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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)

CONTINUING CONNECTED TRANSACTION

2026 DABEINONG PRODUCTS AND SERVICES SUPPLY FRAMEWORK AGREEMENT AND TERMINATION OF THE 2024 PROCESSING SERVICE FRAMEWORK AGREEMENT AND THE 2025 YIYINGMEI DAIRY MILK POWDER PURCHASE FRAMEWORK AGREEMENT

2026 DABEINONG PRODUCTS AND SERVICES SUPPLY FRAMEWORK AGREEMENT

Reference is made to (1) the announcement of the Company dated 15 August 2023 in relation to, among other things, the 2023 Dabeinong Group Materials Supply Framework Agreement for a term ending 31 December 2025; (2) the announcement of the Company dated 28 March 2024 in relation to, among other things, the 2024 Processing Service Framework Agreement for a term from 28 March 2024 to 31 December 2026; and (3) the announcement of the Company dated 27 August 2025 in relation to the 2025 Yiyongmei Dairy Milk Powder Purchase Framework Agreement for a term from 28 August 2025 to 31 December 2026.

The Company expects that entering into one overall products and services supply framework agreement with Dabeinong Group and Yiyongmei Dairy (a subsidiary of Dabeinong Group) will further enhance the flexibility and cost-effectiveness of the Group's purchase of products and services.

In this connection and in view of the upcoming expiry of the 2023 Dabeinong Group Materials Supply Framework Agreement, on 19 November 2025, the Company (for itself and on behalf of its subsidiaries) entered into the 2026 Dabeinong Products and Services Supply Framework Agreement with Dabeinong Group (for itself and on behalf of its subsidiaries, but excluding Yiyongmei Dairy

and its subsidiaries) and Yiyongmei Dairy (for itself and on behalf of its subsidiaries) in relation to (1) the sale of the Dabeinong Products by Dabeinong Group and Yiyongmei Dairy to the Group, including the procurement of products (including but not limited to feed, additives, medicines, rice, eggs, seafood products and milk powder) from Dabeinong Group and Yiyongmei Dairy for supply to the Group; and (2) the provision of processing services in respect of the production of milk powder by Yiyongmei Dairy to the Group, for a term commencing from 1 January 2026 and ending on 31 December 2028. The 2024 Processing Service Framework Agreement and the 2025 Yiyongmei Dairy Milk Powder Purchase Framework Agreement will be terminated immediately upon the 2026 Dabeinong Products and Services Supply Framework Agreement coming into effect.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Shao Genhuo holds approximately 22.73% equity interest in, and is the de facto controller of, Dabeinong Group. Accordingly, Dabeinong Group is an associate of Mr. Shao. Mr. Shao also holds the entire equity interest in Beijing Zhi Nong, which in turn holds the entire equity interest in Nong You, a substantial shareholder of the Company. Yiyongmei Dairy is a non-wholly owned subsidiary of Dabeinong Group. Accordingly, each of Mr. Shao, Dabeinong Group and Yiyongmei Dairy is a connected person of the Company.

As one or more applicable percentage ratios under the Listing Rules in respect of the highest proposed annual cap under the 2026 Dabeinong Products and Services Supply Framework Agreement exceed 5%, the entering into of the 2026 Dabeinong Products and Services Supply Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Nong You (and its associates who may hold Shares) will be required to abstain from voting at the EGM in relation to the 2026 Dabeinong Products and Services Supply Framework Agreement and the transactions contemplated under such agreement. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder is required to abstain from voting at the EGM in relation to the 2026 Dabeinong Products and Services Supply Framework Agreement and the transactions contemplated under such agreement.

GENERAL

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the 2026 Dabeinong Products and Services Supply Framework Agreement, the transactions contemplated under such agreement and the proposed annual caps for the three years ending 31 December 2026, 2027 and 2028.

