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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement jointly issued by China Modern Dairy Holdings Ltd. (the “**Company**”) and China Mengniu Dairy Company Limited (“**Mengniu**”) dated January 4, 2017 pursuant to Rule 3.5 of the Takeovers Code (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meaning as those defined in the Announcement.

As the Company was unaware that 560,442 CMD Options were cancelled before the date of the Announcement due to the resignation of two employees of the Company in December 2016, the number of outstanding CMD Options was mistakenly stated as 315,962,147 in the Announcement. The Company wishes to clarify that, as at the date of the Announcement and as at the date of this announcement, there were and are 5,304,767,883 CMD Shares in issue (of which 1,347,903,000 are held by Mengniu and its Concert Parties), the Investor Option and outstanding 315,401,705 CMD Options conferring rights on Success Dairy II and the Optionholders, respectively, to subscribe for CMD Shares. Save for the aforesaid Investor Option and CMD Options, the Company does not have any other outstanding securities, options, warrants or derivatives or convertible rights affecting the CMD Shares.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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

Hong Kong, January 16, 2017

As of the date of this announcement, the executive directors are Ms. GAO Lina and Mr. HAN Chunlin, the non-executive directors are Mr. YU Xubo, Mr. WOLHARDT Julian Juul, Mr. HUI Chi Kin Max, Mr. ZHANG Ping and Mr. SUN Yugang, the independent non-executive directors are Mr. LI Shengli, Mr. LEE Kong Wai Conway, Mr. KANG Yan and Mr. ZOU Fei.

* *for identification purpose only*