

6 February 2017

The Board of Directors
China Modern Dairy Holdings Ltd.
Economic and Technological Development Zone
Mannshan City, Anhui Province
The People's Republic of China

Dear Sirs,

China Modern Dairy Holdings Ltd. (the "Company")

Profit Estimate for the Year Ended 31 December 2016

We refer to the statement as set out in the announcement of the Company dated 6 February 2017 in respect of the profit warning made by the directors of the Company (the "Profit Warning Statement") and as below:

"The board of directors of the Company (the "Board") wishes to inform shareholders of the Company (the "Shareholders") and potential investors that, based on the assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016 (the "Management Accounts"), it is expected that the Group will record a consolidated net loss attributable to the equity holders of the Company of not less than RMB600 million (unaudited consolidated net loss attributable to the equity holders of the Company for the six months ended 30 June 2016: approximately RMB566 million) for the year ended 31 December 2016".

Directors' Responsibilities

We have been advised by the directors of the Company that the Profit Warning Statement is based on the preliminary assessment by the directors of the Company of an estimate of the consolidated net loss attributable to equity holders of the Company for the year ended 31 December 2016 (the "Profit Estimate") which has been prepared based on the unaudited consolidated management accounts of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2016.

The Company's directors are solely responsible for the Profit Estimate.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public

Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in the Profit Warning Statement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group and used in the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2015.

Yours faithfully,



Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong