chairman

Hong Kong, 25 April 2013

As of the date of this announcement, the executive Directors are Ms. GAO Lina and Mr. HAN Chunlin, the non-executive Directors are Mr. WOLHARDT Julian Juul, Mr. HUI Chi Kin Max and Mr. LEI Yongsheng, the independent non-executive Directors are Prof. LI Shengli, Prof. GUO Lianheng and Mr. LEE Kong Wai Conway.

** For identification purposes only*

Appendix

CONSOLIDATED INCOME STATEMENT

Prepared by: Modern Farming (Group)
Co. Ltd. (現代牧業(集團)有限公司)

Items	Three months ended 31 March 2013 (Unaudited) RMB	Three months ended 31 March 2012 (Unaudited) RMB
	I. Operating income	666,972,963.28
Less: Operating cost	516,097,543.17	351,434,820.67
Business Taxes and surcharges	81,497.12	31,547.77
Selling expenses	10,782,090.05	9,547,221.53
Administrative expenses	31,294,809.12	28,279,045.04
Financial costs	41,119,934.40	16,128,104.30
Add: Gain arising from fair value movements (“-”represents losses)	6,512,894.11	12,943,910.07
Other income	<u>13,213,566.65</u>	<u>20,354,986.24</u>
II. Operating profit (“-”represents losses)	87,323,550.18	69,223,920.40
Add: Non-operating income	494,894.77	72,985.85
Less: Non-operating expenses	<u>557,143.80</u>	<u>159,182.47</u>
III. Total profit (“-”represents losses)	87,261,301.15	69,137,723.78
Less: Income tax	<u>2,799,934.87</u>	<u>—</u>
IV. Net profit (“-”represents losses)	<u>84,461,366.28</u>	<u>69,137,723.78</u>
Including: Net profit attributable to the owners of the Parent	80,787,462.60	68,933,023.15
Non-controlling interests	<u>3,673,903.68</u>	<u>204,700.63</u>

Consolidated Balance Sheet

Prepared by: Modern Farming
(Group) Co. Ltd.
(現代牧業(集團)有限公司)

	At 31 March 2013 (Unaudited) RMB	At 31 December 2012 (Unaudited) RMB
Assets		
Current assets:		
Bank balances and cash	1,251,745,937.20	456,229,284.87
Accounts receivables	291,410,508.39	240,643,402.32
Other receivables	5,583,569.21	4,093,716.84
Prepayments	71,837,920.69	52,968,477.37
Interests receivables	2,910,818.42	1,409,473.07
Inventories	<u>391,676,838.88</u>	<u>440,325,920.83</u>
Total current assets	<u><u>2,015,165,592.79</u></u>	<u><u>1,195,670,275.30</u></u>
Non-current assets:		
Long-term equity investment	21,240,000.00	21,240,000.00
Original cost of fixed assets	3,912,180,791.19	3,817,519,535.60
Less: Accumulated depreciation	<u>635,888,216.77</u>	<u>565,339,460.56</u>
Net fixed assets	3,276,292,574.42	3,252,180,075.04
Construction in progress	<u>431,631,296.39</u>	<u>340,922,899.06</u>
Total fixed assets	3,707,923,870.81	3,593,102,974.10
Net biological assets for production	5,251,475,250.00	4,971,951,694.20
Net intangible assets	157,305,602.62	158,450,254.83
Long-term prepaid expenses	<u>3,842,263.17</u>	<u>4,468,766.06</u>
Total non-current assets	<u><u>9,141,786,986.60</u></u>	<u><u>8,749,213,689.19</u></u>
Total assets	<u><u>11,156,952,579.39</u></u>	<u><u>9,944,883,964.49</u></u>

