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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)

INSIDE INFORMATION

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 30 June 2014, it is expected that the Group will record a significant increase in its total revenue and cash EBITDA as compared to corresponding period in 2013.

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” together with its subsidiaries, the “Group”) 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 the Company wishes to inform its shareholders and potential investors that, based on the preliminary assessment of the consolidated management accounts of the Group for the six months ended 30 June 2014, it is expected that the Group will record a significant increase in its total revenue and cash EBITDA (being earnings before interest expense, taxation,

depreciation, amortization, gain/loss arising from changes in fair value less cost of sales of dairy cows and other gains and losses) as compared to corresponding period in 2013.

The Company expects that the Group will record for the six months ended 30 June 2014 (i) an increase in its total revenue of more than 80% as compared to that of the six months ended 30 June 2013 (the unaudited revenue of the Group amounted to RMB1,388 million) and (ii) an increase in its cash EBITDA of more than 90% as compared to that of the six months ended 30 June 2013 (the unaudited cash EBITDA of the Group amounted to RMB408 million).

The Company considers that such increase for the six months ended 30 June 2014 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 interim results of the Group for the six months ended 30 June 2014, which are expected to be published before the end of August 2014.

Shareholders of the Company and potential investors are advised to read the consolidated interim 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.
Ms. GAO Lina
*Deputy Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 22 July 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. Wu Jingshui, the independent non-executive Directors are Prof. LI Shengli, Mr. LEE Kong Wai Conway, Mr. LIU Fuchun and Mr. KANG Yan.