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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)

**ISSUE OF DOMESTIC SHORT-TERM DEBENTURES IN THE PRC BY  
MODERN FARMING (GROUP) CO., LTD.\*,  
A NON-WHOLLY OWNED SUBSIDIARY OF THE COMPANY**

This announcement is made by the board of directors (the “**Board**”) of China Modern Dairy Holdings Ltd. (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of the Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

**ISSUANCE OF DOMESTIC SHORT-TERM DEBENTURES IN THE PRC**

Reference is made to the announcements of the Company dated 20 May 2015 regarding the approval obtained by Modern Farming (Group) Co., Ltd.\* (the “**Issuer**”), a non-wholly owned subsidiary of the Company, from the National Association of Financial Market Institutional Investors to issue domestic short-term debentures of an aggregate principal amount up to RMB2.0 billion in the People’s Republic of China (the “**PRC**”<sup>note</sup>).

*Note: For the purposes of this announcement, excludes the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan.*

The Issuer has resolved to issue the domestic short-term debentures in the PRC with an aggregate principal amount of RMB400 million on 23 September 2015. This tranche of the domestic short-term debentures has a term of 270 days with interest rate of 3.98% per annum which was determined at the end of the subscription period through bookbuilding and placing processes. The net proceeds of this tranche of the domestic short-term debentures will be used for repayment of the bank loans and as general working capital of Issuer and its subsidiaries.

This tranche of the domestic short-term debentures will be issued to domestic institutional investors in the PRC (other than those who are restricted from participating in such offering in accordance with the laws and regulations of the PRC). Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司) is the lead underwriter for the issue of the this tranche of the domestic short-term debentures. This tranche of the domestic short-term debentures will be underwritten by a group of financial institutions in the PRC.

The principal terms of this tranche of the domestic short-term debentures to be issued are as follows:

Issuer:	Modern Farming (Group) Co. Ltd.* (現代牧業(集團)有限公司)
This tranche of the short-term debentures:	RMB400 million
Place of issue:	the Inter-bank bond market in the PRC
Maturity:	19 June 2016
Credit rating:	As assessed by Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (上海新世紀資信評估投資服務有限公司), the Issuer has been given an AA rating. As assessed by China Credit Rating Co., Ltd. (中債資信評估有限公司), the Issuer has been given an A+ rating.
Interest rate:	3.98% per annum
Use of proceeds:	The net proceeds from this tranche of the domestic short term debentures will be used for repayment of bank loans and as general working capital of Issuer and its subsidiaries.

Trading arrangements: This tranche of the domestic short-term debentures will be traded on the Inter-bank Bond Market in the PRC from 24 September 2015.

In accordance with the relevant laws and regulations in the PRC, relevant documents in relation to the Issuer and the domestic short-term debentures will be published on the websites of Shanghai Clearing House (<http://www.shclearing.com.cn>) and China Foreign Exchange Trade System ([www.chinamoney.com.cn](http://www.chinamoney.com.cn)). Shareholders and potential investors are reminded that such documents were prepared in accordance with the requirements in the PRC and are limited solely to the Issuer, and the information contained therein does not provide a full picture of the operation status of the Group.

For and on behalf of the Board  
**China Modern Dairy Holdings Ltd.**  
**Ms. GAO Lina**  
*Deputy Chairman, Chief Executive Officer  
and Executive Director*

Hong Kong, 23 September 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.*

*\* For identification purposes only*