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MODERN FARMING  
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 China Modern Dairy Holdings Ltd. (the “**Company**” and together with its subsidiaries, collectively referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the information currently available to the Board (including the unaudited consolidated management accounts and other operational data of the Group), it is expected that the Group will record a profit of not less than RMB460 million for the six months ended 30 June 2021 (the “**Current Reporting Period**”), representing a year-on-year increase of not less than 100% (as compared to the profit for the six month ended 30 June 2020 (the “**Last Reporting Period**”) from the unaudited consolidated interim results of approximately RMB226 million, including a one-off disposal gain of approximately RMB72 million resulting from the Company’s injection of energy-producing assets into a joint venture). After excluding such one-off disposal gain recorded in the Last Reporting Period, the Board expects that the year-on-year increase in profit for the Current Reporting Period as compared to the Last Reporting Period will be approximately 200%.

The expected growth of profit for the Current Reporting Period is mainly attributable to (i) a double-digit growth in both the Group’s raw milk production and sales volume as compared to the Last Reporting Period; (ii) the gross profit margin of raw milk sales remained stable and the gross profit of sales increased as compared to the Last Reporting Period; and (iii) the Group continued to promote the strategy of cost reduction and efficiency enhancement. Except for the increase in feed cost due to market factors, other costs and expenses were effectively controlled.

The information contained in this announcement is based solely on the preliminary assessment by the Group with reference to the information available to the Board as at the date of this announcement, and has not been reviewed or audited by the Company's auditors. The actual results of the Group for the Current Reporting Period may differ from the information contained in this announcement. Details of the actual results will be set out in the interim results announcement of the Company for the Current Reporting Period which is expected to be published by the end of August 2021.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

For and on behalf of the Board  
**China Modern Dairy Holdings Ltd.**  
**LU Minfang**  
*Chairman*

Hong Kong, 2 July 2021

*As of the date of this announcement, the executive director is Mr. SUN Yugang, the non-executive directors are Mr. LU Minfang (Chairman), Mr. ZHAO Jiejun, Mr. ZHANG Ping, Mr. ZHU Xiaohui and Ms. GAN Lu, and the independent non-executive directors are Mr. LI Shengli, Mr. LEE Kong Wai Conway and Mr. Chow Ming Sang.*