
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Shengmu Organic Milk Limited (the “Company”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES,
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF THE 2025 AGM**

A notice convening an annual general meeting of the Company to be held at Conference Room, 2/F, Shengmu Building, Shaerqin Industrial Park, Southern District of Ruyi Development New Zone, Tumotezuqi, Hohhot, Inner Mongolia Autonomous Region, PRC at 10:00 a.m. on Friday, 13 June 2025 is set out on pages 15 to 19 of this circular. A form of proxy for use at the 2025 AGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (<http://www.shengmuorganicmilk.com>).

Whether or not you are able to attend the 2025 AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2025 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the 2025 AGM or any adjourned meeting thereof if they so wish, in which event your proxy form shall be deemed to be revoked.

23 April 2025

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“2025 AGM”	an annual general meeting of the Company to be held at Conference Room, 2/F, Shengmu Building, Shaerqin Industrial Park, Southern District of Ruyi Development New Zone, Tumotezuqi, Hohhot, Inner Mongolia Autonomous Region, PRC at 10:00 a.m. on Friday, 13 June 2025 to consider and, if appropriate, to approve the resolutions contained in the AGM Notice which is set out on pages 15 to 19 of this circular, or any adjournment thereof
“AGM Notice”	the notice convening the 2025 AGM set out on pages 15 to 19 of this circular
“Articles”	the forth amended and restated articles of association of the Company currently in force
“Board”	the board of Directors
“Companies Act”	the Companies Act of the Cayman Islands, as amended from time to time
“Company”	China Shengmu Organic Milk Limited (中國聖牧有機奶業有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 11 December 2013 and the shares of which are listed on the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Extension Mandate”	as defined in paragraph 2(c) of the section headed “Letter from the Board” of this circular
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issuance Mandate”	as defined in paragraph 2(a) of the section headed “Letter from the Board” of this circular
“Latest Practicable Date”	15 April 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China
“Repurchase Mandate”	as defined in paragraph 2(b) of the section headed “Letter from the Board” of this circular
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities and Futures Commission”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of par value HK\$0.00001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“treasury shares”	Shares repurchased and held by the Company in treasury
“%”	per cent



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)

Executive Director:

Mr. ZHANG Jiawang

Non-executive Directors:

Mr. CHEN Yiyi (*Chairman*)

Mr. ZHANG Ping

Mr. ZHAO Jiejun

Mr. SUN Qian

Ms. SHAO Lijun

Independent non-executive Directors:

Mr. WANG Liyan

Mr. WU Liang

Mr. SUN Yansheng

Registered office:

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

***Headquarters and principal place of
business in the PRC:***

Food Industry Park

Deng Kou County

Bayannur City

Inner Mongolia Autonomous Region

PRC

Principal place of business in Hong Kong:

Room A, 32nd Floor

COFCO Tower

262 Gloucester Road

Causeway Bay

Hong Kong

23 April 2025

To the Shareholders,

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES,
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF THE 2025 AGM**

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information in respect of certain resolutions to be proposed at the 2025 AGM for (i) the granting of the Issuance Mandate to the Directors; (ii) the granting of Repurchase Mandate to the Directors; (iii) the granting of Extension Mandate to the Directors; (iv) the re-election of the retiring Directors; and (v) the notice of the 2025 AGM.

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF THE ISSUANCE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

The Company's existing mandates to issue and repurchase Shares were approved by the Shareholders pursuant to the ordinary resolutions duly passed at the last annual general meeting on 14 June 2024. Unless otherwise renewed, the existing mandates to issue and repurchase Shares will lapse at the conclusion of the 2025 AGM.

Ordinary resolutions will be proposed at the 2025 AGM to approve the granting of the new general mandates to the Directors that would enable the Company:

- (a) to allot, issue or deal with new Shares and/or sell or transfer treasury shares not exceeding 20% of the total number of issued Shares (excluding any treasury shares) as at the date of passing such resolution at the 2025 AGM (the "**Issuance Mandate**");
- (b) to repurchase Shares, on the Stock Exchange or on any other stock exchange recognized by the Securities and Futures Commission and the Stock Exchange, not exceeding 10% of the total number of issued Shares (excluding any treasury shares) as at the date of passing such resolution at the 2025 AGM (the "**Repurchase Mandate**"); and
- (c) to extend the Issuance Mandate by an amount representing the total number of Shares repurchased by the Company pursuant to, and in accordance with, the Repurchase Mandate referred to in paragraph (b) above (the "**Extension Mandate**").

