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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)**

## **CLARIFICATION ANNOUNCEMENT**

The board of Directors (“Board” or “Directors”) of China Modern Dairy Holdings Ltd. (“Company”) noted certain recent press articles, in which it is alleged that the milk products supplied by the Company may be contaminated and contain excessive flavacin M1, a cancer-causing substance.

To ensure the highest quality of the milk supplied by the Company, the Company has adopted and strictly implemented quality control procedures. The Company exercises strict control over the supply of its fodder for dairy cattle and requests each fodder supplier hold the relevant certifications and that their supplies meet the national standards. The Company ensures that the dairy cattle are bred with fodder that meets such national standards and the fodder is stored and handled in a proper manner to ensure its quality. The Company also strictly monitors the process of milk production and the Company’s milk products are also subject to satisfactory testing by the Company’s customers according the relevant national standards upon acceptance of delivery.

The Board confirms that each breeding farm of the Company, including the breeding farms in Meishan area, strictly follows the above quality control procedures, which consist of fodder procurement, cattle breeding, milk production and delivery. The Board is confident that the quality of the Company’s milk products meets the relevant health and safety requirements and believes that the milk containing excessive flavacin M1 as alleged in the relevant press articles does not involve the milk products of the Company.

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

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

On behalf of the Board  
**China Modern Dairy Holdings Ltd.**  
**DENG Jiuqiang**  
*Chairman*

Hong Kong, 29 December 2011

*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.*