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CHINA SHENGMU ORGANIC MILK LIMITED

中國聖牧有機奶業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1432)

CHANGE OF COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE WAIVERS FROM STRICT COMPLIANCE WITH RULES 3.28 AND 8.17 OF THE LISTING RULES

The Board hereby announces that, with effect from 29 June 2018:

(a) Mr. Cui Ruicheng has resigned as a joint company secretary of the Company;

and

(b) Mr. Wu Jianye has been appointed as a joint company secretary and an authorised representative of the Company. In respect of Mr. Wu Jianye's appointment as a joint company secretary, the Company has applied for, and the Stock Exchange has granted a conditional waiver from strict compliance with Rule 3.28 and Rule 8.17 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for a period of three years from 29 June 2018.

Resignation of Joint Company Secretary

Reference is made to the circular of China Shengmu Organic Milk Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 30 May 2018 in relation to, among other things, Mr. Cui Ruicheng's ("**Mr. Cui**") resignation as an authorised representative of the Company.

The board (the "**Board**") of directors (the "**Director(s)**") of the Company announces that Mr. Cui has resigned as a joint company secretary of the Company with effect from 29 June 2018.

Appointment of Joint Company Secretary

The Board is pleased to announce that Mr. Wu Jianye (武建鄴) (“**Mr. Wu**”) has been appointed as a joint company secretary and an authorised representative of the Company in replacement of Mr. Cui with effect from 29 June 2018. Mr. Au Wai Keung (“**Mr. Au**”) will continue to act as the other joint company secretary of the Company.

The biography of Mr. Wu is set out below:

Mr. Wu, aged 44, is the president and executive director of the Company. Mr. Wu was appointed to the board of the Company on 26 March 2014.

Mr. Wu is currently the director of Inner Mongolia Shengmu High-tech Farming Co., Ltd. (內蒙古聖牧高科牧業有限公司) (“**Shengmu Holding**”), Inner Mongolia IMU-Shengmu High-tech Dairy Co., Ltd. (內蒙古內大聖牧高科牧業有限公司) and Bayannur Shengmu Pangu Farming Co., Ltd. (巴彥淖爾市聖牧盤古牧業有限責任公司). Mr. Wu joined the Group in September 2010 as an assistant to chief executive officer and was designated as the president of Shengmu Holding in August 2013.

Mr. Wu graduated from the University of Inner Mongolia (內蒙古大學) in July 1995 and was awarded a college graduate certificate majoring in Chinese and further obtained a bachelor of laws degree (distance learning) from the University of Inner Mongolia (內蒙古大學) in January 2007. Mr. Wu also received his executive master of business administration (EMBA) degree from Tsinghua University in July 2009.

Waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules

Pursuant to Rule 8.17 of the Listing Rules, a listed issuer must appoint a company secretary who meets the requirements under Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that a listed issuer must appoint as its company secretary an individual who, in the opinion of the Stock Exchange, is capable of discharging the functions of company secretary of the listed issuer by virtue of his/her academic or professional qualifications or relevant experience.

Mr. Wu currently does not possess the qualifications of a company secretary as required under Rule 3.28 of the Listing Rules. The Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules. The reasons for the waiver are as follows: (i) Mr. Wu was appointed to the Board on 26 March 2014 and is responsible for and familiar with the issues and the operations of the Board and corporate governance of the Company; (ii) Mr. Au has been acting as one of the joint company secretaries of the Company since the date of listing, who fully complies with the requirements as stipulated under Rules 3.28 of the Listing Rules and Mr. Wu will be assisted by Mr. Au during a period of three years (the “**Waiver Period**”) from the effective date of the appointment of Mr. Wu; (iii) Mr. Au will communicate regularly with Mr. Wu on matters relating to the Listing Rules as well as other applicable laws and regulations, and inform Mr. Wu on a timely basis of any amendments to the Listing Rules and any new or amended laws, regulations and codes that are applicable to the Company. Mr. Au will also work closely with, and provide assistance to, Mr. Wu in the discharge of his duties as joint company secretary during the Waiver Period with effect from the effective date of the appointment of Mr. Wu; (iv) Mr. Wu will also be assisted by the Company’s Hong Kong legal adviser, particularly in relation to corporate governance practices and on-going compliance with the Listing Rules and the applicable laws and regulations; (v) Mr. Wu will endeavour to attend relevant trainings on the Listing Rules and the relevant Hong Kong laws and regulations, including briefing on the latest amendments to the Hong Kong laws, regulations and the Listing Rules organized by the Company’s Hong Kong legal advisers on invitation basis and seminars organized by the Exchange for the issuers from time to time; (vi) Mr. Wu will take no less than 15 hours of relevant professional training in each financial year as required by Rule 3.29 of the Listing Rules; and (vii) at the end of the three-year period, an evaluation of the qualifications and experience of Mr. Wu will be made whereby Mr. Wu will endeavour to demonstrate to the Stock Exchange’s satisfaction that he, having had the benefit of Mr. Au’s assistance for three years, has acquired the “relevant experience” within the meaning of Rule 3.28 of the Listing Rules. Further, the Company is of the view that it would be in the best interests of the Company and its corporate governance, given it is a company operating its business in the PRC, to have Mr. Wu as the joint company secretary who possesses the relevant experience in handling board and corporate governance matters in the PRC and dealing with the PRC government and regulatory authorities, and has extensive knowledge of the operations and businesses of the Company.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for the Waiver Period with effect from the effective date of the appointment of Mr. Wu, on the conditions that, (i) Mr. Wu will be assisted by Mr. Au during the Waiver Period and the waiver will be revoked immediately if and when Mr. Au ceases to assist Mr. Wu in discharging his functions as a joint company secretary; (ii) the Company will notify the Stock Exchange at the end of the Waiver Period for the Stock Exchange to re-visit the situation. The Stock Exchange expects that, after the end of the Waiver Period, the Company will be able to demonstrate that Mr. Wu can satisfy Rule 3.28 of the Listing Rules after having the benefit of Mr. Au's assistance such that a further waiver will not be necessary; and (iii) the Company announces the details of the waiver, including its reasons for the waiver and the waiver conditions, by way of an announcement.

By order of the Board of
China Shengmu Organic Milk Limited
Shao Genhuo
Chairman

Hong Kong, 29 June 2018

As at the date of this announcement, the executive directors of the Company are Mr. Yao Tongshan, Mr. Wu Jianye and Mr. Wang Yuehua; and the non-executive directors of the Company are Mr. Wen Yongping, Mr. Sun Qian and Mr. Shao Genhuo; and the independent non-executive directors of the Company are Mr. Fu Wenge, Mr. Wang Liyan and Mr. Li Xuan.