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

The Issuance Mandate, the Repurchase Mandate and the Extension Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period during which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; and (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

The Directors have no present immediate plan to exercise the Issuance Mandate, the Repurchase Mandate and the Extension Mandate (if granted to the Directors at the 2025 AGM).

LETTER FROM THE BOARD

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 16.18, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Article 16.2 shall not be taken into account in determining which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereafter.

Following the review of the Board's composition by the nomination committee of the Company ("**Nomination Committee**") and based on the nomination policy of the Company, Mr. ZHAO Jiejun, Mr. SUN Qian and Mr. WANG Liyan shall retire at the 2025 AGM and they, being eligible, offer themselves for re-election at the 2025 AGM.

The Nomination Committee has reviewed and considered the respective experience, skills and knowledge of each Director to be re-elected, in particular those of (1) Mr. ZHAO's over-20-year experience in milk sourcing management, animal husbandry industry chain management and strategic corporate and business development; (2) Mr. SUN in capital markets; and (3) Mr. WANG in corporate governance and academic network, and their respective time commitment for discharge of duties as Board members, and recommended to the Board that the re-election of all Directors mentioned in the foregoing be proposed for Shareholders' approval at the 2025 AGM. In addition to the experience, skills and knowledge of Mr. ZHAO, Mr. SUN and Mr. WANG as mentioned above, the Board also considered that, with due regard to the Board's diversity policy, their cultural and educational background, age, and professional experience would contribute to the diversity of the Board.

The Nomination Committee has assessed and reviewed the written confirmation of independence of Mr. WANG based on the independence criteria as set out in Rule 3.13 of the Listing Rules. The Nomination Committee and the Board are not aware of any circumstance that might influence the independence of Mr. WANG and considers Mr. WANG to be independent. During Mr. WANG's years of appointment, he has demonstrated his ability to provide independent views to the Company's matters and has never engaged in any executive management of the Company. The Nomination Committee is satisfied that, taking into account, among others, the valuable insights, useful guidance and independent judgment provided to the Board by Mr. WANG, Mr. WANG is of such character, integrity and experience commensurate with office of an independent non-executive Director. Mr. WANG's strong academic background, knowledge and experience in corporate governance and academic experience have also contributed to the diversity of the Board. The Nomination Committee is of the view that the Board will continue to benefit from the presence and professional knowledge of Mr. WANG and believes that Mr. WANG has the character, integrity, independence and expertise to continue to fulfill his role as an independent non-executive Director. Based on the abovementioned considerations, the Board, on the recommendation of the Nomination Committee, would recommend Mr. WANG for re-election at the 2025 AGM.

LETTER FROM THE BOARD

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election is subject to shareholders' approval at that relevant general meeting. The requisite details of the above Directors proposed to be re-elected at the 2025 AGM are set out in Appendix II to this circular.

4. RE-APPOINTMENT OF AUDITORS

In accordance with Rule 13.88 of the Listing Rules, an ordinary resolution will be proposed at the 2025 AGM to re-appoint Ernst & Young as the external auditors of the Company to hold office from the conclusion of the 2025 AGM until the next annual general meeting and to authorise the Board to fix its remuneration.

5. 2025 AGM AND PROXY ARRANGEMENT

A notice convening the 2025 AGM to be held at Conference Room, 2/F, Shengmu Building, Shaerqin Industrial Park, Southern District of Ruyi Development New Zone, Tumotezuqi, Hohhot, Inner Mongolia Autonomous Region, PRC at 10:00 a.m. on Friday, 13 June 2025 is set out on pages 15 to 19 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the 2025 AGM. An announcement on the poll vote results will be published by the Company after the 2025 AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

You will find enclosed with this circular a form of proxy for use at the 2025 AGM and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.shengmuorganicmilk.com>). Whether or not you are able to attend the 2025 AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for holding the 2025 AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2025 AGM or any adjourned meeting thereof if you so wish, in which event your proxy form shall be deemed to be revoked.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Directors consider that the granting of the Issuance Mandate, the Repurchase Mandate, the Extension Mandate and the re-election of the retiring Directors are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions as set out in the AGM Notice.

7. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlements to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 10 June 2025 to Friday, 13 June 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2025 AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 9 June 2025.

8. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular: Appendix I — Explanatory Statement on the Repurchase Mandate; and Appendix II — Details of the Retiring Directors Proposed to be Re-elected at the 2025 AGM.