The Board has appointed Altus Capital as the Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (1) details of the 2026 Dabeinong Products and Services Supply Framework Agreement and the proposed annual caps; (2) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and Independent Shareholders; (3) a letter from the Independent Board Committee in relation to the 2026 Dabeinong Products and Services Supply Framework Agreement and the proposed annual caps; and (4) the notice convening the EGM is expected to be dispatched to the Shareholders on or around 8 December 2025.

Reference is made to (1) the announcement of the Company dated 15 August 2023 in relation to, among other things, the 2023 Dabeinong Group Materials Supply Framework Agreement for a term ending 31 December 2025; (2) the announcement of the Company dated 28 March 2024 in relation to, among other things, the 2024 Processing Service Framework Agreement for a term from 28 March 2024 to 31 December 2026; and (3) the announcement of the Company dated 27 August 2025 in relation to the 2025 Yiyongmei Dairy Milk Powder Purchase Framework Agreement for a term from 28 August 2025 to 31 December 2026.

The Company expects that entering into one overall products and services supply framework agreement with Dabeinong Group and Yiyongmei Dairy (a subsidiary of Dabeinong Group) will further enhance the flexibility and cost-effectiveness of the Group's purchase of products and services.

In this connection and in view of the upcoming expiry of the 2023 Dabeinong Group Materials Supply Framework Agreement, on 19 November 2025, the Company (for itself and on behalf of its subsidiaries) entered into the 2026 Dabeinong Products and Services Supply Framework Agreement with Dabeinong Group (for itself and on behalf of its subsidiaries, but excluding Yiyongmei Dairy and its subsidiaries) and Yiyongmei Dairy (for itself and on behalf of its subsidiaries) in relation to (1) the sale of the Dabeinong Products by Dabeinong Group and Yiyongmei Dairy to the Group, including the procurement of products (including but not limited to feed, additives, medicines, rice, eggs, seafood products and milk powder) from Dabeinong Group and

Yiyongmei Dairy for supply to the Group; and (2) the provision of processing services in respect of the production of milk powder by Yiyongmei Dairy to the Group, for a term commencing from 1 January 2026 and ending on 31 December 2028. The 2024 Processing Service Framework Agreement and the 2025 Yiyongmei Dairy Milk Powder Purchase Framework Agreement will be terminated immediately upon the 2026 Dabeinong Products and Services Supply Framework Agreement coming into effect.

2026 DABEINONG PRODUCTS AND SERVICES SUPPLY FRAMEWORK AGREEMENT

Principal Terms

The principal terms of the 2026 Dabeinong Products and Services Supply Framework Agreement are summarised as follows:

- Date: 19 November 2025
- Parties:
 - (1) the Company (for itself and on behalf of its subsidiaries);
 - (2) Dabeinong Group (for itself and on behalf of its subsidiaries, but excluding Yiyongmei Dairy and its subsidiaries); and
 - (3) Yiyongmei Dairy (for itself and on behalf of its subsidiaries)
- Term: From 1 January 2026 to 31 December 2028
- Subject matter: **(a) Dabeinong Products**

Dabeinong Group and Yiyongmei Dairy shall sell to the Company products which meet the procurement standards of the Company, including the procurement of products (including but not limited to feed, additives, medicines, rice, eggs, seafood products and milk powder) (collectively, the “**Dabeinong Products**”) from Dabeinong Group and Yiyongmei Dairy for supply to the Group. For the avoidance of doubt, the Dabeinong Products include milk powder which meets the procurement standards of the Company to be procured from Yiyongmei Dairy for supply to the Group.

The Company will purchase by placing written orders based on the Group's actual demand and the Company will determine the final purchase specifications, quantity, related quality, delivery and other services of the products. The products will be supplied to the Company by Dabeinong Group and Yiyongmei Dairy in accordance with the 2026 Dabeinong Products and Services Supply Framework Agreement and the orders confirmed between the Company, Dabeinong Group and Yiyongmei Dairy.

(b) Yiyongmei Processing Services

In addition, Yiyongmei Dairy shall provide processing services in respect of the production of milk powder for the Group from time to time (the “**Yiyongmei Processing Services**”).