Liabilities and owners' equity	At 31 March 2013 (Unaudited) RMB	At 31 December 2012 (Unaudited) RMB
Current liabilities:		
Short-term borrowings	1,811,049,145.65	1,008,390,164.79
Bills payable	103,791,015.63	111,020,205.05
Accounts payable	668,856,439.63	632,226,070.46
Advances payments	6,276,187.56	7,053,952.76
Staff remuneration payables	29,700,934.24	38,870,372.36
Interests payable	7,349,425.25	198,088.97
Taxes payable	5,528,664.78	3,017,017.23
Other payables	465,408,639.29	522,145,409.14
Non-current liabilities due within one year	<u>606,481,800.00</u>	<u>663,481,800.00</u>
Total current liabilities	<u>3,704,442,252.03</u>	<u>2,986,403,080.76</u>
Non-current liabilities:		
Long-term borrowings	2,061,141,644.00	1,641,440,000.00
Long-term payables	100,000,000.00	100,000,000.00
Other non-current liabilities	<u>257,025,893.42</u>	<u>265,839,460.07</u>
Total non-current liabilities	<u>2,418,167,537.42</u>	<u>2,007,279,460.07</u>
Total liabilities	<u>6,122,609,789.45</u>	<u>4,993,682,540.83</u>

Liabilities and owners' equity	At 31 March 2013 (Unaudited) RMB	At 31 December 2012 (Unaudited) RMB
Owners' equity:		
Paid-up capital(share capital)	563,301,046.00	563,301,046.00
Capital reserve	3,130,613,085.51	3,131,933,085.51
Undistributed profit	<u>1,311,412,820.51</u>	<u>1,230,625,357.91</u>
Total equity attributable to the owners of the Parent	5,005,326,952.02	4,925,859,489.42
Non-controlling interest	<u>29,015,837.92</u>	<u>25,341,934.24</u>
Total owners' equity	<u>5,034,342,789.94</u>	<u>4,951,201,423.66</u>
Total liabilities and owners' equity	<u>11,156,952,579.39</u>	<u>9,944,883,964.49</u>

Consolidated Cash Flow Statement

Prepared by: Modern Farming (Group) Co., Ltd.

**Three months
ended 31 March
2013
(Unaudited)
RMB**

Item

1. Cash flows from operating activities:	
Cash received from sales of goods or rendering of services	671,376,941.95
Cash received relating to other operating activities	<u>24,450,157.39</u>
Sub-total of cash inflows 1	<u>695,827,099.34</u>
Cash paid for goods and services	434,673,795.05
Cash paid to and on behalf of employees	54,354,010.11
Cash paid for all types of taxes	2,057,394.07
Cash paid relating to other operating activities	15,630,664.64
Sub-total of cash outflows 1	<u>506,715,863.87</u>
Net cash generated from operating activities	<u>189,111,235.47</u>
2. Cash flows from investing activities:	
Net cash received on disposal of fixed assets, intangible assets and other long-term assets	<u>74,647,642.81</u>
Sub-total of cash inflows 2	<u>74,647,642.81</u>
Cash paid for acquiring fixed assets, intangible assets and other long term assets	263,367,262.13
Cash paid for acquiring biological assets for production	<u>324,097,528.51</u>
Sub-total of cash outflows 2	<u>587,464,790.64</u>
Net cash used in investing activities	<u>-512,817,147.83</u>
3. Cash flows from financing activities:	
Cash received from borrowings	1,397,065,488.00
Cash received relating to other financing activities	<u>4,400,000.00</u>
Sub-total of cash inflows 3	<u>1,401,465,488.00</u>

**Three months
ended 31 March
2013
(Unaudited)
RMB**

Item

Cash repayments of borrowings	233,024,863.14
Cash paid for distribution of dividends or profits and for interest expenses	51,006,036.88
Cash paid relating to other financing activities	<u>2,800,000.00</u>
Sub-total of cash outflows 3	<u>286,830,900.02</u>
Net cash generated from financing activities	<u>1,114,634,587.98</u>
4. Effect of changes in exchange rate on cash	<u>4,587,976.71</u>
5. Net increase in cash and cash equivalents	795,516,652.33
Add: Cash and cash equivalents at beginning of period	<u>456,229,284.87</u>
6. Cash and cash equivalents at end of period	<u><u>1,251,745,937.20</u></u>