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board
China Shengmu Organic Milk Limited
CHEN Yiyi
Chairman

The following is an explanatory statement required by the Listing Rules to be sent to Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2025 AGM in relation to the granting of the Repurchase Mandate.

1. REASON FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange or any other stock exchange recognized by the Securities and Futures Commission and the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 8,381,295,229 Shares.

Subject to the passing of the ordinary resolution set out in item 6 of the AGM Notice in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital (excluding any treasury shares) of the Company as at the Latest Practicable Date remains unchanged up to the date of the 2025 AGM, i.e. being 8,381,295,229 Shares, the Directors would be authorized to exercise the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 838,129,522 Shares, being 10% of the total number of issued shares (excluding any treasury shares) of the Company as at the date of the 2025 AGM.

Pursuant to the Listing Rules, the Company may cancel the repurchased Shares following settlement of any such repurchase and/or hold such Shares in treasury, subject to market conditions and its capital management needs at the relevant time of such repurchase. Accordingly, if the Company repurchases any Shares pursuant to the Repurchase Mandate and holds such Shares in treasury, any resale or transfer of the Shares held in treasury will be subject to the Issuance Mandate as set out in item 5 of the AGM Notice and be made in accordance with the Listing Rules and the applicable laws and regulations.

3. FUNDING AND IMPACT OF REPURCHASES

Any repurchase will be funded from the Company's internal resources, which shall be funds legally available for such purpose in accordance with the Articles, the Listing Rules, the applicable laws of the Cayman Islands and/or any other applicable laws, as the case may be.

Under the laws of the Cayman Islands, any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose or, if authorized by the Articles and subject to the Companies Act, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be repurchased must be provided for out of profits or the share premium account of the Company or, if authorized by the Articles and subject to the Companies Act, out of capital.

Having considered the financial position of the Company as at 31 December 2024 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code.

Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Start Great Holdings Limited ("**Start Great**") (which is controlled by China Mengniu Dairy Company Limited) owned 2,513,178,555 Shares (approximately 29.99% of the issued share capital (excluding any treasury shares) of the Company). In the event that the Repurchase Mandate was exercised in full, the interest of Start Great would be increased from approximately 29.99% to approximately 33.32%. Such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

In addition, the Directors have no intention to exercise the Repurchase Mandate to such an extent resulting in a public shareholding of less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the Shares in public hands.

5. LISTING RULES RELATING TO REPURCHASE OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the Company are listed where such exchange is recognized by the Securities and Futures Commission and the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general repurchase mandate or specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

6. GENERAL

The Directors will exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles. Neither this explanatory statement nor the proposed repurchase of Shares has any unusual features.

7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best knowledge and belief of the Directors having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) have any present intention, in the event that the proposed Repurchase Mandate is granted, to sell Shares to the Company. No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, or that he has undertaken not to sell any of the Shares held by him to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices of the Shares during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Share Price (Per Share)	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2024		
April	0.199	0.185
May	0.220	0.189
June	0.200	0.173
July	0.199	0.173
August	0.186	0.171
September	0.210	0.162
October	0.208	0.175
November	0.182	0.168
December	0.180	0.165
2025		
January	0.185	0.151
February	0.219	0.165
March	0.209	0.182
April (up to the Latest Practicable Date)	0.196	0.173

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2025 AGM

The biographical details of the Directors proposed to be retired and be re-elected at the 2025 AGM are set out as follows:

1. ZHAO Jiejun (趙傑軍) (“Mr. ZHAO”)

Mr. ZHAO Jiejun, aged 48, is a non-executive director of the Company. He was appointed to the Board on 30 March 2020. Mr. ZHAO is currently the head of animal husbandry industry chain of China Mengniu Dairy Company Limited (“**Mengniu**”, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 2319), together with its subsidiaries, referred to as “**Mengniu Group**”). Mr. ZHAO is also currently a non-executive director, chairman of the board, chairman of the nomination committee and strategy and development committee of China Modern Dairy Ltd., a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 1117).

Mr. ZHAO joined Mengniu Group in 2000 and has served successively as regional manager, sales director, general manager of operation and general manager of planning and logistics. Mr. ZHAO has over 20 years of experience in the dairy industry, with strong leadership qualities, and specializes in both sales management and supply chain management. Mr. ZHAO has in-depth knowledge of PRC dairy market and great foresight in the PRC dairy industry. Mr. ZHAO received his bachelor’s degree majoring in business administration from China University of Geosciences, Wuhan (中國地質大學(武漢)) in 2009 and his master’s degree in software engineering from Beihang University (北京航空航天大學) in 2013.