Yiyongmei Dairy must inspect, supervise, and control the quality of the raw materials it uses for the processing services and ensure that the final products meet the Company's quality standards. Yiyongmei Dairy is liable for any food safety and quality problems that arise from its processing services. The Company can reject any milk powder products that do not meet its quality standards and Yiyongmei Dairy must compensate the Company for any delivery delays caused by its substandard products. The Company can terminate the 2026 Dabeinong Products and Services Supply Framework Agreement at any time if the milk powder products processed by Yiyongmei Dairy do not comply with the relevant PRC regulations.

Purchase price and other terms:

(a) Dabeinong Products

The prices of the Dabeinong Products purchased by the Company from Dabeinong Group and Yiyongmei Dairy shall be based on the prevailing market price at the time of the submission of the relevant purchase order by the Company to Dabeinong Group and/or Yiyongmei Dairy. Each of Dabeinong Group and Yiyongmei Dairy undertakes to sell the Dabeinong Products at a price which is no higher than the market price of similar products (in similar form) in the same period. For the purpose of determining the prevailing market price, the Company shall request quotations from at least two independent third-party suppliers (excluding Dabeinong Group and Yiyongmei Dairy). If the price of any Dabeinong Product supplied by Dabeinong Group or Yiyongmei Dairy in the same period is higher than the market price of such product or the price offered by Dabeinong Group or Yiyongmei Dairy to a third party, the Company shall have the right to adjust the price of the relevant executed purchase order, and Dabeinong Group or Yiyongmei Dairy agrees that the Company may deduct the difference from the payment due to Dabeinong Group or Yiyongmei Dairy (as the case may be).

The Company will review the price, quality and safety of the products from time to time to ensure that the products are in line with the Group's standards, as well as to ensure that the transaction terms are fair and reasonable, and no less favourable than those available from independent third parties.

(b) Yiyingmei Processing Services

The processing fee for the Yiyingmei Processing Services borne by the Group under the 2026 Dabeinong Products and Services Supply Framework Agreement will be negotiated on an arm's length basis and determined in the ordinary course of business on normal commercial terms. The processing fee shall be determined on a cost plus basis with reference to cost analysis, market research, quality requirements and profit margin setting, etc. Yiyingmei Dairy will also supply the packaging for the milk powder products, the cost of which will be borne by the Company.

Before procuring any Yiyingmei Processing Services, under the 2026 Dabeinong Products and Services Supply Framework Agreement, the Company will compare quotations for similar transactions with at least two independent third parties (excluding Yiyingmei Dairy and Dabeinong Group) for similar processing services. The Company will also review the price and quality of the processed milk powder from time to time to ensure that the milk powder is in line with the Group's quality standards, as well as to ensure that the transaction terms are fair and reasonable, and no less favourable than those available from independent third parties.

Delivery:

(a) Dabeinong Products

Dabeinong Group and Yiyingmei Dairy guarantee the delivery of purchased products to the Company in accordance with the requirements of the 2026 Dabeinong Products and Services Supply Framework Agreement and purchase orders.

(b) Yiyingmei Processing Services

The Company shall collect the agreed quantities of processed milk powder from warehouses designated by Yiyingmei Dairy. The freight costs for transporting the milk powder from Yiyingmei Dairy to the Company shall be borne by the Company.

Payment terms:

(a) Dabeinong Products

The Company shall make payment according to the settlement plan agreed under the purchase order between the Company, Dabeinong Group or Yiyingmei Dairy (as the case may be).

(b) Yiyingmei Processing Services

At the beginning of each month, Yiyingmei Dairy and the Company shall agree on the processing fees for the prior month, after which Yiyingmei Dairy shall issue an invoice to the Company for the agreed fees. Within 15 working days of receiving the invoice, the Company shall settle the payment in full.

Termination of the 2024 Processing Service Framework Agreement and the 2025 Yiyingmei Dairy Milk Powder Purchase Framework Agreement:

The 2024 Processing Service Framework Agreement and the 2025 Yiyingmei Dairy Milk Powder Purchase Framework Agreement will be terminated immediately upon the 2026 Dabeinong Products and Services Supply Framework Agreement coming into effect.

