

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **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)**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary meeting of China Shengmu Organic Milk Limited (the “**Company**”) will be held at Meeting Room, 2nd Floor, Office Building (Phase I) of Inner Mongolia Shengmu High-tech Dairy Co., Ltd., Food Industry Park, Deng Kou County, Bayannur City, Inner Mongolia Autonomous Region, PRC, on November 3, 2015, at 10 a.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

### **ORDINARY RESOLUTION**

1. **“THAT:**

the Proposed Amendments as set out below:

(a) **The current terms of the Pre-IPO Share Option Scheme which read**

***“Lock-up on the Shares***

Within two (2) years after the Vesting Date, a grantee ***shall not*** sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares which have been issued to him/her pursuant to his/her exercise of any option granted to and vested on him/her under the Pre-IPO Share Option Scheme.”

***be hereby substituted and replaced by***

***“Disposal of shares***

***All the Shares issued pursuant to the exercise of Options during the Proposed Exercise Period shall not be subject to any restriction*** to sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares which have been issued to him/her pursuant to his/her exercise of any option granted to and vested on him/her under the Pre-IPO Share Option Scheme. ***Grantees are entitled to sell or otherwise dispose of any interest in the Shares after they exercise the Options during the Proposed Exercise Period.***”

(b) **The current terms of the Pre-IPO Share Option Scheme which read**

***“Exercise Period***

An option granted under the Pre-IPO Share Option Scheme which is vested on the Vesting Date must be exercised by the relevant grantee within six months after the Vesting Date. Options not exercised within such six months shall lapse immediately afterwards.”

***be hereby substituted and replaced by***

***“Proposed Exercise Period***

An option granted under the Pre-IPO Share Option Scheme which is vested on the Vesting Date must be exercised by the relevant grantee during the period and in a manner set out below:

<b>Proposed Exercise Period</b>	<b>Maximum percentage of Options exercisable during the respective Proposed Exercise Period</b>
From May 4, 2016 to May 4, 2017	50% of the Options vested
From November 4, 2016 to May 4, 2017	50% of the Options vested

If the grantee ceases employment with the Group or Shengmu Forage before May 4, 2016, 100% of the Options held by him/her shall lapse immediately, and if the grantee ceases employment with the Group or Shengmu Forage on or after May 4, 2016 but before November 4, 2016, 50% of the Options held by him/her shall lapse immediately.”

**be and are hereby approved, confirmed and ratified.**

- (c) any one director of the Company be and is hereby authorised to do all such acts or things and sign all documents necessary by him/her to be incidental to, ancillary to or in connection with the Proposed Amendments to the terms of Options granted under the Pre-IPO Share Option Scheme.”

Yours faithfully,  
By Order of the Board  
**China Shengmu Organic Milk Limited**  
**YAO Tongshan**  
*Chairman*

Hong Kong, October 16, 2015

*Notes:*

1. A form of proxy for use at the meeting is enclosed herewith.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company's branch registrar in Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
5. The register of members of the Company will be closed from October 30, 2015 to November 3, 2015, both days inclusive, on which no transfer of shares will be registered. Shareholders are reminded that, in order to qualify for attendance of the extraordinary general meeting, they must lodge completed transfer forms together with the certificates for the relevant shares with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on October 29, 2015.
6. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should you so wish, and in such an event, the form of proxy shall be deemed to be revoked.
7. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

*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.*