Pursuant to the Director’s service contract entered into between the Company and Mr. ZHAO, his initial current term of office is for a period of three years commencing from the date of appointment and shall be automatically renewed upon expiry, unless terminated by either party giving to the other not less than three months’ prior notice in writing. Mr. ZHAO is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to his service contract, Mr. ZHAO is not entitled to any director fee, subject to revision in future by the decision of the Board based on the recommendation of the Company’s remuneration committee.

Save as disclosed above, Mr. ZHAO (i) has not held any other positions in the Company and its subsidiaries, and does not have any relationships with any Directors, senior management members or Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries; (ii) has not held any other directorships in other public companies the securities of which are listed on any securities market in the last three years; (iii) does not have any interest in the Shares within the meaning of Part XV of the SFO; and (iv) there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election and that no other information needs to be disclosed under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2025 AGM

2. SUN Qian (孫謙) (“Mr. SUN”)

Mr. SUN Qian, aged 51, is a non-executive Director of the Company. He was appointed to the Board on 26 March 2014 and he is a member of the Strategic and Sustainability Committee. Mr. SUN currently is a partner of Sequoia Capital China. Mr. SUN received a bachelor’s degree in applied mathematics from Harvard University in the United States in June 1997, and a master’s degree in business administration from Harvard University and a juris doctor’s degree from Harvard Law School in the United States both in June 2003. Mr. SUN was a director of Bona Film Group Limited (principally engaged in film distribution business), a company listed on NASDAQ (delisted from NASDAQ on 8 April 2016), from 2007 to 2011 and a director of BIT Mining Limited (formerly known as 500.com Limited) (principally engaged in cryptocurrency mining), a company listed on the New York Stock Exchange (stock code: BTCM), since October 2013. Mr. SUN was a director of CooTek (Cayman) Inc. (delisted from the New York Stock Exchange on 16 June 2022), a company with input method being its core business, since July 2014. From December 2013 to June 2016, Mr. SUN was a non-executive director of Dongpeng Holdings Company Limited, a company listed on the Stock Exchange (delisted from the Stock Exchange on 22 June 2016) and from October 2020 to September 2023, he has been a director of Dongpeng Holdings Company Limited listed on the Shenzhen Stock Exchange (SZ.003012).

Pursuant to the Director’s service contract entered into between the Company and Mr. SUN, her initial current term of office is for a period of three years commencing from the date of appointment and shall be automatically renewed upon expiry, unless terminated by either party giving to the other not less than three months’ prior notice in writing. Mr. SUN is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to his service contract, Mr. SUN is not entitled to any director fee.

Save as disclosed above, Mr. SUN (i) has not held any other positions in the Company and its subsidiaries, and does not have any relationships with any Directors, senior management members or Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries; (ii) has not held any other directorships in other public companies the securities of which are listed on any securities market in the last three years; (iii) does not have any interest in the Shares within the meaning of Part XV of the SFO; and (iv) there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election and that no other information needs to be disclosed under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2025 AGM

3. WANG Liyan (王立彦) (“Mr. WANG”)

Mr. WANG Liyan (王立彦), aged 68, was appointed as an independent non-executive Director of the Company on 28 June 2017 and was appointed as the lead independent non-executive Director on 26 March 2025. He is also a member of the Audit Committee and Nomination Committee. He is currently a professor of the Department of Accounting and a doctoral advisor of Guanghua School of Management in Peking University and a certified public accountant in the PRC. He obtained his doctor’s degree from Peking University. His major research area lies in accounting information and corporate value, overseas listing, dual financial report, corporate governance system, environmental cost, accounting, corporate sustainability report and CSR report. He also serves as the chief editor of China Accounting Review and China Management Accounting. Until August 2023, Mr. WANG was an independent director of Unigroup Guoxin Microelectronics Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002049). Mr. WANG has been appointed as an independent non-executive director of Jinshang Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability whose shares are listed on the Stock Exchange (stock code: 2558), since 5 November 2019. He also served as an independent director of Beijing Dabeinong Technology Group Co., Ltd (北京大北農科技集團股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002385) until March 2023.

Pursuant to the Director’s service contract entered into between the Company and Mr. WANG, his initial current term of office is for a period of three years commencing from the date of appointment and shall be automatically renewed upon expiry, unless terminated by either party giving to the other not less than three months’ prior notice in writing. Mr. WANG is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Mr. WANG is entitled to a fixed director fee of RMB200,000 per annum with no other benefits or emoluments subject to revision in future by the decision of the Board based on the recommendation of the Company’s remuneration committee. The emoluments of Mr. WANG have been determined with reference to his role, duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company’s remuneration committee.