Reasons for and Benefits of the 2026 Dabeinong Products and Services Supply Framework Agreement

As a leading dairy farming materials provider in the PRC, Dabeinong Group is one of the largest enterprises of feed and premix in the PRC which also provides services and solutions in the areas of animal husbandry, plantation and agricultural Internet of Things (IoT). The products and services of Dabeinong Group observe high standards in respect of technology, quality and safety. The manufacturing and sales systems of the dairy farming materials of Dabeinong Group across the country also guarantee the provision of products and after-sales technical service support to our farms from a close distance. The Group believes that the cooperation with Dabeinong Group can ensure the quality and safety of products supplied to the Group and the provision of after-sales technical support service, which are essential to the production of high quality raw milk by the Group.

Further, Dabeinong Group's industry portfolio covers a wide range of areas. In 2010, it became one of the agricultural high-tech enterprises with the highest market value among listed companies in the agricultural and livestock industry in the PRC. As a subsidiary of Dabeinong Group, Yiyongmei Dairy specialises in the production of infant and toddler milk powder and is committed to creating world-class quality products. Its industry-leading production process, cutting-edge production equipment and CNAS laboratory established with the approval of the Certification and Accreditation Administration meet the Group's highest requirements for product quality. Its proximity to Shengmu High-tech in Inner Mongolia gives it an advantage in transportation and cost efficiency, thus preserving its products' freshness and quality.

In addition, the cooperation with Dabeinong Group and Yiyongmei Dairy allows the Group to take advantage of cost advantages and procurement efficiencies generated under Dabeinong Group's and Yiyongmei Dairy's centralized procurement platform. Leveraging on Dabeinong Group's and Yiyongmei Dairy's bulk procurement of products, which are in turn supplied to the Group with or without further processing, the Group is well positioned to efficiently source (through Dabeinong Group and/or Yiyongmei Dairy) products from a network of suppliers around the world and collect market information on raw material demand and supply in a timely fashion. This would help reduce the Group's administrative costs associated with procurement of products and services and allow the Group to benefit from any bulk purchase discounts offered by Dabeinong Group and Yiyongmei Dairy, which would in turn reduce the Group's overall operational cost level.

Since 2024, taking into account the challenging conditions, intense competition and other uncertainties in the raw milk market, the Group has adopted a cautious approach for and developed a business model to mitigate potential market risks. Under this business model, the selection of Dabeinong Group and Yiyongmei Dairy as co-operative partners is in line with the principle of maximizing the Group's benefits in terms of both cost-effectiveness and product quality.

As mentioned in the 2025 Yiyongmei Announcement, to alleviate the pressure from the continuous downward cycle of the raw milk industry, the Company has proactively explored raw milk sales channels while also consolidating milk powder sales channels. In August 2025, the Company promoted its milk powder export trade business. Meanwhile, the quality of milk powder produced by Yiyongmei Dairy has been recognized by international customers of the Company, who have in turn agreed to enter into milk powder purchase orders with the Company.

Therefore, the Company seeks to consolidate the 2024 Processing Service Framework Agreement and the 2025 Yiyongmei Dairy Milk Powder Purchase Framework Agreement under the 2026 Dabeinong Products and Services Supply Framework Agreement, pursuant to which the Group may, among others, continue to purchase from Yiyongmei Dairy milk powder that meets the standards of the Company's export business and to obtain from Yiyongmei Dairy processing services in respect of the production of milk powder. The Group will thereby be able to distribute high-quality milk powder to international customers, meeting their needs effectively, and by doing so, enhance customer satisfaction and strengthen customer loyalty to the products of the Group.

