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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)

CHARGE OF SHARES BY CONTROLLING SHAREHOLDER

This announcement is made by China Shengmu Organic Milk Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of Hong Kong Laws).

The Company has been notified that, 611,620,800 shares (“**Subject Charged Shares**”) in the Company held by World Shining Investment Limited (“**World Shining**”, a controlling shareholder (as defined in the Listing Rules) of the Company), were charged to an independent third party on 13 May 2015, as security for a loan provided by the said independent third party to World Shining.

As at the date of this announcement, World Shining holds in aggregate 3,594,221,600 shares of the Company, representing approximately 56.56% of the issued share capital of the Company. The Subject Charged Shares represent approximately 9.63% of the issued share capital of the Company as at the date of this announcement. The aforesaid share charge does not fall within the scope of Rule 13.17 of the Listing Rules.

By Order of the Board
China Shengmu Organic Milk Limited
Yao Tongshan
Chairman and Executive Director

Hong Kong, 13 May 2015

As at the date of this announcement, the executive directors of the Company are Mr. Yao Tongshan, Mr. Wu Jianye, Ms. Gao Lingfeng and Mr. Cui Ruicheng; and the non-executive directors of the Company are Mr. Wu Jingshui, Mr. Fan Xiang, Mr. Cui Guiyong and Mr. Sun Qian; and the independent non-executive directors of the Company are Mr. Wong Kun Kau, Mr. Li Changqing, Ms. Ge Xiaoping and Mr. Yuan Qing.