

*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)**

### GRANT OF AWARD PURSUANT TO THE SHARE AWARD SCHEME

#### GRANT OF AWARD

On 19 April 2024, the Board granted a total of 85,846,000 Award Shares under the Share Award Scheme (representing approximately 1.02% of the issued share capital of the Company as at the date of this announcement) and Cash Award in the amount of RMB10,983,800 to 62 middle and senior management personnel of the Group.

#### 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 retain outstanding talents to strive for the continuous growth and development of the Group, Award of total of 85,846,000 Shares (the “**Award Shares**”, being the first part of the Award), representing approximately 1.02% of the issued share capital of the Company as at the date of this announcement, and Award which will be satisfied in cash by an equivalent cash payment in the amount of RMB10,983,800 (the “**Cash Award**”, being the second part of the Award), have been granted by the Company to a total of 62 middle and senior management personnel of the Group pursuant to the rules of the Share Award Scheme.

## GRANT OF AWARD

Details of the grant of Award Shares and Cash Award are set out as follows:

1. Grant Date: 19 April 2024
2. A total of 85,846,000 Award Shares, representing approximately 1.02% of the issued share capital of the Company as at the date of this announcement, together with the award in the form of Cash Award of RMB10,983,800 have been granted to the Eligible Participants (collectively, the “**Grant**”). The Eligible Participants include one Director, as well as 61 middle and 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 2024 and the sustainable development of the Group.

In relation to the Grant, 10,792,000 Award Shares representing approximately 0.13% of the issued share capital of the Company as at the date of this announcement, and Cash Award of RMB1,380,800 were granted to Mr. ZHANG Jiawang (“**Mr. Zhang**”), an executive Director of the Company.

3. Vesting: Each of the 62 grantees (Eligible Participants) is required to comply with the rules of the Share Award Scheme, and the vesting of the Award Shares and the Cash Award are 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 85,846,000 Award Shares and the Award Cash of RMB10,983,800 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 Award Shares 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 outstanding talents to strive for the continuous growth and development 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 and Cash Award 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 and Cash Award to a Director forms part of his remuneration package under his letter of appointment with the Company. Accordingly, the grant of Award Shares and Cash Award 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, 19 April 2024

*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.*