In light of the factors mentioned above, the Directors (excluding the independent non-executive Directors who will give their opinion after considering advice from the Independent Financial Advisor and Ms. Shao Lijun who has abstained from voting at the relevant Board meeting) are of the view that the 2026 Dabeinong Products and Services Supply Framework Agreement is entered into on normal commercial terms and in the ordinary course of business of the Group, is in the interests of the Company and the Shareholders as a whole, and the terms of the 2026 Dabeinong Products and Services Supply Framework Agreement (including the proposed annual caps) are fair and reasonable.

Historical Transaction Amounts

The total transaction amounts for the products and services paid by the Group to Dabeinong Group and Yiyongmei Dairy under the 2023 Dabeinong Group Materials Supply Framework Agreement, the 2024 Processing Service Framework Agreement and the 2025 Yiyongmei Dairy Milk Powder Purchase Framework Agreement from their respective commencement dates for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 are as follows:

	For the year ended		For the nine
	31 December		months
	2023	2024	ended
	<i>RMB million</i>	<i>RMB million</i>	30 September
			2025
			<i>RMB million</i>
2023 Dabeinong Group Materials Supply Framework Agreement	211.5	247.8	204.0
2024 Processing Service Framework Agreement	N/A	2.6	0.0
2025 Yiyongmei Dairy Milk Powder Purchase Framework Agreement	N/A	1.5	44.8

At the date of this announcement, the historical transaction amounts from the respective commencement dates of the terms of each of (i) the 2023 Dabeinong Group Materials Supply Framework Agreement, (ii) the 2024 Processing Service Framework Agreement, and (iii) the 2025 Yiyongmei Dairy Milk Powder Purchase Framework Agreement are within the respective existing annual caps.

Proposed Annual Caps

The Directors propose to set annual caps for the transactions contemplated under the 2026 Dabeinong Products and Services Supply Framework Agreement as follows:

	For the year ending 31 December		
	2026	2027	2028
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Dabeinong Products	415	430	445
Yiyongmei Processing Services	17	11	11

In determining the proposed annual caps for the three years ending 31 December 2026, 2027 and 2028, the Directors have considered the following factors:

- (a) the expected number of cows of the Group for the three years ending 31 December 2026, 2027 and 2028, respectively;
- (b) the expected demand for products and services by the Group based on the Group's strategic plans for the years ending 31 December 2026, 2027 and 2028;
- (c) the historical purchase price, existing annual caps and volume of similar products and services procured by the Group from Dabeinong Group, Yiyongmei Dairy, and other suppliers taking into account temporary circumstances such as economic environment changes, supply chain disruptions, or strategic inventory adjustments during the two years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025;
- (d) the scope of the products and services to be provided by Dabeinong Group and Yiyongmei Dairy to the Group under the 2026 Dabeinong Products and Services Supply Framework Agreement;
- (e) the historical and current market prices of similar products and services supplied and provided by Dabeinong Group and its subsidiaries (including Yiyongmei Dairy);
- (f) the possible future fluctuation in the PRC dairy farming industry;
- (g) the Group's business plan, sales forecast and internal projections of milk powder processing volume for the three years (which will in turn have an impact on both Dabeinong Products and Yiyongmei Processing Services) ending 31 December 2026, 2027 and 2028; and
- (h) the historical and current market prices of milk powder and milk powder contract processing services of similar quality, as well as the potential fluctuations in the future market prices of milk powder in the PRC.

Internal Control Mechanism

The Company has implemented internal control procedures and policies led by the Group's compliance team to monitor connected transactions with an emphasis on, among others, (1) maintenance of a list of connected persons and connected transactions; (2) identifying connected transactions with the assistance of various departments and external legal advisors; (3) analysis on aggregating connected transactions and managing any aggregated transaction amounts; and (4) monitoring utilization of annual caps of continuing connected transactions on a monthly basis.

In the event that the annual caps of the 2026 Dabeinong Products and Services Supply Framework Agreement are expected to be exceeded, the Company will revise the annual caps in accordance with the relevant Listing Rules requirements.

