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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)

GRANT OF AWARD SHARES PURSUANT TO THE SHARE AWARD SCHEME

GRANT OF AWARD SHARES

On 21 April 2023, the Board granted a total of 99,954,000 Award Shares under the Share Award Scheme to 67 middle and senior management personnel of the Group, representing approximately 1.19% of the issued share capital of the Company as at the date of this announcement.

INTRODUCTION

Reference is made to the announcement of China Shengmu Organic Milk Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 19 April 2022 (the “**Announcement**”) in relation to the Shengmu Long Term Share Award Scheme of the Company adopted on the same day (the “**Share Award Scheme**”). Unless otherwise defined, capitalized terms used in this announcement have the same meanings as those defined in the Announcement.

The Board is pleased to announce that, in order to motivate the management team and attract outstanding talents to strive for the continuous growth and development of the Group, a total of 99,954,000 Shares (the “**Award Shares**”) have been granted by the Company to a total of 67 middle and senior management personnel of the Group pursuant to the rules of the Share Award Scheme, representing approximately 1.19% of the issued share capital of the Company as at the date of this announcement.

GRANT OF AWARD SHARES

Details of the grant of Awarded Shares are set out as follows:

1. Grant Date: 21 April 2023
2. A total of 99,954,000 Award Shares, representing approximately 1.19% of the issued share capital of the Company as at the date of this announcement, have been granted to the Eligible Participants (the “Grant”). The Eligible Participants include one Director, as well as 66 senior management members of various departments of the Group, the continued contribution of whom the Group seeks to motivate in order to promote the overall business performance in 2023 and the sustainable development of the Group.

Among the Award Shares granted, 12,566,000 Award Shares were granted to Mr. ZHANG Jiawang (“Mr. Zhang”), an executive Director of the Company, representing approximately 0.15% of the issued share capital of the Company as at the date of this announcement.

3. Vesting: Each of the 67 Grantees is required to comply with the rules of the Share Award Scheme, and vesting of the Award Shares is subject to the fulfilment of vesting conditions as specified in the Share Award Scheme and the relevant grant letter. Subject to satisfaction of the vesting conditions, fifty percent (50%) of the 99,954,000 Award Shares shall vest on the first anniversary of the date of grant and the remaining fifty percent (50%) shall vest on the second anniversary of the date of grant.

The aforementioned Awards will be satisfied by the existing shares acquired by the Trustee.

The Board and the remuneration committee of the Company consider that the Grant, as an incentive to motivate the management team and retain talents for the continuous growth of the Group, is fair and reasonable and in the best interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The grant of Award Shares to Mr. Zhang has been approved by the remuneration committee of the Company and the Board (including the independent non-executive Directors). Mr. Zhang, who is a Grantee, has abstained from voting thereon.

The grant of Award Shares to a Director forms part of his remuneration package under his letter of appointment with the Company. Accordingly, the grant of Award Shares to Mr. Zhang is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rules 14A.73(6) and 14A.95 of the Listing Rules.

By Order of the Board
China Shengmu Organic Milk Limited
LI Kwok Fat
Company Secretary

Hong Kong, 21 April 2023

As at the date of this announcement, the executive Director of the Company is Mr. Zhang Jiawang; the non-executive Directors of the Company are Mr. Lu Minfang (Chairman), Mr. Sun Qian, Mr. Zhang Ping, Mr. Zhao Jiejun and Ms. Shao Lijun; and the independent non-executive Directors of the Company are Mr. Wang Liyan, Mr. Wu Liang and Mr. Sun Yansheng.