Save as disclosed above, Mr. WANG (i) has not held any other positions in the Company and its subsidiaries, and does not have any relationships with any Directors, senior management members or Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries; (ii) has not held any other directorships in other public companies the securities of which are listed on any securities market in the last three years; (iii) does not have any interest in the Shares within the meaning of Part XV of the SFO; and (iv) there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election and that no other information needs to be disclosed under the provisions of Rules 13.51(2)(h) to 13.51(2)(w) of the Listing Rules.



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 IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of China Shengmu Organic Milk Limited (the “**Company**”) will be held at 10:00 a.m. on Friday, 13 June 2025 at Conference Room, 2/F, Shengmu Building, Shaerqin Industrial Park, Southern District of Ruyi Development New Zone, Tumotezuqi, Hohhot, Inner Mongolia Autonomous Region, PRC for considering and, if thought fit, passing with or without amendments, the following resolutions as resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and auditors of the Company for the year ended 31 December 2024.
2. To re-appoint Ernst & Young as auditors of the Company and the board of Directors (the “**Board**”) be authorized to fix their remuneration.
3.
 - (a) To re-elect Mr. ZHAO Jiejun as a non-executive Director.
 - (b) To re-elect Mr. SUN Qian as a non-executive Director.
 - (c) To re-elect Mr. WANG Liyan as an independent non-executive Director.
4. To authorize the Board to fix the respective Directors’ remuneration.
5. “**THAT:**
 - (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares of the Company (the “**Shares**”) and/or sell or transfer treasury shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF THE 2025 AGM

- (b) the Directors be and are hereby authorized during the Relevant Period to make or grant offers, agreements and options which might or would require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional Shares and/or sell or transfer treasury shares) during or after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors (including any sale or transfer of treasury shares in the capital of the Company) pursuant to the approval in paragraphs (a) and (b) of this resolution above, otherwise than pursuant to:
- (i) a Rights Issue (as defined below);
 - (ii) the exercise of the outstanding conversion rights attached to any convertible securities issued by the Company, which are convertible into Shares;
 - (iii) the exercise of any options granted under the share option scheme(s) adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to subscribe for Shares; or
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend in accordance with the articles of association of the Company (the “**Articles**”) from time to time,
- shall not exceed 20% of the total number of issued Shares (excluding any treasury shares) as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Articles to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange).”

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6. **“THAT:**

- (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with the applicable laws, rules and regulations, be and is hereby, generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the total number of Shares to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued Shares (excluding any treasury shares) as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Articles to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. **“THAT** conditional upon the passing of the ordinary resolutions 5 and 6 as set out in this notice convening the Meeting (the “**Notice**”), the general mandate granted to the Directors pursuant to ordinary resolution 5 as set out in the Notice be and is hereby extended by the addition thereto of an amount representing the total number of Shares repurchased by the Company under the authority granted pursuant to ordinary resolution 6 as set out in this Notice, provided that such amount shall not exceed 10% of the total number of issued Shares (excluding any treasury shares) as at the date of passing this resolution.”

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

Hong Kong, 23 April 2025

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As at the date of this notice, the Board comprises Mr. Zhang Jiawang, as executive Director; Mr. Chen Yiyi, Mr. Zhang Ping, Mr. Zhao Jiejun, Mr. Sun Qian and Ms. Shao Lijun, as non-executive Directors; Mr. Wang Liyan, Mr. Wu Liang and Mr. Sun Yansheng, as independent non-executive Directors.

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
3. In order to be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the form of proxy shall be deemed to be revoked.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned Meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any Shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

NOTICE OF THE 2025 AGM

6. To ascertain shareholders' eligibility to attend and vote at this Meeting, the register of members of the Company will be closed from Tuesday, 10 June 2025 to Friday, 13 June 2025 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the annual general meeting, unregistered holders of Shares should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 9 June 2025.
7. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision as to whether to vote for or against the ordinary resolution 7 as set out in the Notice is set out in Appendix I to the circular of the Company dated 23 April 2025 to its shareholders.
8. Details of the retiring Directors proposed to be re-elected as Directors at the Meeting are set out in Appendix II to the circular of the Company dated 23 April 2025 to its shareholders.
9. A form of proxy for use at the Meeting is enclosed.