Further, the Group's procurement and supply center will regularly monitor the market price of products and services procured from Dabeinong Group and Yiyongmei Dairy. The Group's compliance team will conduct an annual review to verify if the continuing connected transactions are conducted in compliance with the terms of the 2026 Dabeinong Products and Services Supply Framework Agreement and Chapter 14A of the Listing Rules. The compliance team will prepare and submit a report of its findings to the management and audit committee of the Company.

The Group's external auditors and independent non-executive Directors will conduct an annual review and confirm whether the transactions have been entered into in accordance with the terms of the 2026 Dabeinong Products and Services Supply Framework Agreement and confirm, among others, whether the relevant annual caps have been exceeded, in the Company's annual report in accordance with the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Shao Genhuo holds approximately 22.73% equity interest in, and is the de facto controller of, Dabeinong Group. Accordingly, Dabeinong Group is an associate of Mr. Shao. Mr. Shao also holds the entire equity interest in Beijing Zhi Nong, which in turn holds the entire equity interest in Nong You, a substantial shareholder of the Company. Yiyongmei Dairy is a non-wholly owned subsidiary of Dabeinong Group. Accordingly, each of Mr. Shao, Dabeinong Group and Yiyongmei Dairy is a connected person of the Company.

As one or more applicable percentage ratios under the Listing Rules in respect of the highest proposed annual cap under the 2026 Dabeinong Products and Services Supply Framework Agreement exceed 5%, the entering into of the 2026 Dabeinong Products and Services Supply Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Nong You (and its associates who may hold Shares) will be required to abstain from voting at the EGM in relation to the 2026 Dabeinong Products and Services Supply Framework Agreement and the transactions contemplated under such agreement. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder is required to abstain from voting at the EGM in relation to the 2026 Dabeinong Products and Services Supply Framework Agreement and the transactions contemplated under such agreement.

Ms. Shao Lijun, a non-executive Director, is also a director of Nong You and general manager of Beijing Zhi Nong. Accordingly, Ms. Shao abstained from voting on the resolution(s) of the Directors approving the 2026 Dabeinong Products and Services Supply Framework Agreement and the transactions contemplated thereunder. Other than Ms. Shao, no Director is materially interested in the transactions contemplated under the 2026 Dabeinong Products and Services Supply Framework Agreement and accordingly no Director is required to abstain from voting on the resolution(s) of the Directors to approve the 2026 Dabeinong Products and Services Supply Framework Agreement and the transactions contemplated thereunder.

The independent non-executive Directors will set out in the circular to be dispatched to the Shareholders their views in respect of the 2026 Dabeinong Products and Services Supply Framework Agreement, the transactions contemplated under such agreement and the proposed annual caps for the three years ending 31 December 2026, 2027 and 2028, which will be formed after taking into account the advice to be provided by the Independent Financial Advisor.

INFORMATION ON THE PARTIES

The Company is an investment holding company. The Group is principally engaged in dairy farming and the sale of raw milk.

Dabeinong Group is a company whose shares are listed on the Shenzhen Stock Exchange and is principally engaged in the manufacturing and sale of animal feed products. As at the date of this announcement, Mr. Shao Genhuo holds approximately 22.73% equity interest in, and is the de facto controller of, Dabeinong Group. Based on public information available to the Company as at the date of this announcement, each of the remaining top ten shareholders of Dabeinong Group holds less than 10% equity interest in Dabeinong Group.

Yiyingmei Dairy is held as to approximately 91.36% and 8.64% by Dabeinong Group and Shengmu High-tech, respectively. It is principally engaged in the manufacturing and sale of dairy products, including organic infant and other formula milk powder.

GENERAL

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the 2026 Dabeinong Products and Services Supply Framework Agreement, the transactions contemplated under such agreement and the proposed annual caps for the three years ending 31 December 2026, 2027 and 2028.

