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现代牧业

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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the consolidated management accounts of the Group for the six months ended 31 December 2013, it is expected that the Group will record a significant increase in net profit as compared to corresponding period in 2012.

Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by China Modern Dairy Holdings Ltd. (the “Company”) pursuant to the Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of China Modern Dairy Holdings Ltd. wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the consolidated management accounts of the Group for the six months ended 31 December 2013, it is expected that the Group will record a significant increase in net profit as compared to corresponding period in 2012.

The Company expects to record for the six months ended 31 December 2013 (i) an increase in total revenue of more than 70% to approximately RMB1,900 million, (ii) an increase in cash EBITDA (being earnings before interest expense, taxation, depreciation, amortization and gain/loss arising from changes in fair value less cost of sales of dairy cows) of more than 118% to approximately RMB590 million, and (iii) an increase in profit attributable to shareholders of more than 80% to more than approximately RMB310 million, as compared with the corresponding period in 2012.

The Company considers that the increase in profit for the six months ended 31 December 2013 was mainly due to (i) the expansion of the number of milkable cows and continuous improvement in the milk yield per milkable cow, (ii) an increase in sales of our branded milk, (iii) persistent increase in both of the production volume and unit price of raw milk, and (iv) effective control of costs and expenses.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on currently available information and such information is still in the process of review by the Company's auditor.

The Company is in the process of finalising the consolidated annual results of the Group for the six months ended 31 December 2013, which are expected to be published before the end of March 2014.

Shareholders of the Company and potential investors are advised to read the consolidated annual results announcement of the Group when it is published. Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

By Order of the Board
China Modern Dairy Holdings Ltd.
Mr. Yu Xubo
Chairman

Hong Kong, 7 March 2014

As of the date of this announcement, the executive Directors are Ms. GAO Lina, Mr. HAN Chunlin and Mr. SUN Yugang, the non-executive Directors are Mr. YU Xubo, Mr. WOLHARDT Julian Juul, Mr. HUI Chi Kin Max and Mr. DING Sheng, the independent non-executive Directors are Prof. LI Shengli, Mr. LEE Kong Wai Conway, Mr. LIU Fuchun and Mr. KANG Yan.