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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)

ANNOUNCEMENT

COMPLETION OF THE SHARE PURCHASE AGREEMENT

Reference is made to the announcement (the “**Announcement**”) of China Modern Dairy Holdings Ltd (the “**Company**”) dated July 6, 2015 in relation to the Acquisition of 82% of the issued share capital in each of JVco I and JVco II. Terms used in this announcement shall have the same meanings as those defined in the Announcement unless defined otherwise herein.

The Board is pleased to announce that all the conditions precedent to the Closing have been fulfilled and/or waived and the Acquisition was completed on July 20, 2015. Immediately after Closing, the Company owns as to 100% of the total issued share capital in each of JVco I and JVco II. In consideration, the Consideration Shares (being 477,429,132 CMD New Shares) have been allotted and issued by the Company to Success Dairy pursuant to the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on June 5, 2015.

As noted in the Announcement, pursuant to the Share Purchase Agreement, an adjustment might be made to the consideration of the Acquisition upon the expiry of the Lock-up Period. In the event the Weighted Consideration Shares Value is less than the threshold as set out in the Announcement (the “**Threshold**”) upon the expiry of the Lock-up Period, the Company shall have the sole and absolute discretion to choose between paying Success Dairy the difference between the Weighted Consideration Shares Value and the Threshold (the “**Discrepancy**”) in immediately available funds and/or in Shares issuable under the Further Issuance with an issue

price, on a per Share basis, equivalent to the volume weighted average closing price of the Shares for a period of forty-five (45) trading days immediately preceding the Lock-up Expiry Date. The number of Shares issuable under the Further Issuance is subject to the then cash resources the Company determines to use to settle the Discrepancy and the maximum number of Shares under the mandates then available (whether it is a specific mandate and/or a general mandate to be obtained in the year of the Lock-up Expiry Date (as the case may be)) to the Board in accordance with the Listing Rules.

Details of the general mandate to be specified in the circular of the annual general meeting of the Company in the year of the Lock-up Expiry Date shall include the potential use for the Further Issuance.

By Order of the Board
China Modern Dairy Holdings Ltd.
Ms. Gao Lina
*Deputy Chairman,
Chief Executive Officer and
Executive Director*

Hong Kong, July 20, 2015

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 Mr. LI Shengli, Mr. LEE Kong Wai Conway, Mr. KANG Yan and Mr. ZOU Fei.