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Unless otherwise defined herein or the context requires otherwise, the capitalized terms used herein shall have the same meanings as defined in the prospectus of the Company dated 15 November, 2010 (the “Prospectus”).



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)

**STABILIZING ACTIONS, END OF STABILIZING PERIOD AND LAPSE OF
OVER-ALLOTMENT OPTION**

SUMMARY

The Company announces that the stabilization period in connection with the Global Offering ended on 18 December 2010.

The stabilizing actions undertaken by UBS AG, Hong Kong Branch as Stabilizing Manager or any person acting for it during the stabilization period were:

- (1) over-allocations of an aggregate of 180,000,000 Shares in the International Offering;
- (2) the borrowing of an aggregate of 180,000,000 Shares from Advanced Dairy and Crystal Dairy to cover the over-allocations in the International Offering. Such Shares will be returned to Advanced Dairy and Crystal Dairy pursuant to the Stock Borrowing Agreement; and

(3) the purchase of a total of 180,000,000 shares in the price range of HK\$2.38 to HK\$2.80 per share on the open market representing 15% of the Offer Shares initially offered under the Global Offering before any exercise of Over-allotment Option.

The Joint Global Coordinators have not exercised the Over-allotment Option during the stabilization period and the Over-allotment Option lapsed on 18 December 2010.

This announcement is made pursuant to the requirement of section 9(2) of the Securities and Futures (Price Stabilizing) Rules under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Company announces that the stabilization period in connection with the Global Offering ended on 18 December 2010, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering.

The stabilizing actions that have been undertaken by UBS AG, Hong Kong Branch as Stabilizing Manager or person acting for it during the stabilization period were:

- (1) over-allocations of an aggregate of 180,000,000 Shares in the International Offering;
- (2) the borrowing of an aggregate of 180,000,000 Shares from Advanced Dairy and Crystal Dairy to cover the over-allocations in the International Offering. Such Shares will be returned to Advanced Dairy and Crystal Dairy pursuant to the Stock Borrowing Agreement; and
- (3) the purchase of a total of 180,000,000 Shares in the price range of HK\$2.38 to HK\$2.80 per Share (excluding brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%) on the open market representing 15% of the Offer Shares initially offered under the Global Offering before any exercise of Over-allotment Option.

The last purchase made in the course of the stabilization period on the market was on 17 December 2010 at a price of HK\$2.48 per Share.

The stock borrowing arrangement pursuant to the Stock Borrowing Agreement fully complies with Rule 10.07(3) of the Listing Rules and is effected in accordance with the arrangement disclosed in the Prospectus.

The Joint Global Coordinators have not exercised the Over-allotment Option during the stabilization period and the Over-allotment Option lapsed on 18 December 2010.

The Company continues to comply with the public float requirement under Rule 8.08(1)(a) of the Listing Rules. No new Shares or securities convertible into equity securities of the Company may be issued within 6 months from the Listing Date save under the circumstances as set out in accordance with Rule 10.08 of the Listing Rules.

By order of the Board of Directors
Mr. DENG Jiuqiang
Chairman

Hong Kong, December 18, 2010

As of the date of this announcement, the executive Directors are Mr. DENG Jiuqiang, Ms. GAO Lina, 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.