The Board has appointed Altus Capital as the Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders in this regard. A circular containing, among other things, (1) details of the 2026 Dabeinong Products and Services Supply Framework Agreement and the proposed annual caps;

(2) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and Independent Shareholders; (3) a letter from the Independent Board Committee in relation to the 2026 Dabeinong Products and Services Supply Framework Agreement and the proposed annual caps; and (4) the notice convening the EGM is expected to be dispatched to the Shareholders on or around 8 December 2025.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“Beijing Zhi Nong”	Beijing Zhi Nong Investment Co., Ltd.* (北京智農投資有限責任公司), a company established in the PRC
“Board”	the board of Directors
“Company”	China Shengmu Organic Milk Limited (中國聖牧有機奶業有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1432)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Dabeinong Group”	Beijing Dabeinong Technology Group Co., Ltd.* (北京大北農科技集團股份有限公司), a company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002385)
“Dabeinong Products”	has the meaning given to it in section headed “2026 DABEINONG PRODUCTS AND SERVICES SUPPLY FRAMEWORK AGREEMENT — Principal Terms”
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the 2026 Dabeinong Products and Services Supply Framework Agreement (including the proposed annual caps) and the transactions contemplated under such agreement
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors, namely Mr. Wang Liyan, Mr. Wu Liang and Mr. Sun Yansheng
“Independent Financial Advisor” or “Altus Capital”	Altus Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance, who is appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Dabeinong Products and Services Supply Framework Agreement and the transactions contemplated under such agreement
“Independent Shareholder(s)”	Shareholders other than Nong You and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nong You”	Nong You Co., Ltd., a company incorporated in the British Virgin Islands which holds 1,301,651,000 Shares, representing approximately 15.53% of the total number of issued Shares as at the date of this announcement
“PRC”	the People’s Republic of China and for the purpose of this announcement, does not include Hong Kong, Macao Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary share(s) of par value HK\$0.00001 each in the issued share capital of the Company
“Shengmu High-tech”	Inner Mongolia Shengmu High-tech Farming Co., Ltd.* (內蒙古聖牧高科牧業有限公司), a company established in the PRC and an indirectly wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Yiyingmei Dairy”	Yiyingmei Dairy Co., Ltd.* (內蒙古益嬰美乳業有限公司), a company established in the PRC, which is a non-wholly owned subsidiary of Dabeinong Group as at the date of this announcement
“Yiyingmei Processing Services”	has the meaning given to it in section headed “2026 DABEINONG PRODUCTS, MILK POWDER AND SERVICES SUPPLY FRAMEWORK AGREEMENT — Principal Terms”
“2023 Dabeinong Group Materials Supply Framework Agreement”	the materials supply framework agreement dated 15 August 2023, entered into between Shengmu High-tech and Dabeinong Group, in relation to the supply of materials (including but not limited to feed, additives and medicines) by Dabeinong Group to Shengmu High-tech for a term ending 31 December 2025
“2024 Processing Service Framework Agreement”	the processing service framework agreement dated 28 March 2024, entered into between Shengmu High-tech and Yiyingmei Dairy, in relation to the provision of processing services by Yiyingmei Dairy in respect of the production of milk powder for the Group for a term from 28 March 2024 to 31 December 2026
“2025 Yiyingmei Announcement”	the announcement of the Company dated 27 August 2025 in relation to the 2025 Yiyingmei Dairy Milk Powder Purchase Framework Agreement

“2025 Yiyongmei Dairy
Milk Powder Purchase
Framework Agreement”

the milk powder purchase framework agreement dated 27 August 2025, entered into between Shengmu High-tech and Yiyongmei Dairy, in relation to the sale of milk powder by Yiyongmei Dairy to Shengmu High-tech for a term from 28 August 2025 to 31 December 2026

“2026 Dabeinong Products
and Services Supply
Framework Agreement”

the products and services supply framework agreement dated 19 November 2025, entered into between the Company, Dabeinong Group and Yiyongmei Dairy, in relation to the supply of the Dabeinong Products and the provision of the Yiyongmei Processing Services for a term from 1 January 2026 to 31 December 2028

For and on behalf of the Board
China Shengmu Organic Milk Limited
Chen Yiyi
Chairman

Hong Kong, 19 November 2025

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

* *For identification purpose only*