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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)

PROFIT WARNING

This announcement is made by China Shengmu Organic Milk Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Board, the Group expects to record a loss attributable to owners of the Group’s parent company in the range of RMB350 million to RMB390 million for the year ended 31 December 2025 (the “**Reporting Period**”), as compared with a loss attributable to owners of the Group’s parent company of RMB65.5 million for 2024. The Group has made impairment provision of approximately RMB300 million to RMB330 million in respect of the land use rights of undeveloped grassland held by the Group in accordance with relevant regulations and the prudence principle. Excluding the effects of the above factors, the loss from the Company’s operating business narrowed by approximately RMB5 million to RMB25 million as compared with the previous year.

As at the date of this announcement, the overall financial results of the Group for the Reporting Period are subject to the finalization of all relevant results and accounting treatment. The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts for the Reporting Period and information currently available to the Board, which has not been reviewed by the Company's auditor or the Company's audit committee. The actual financial results of the Group for the Reporting Period may differ from those disclosed in this announcement. Shareholders and potential investors should refer to the 2025 annual results announcement which is expected to be published on or before 31 March 2026 for further information.

Reference is made to the announcement of China Modern Dairy Holdings Ltd. ("**CMD**") dated 30 October 2025 regarding, among others, the possible mandatory conditional cash offer by CLSA Limited, for and on behalf of CMD, to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by CMD and Start Great Holdings Limited) (the "**Rule 3.5 Announcement**"). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Rule 3.5 Announcement.

The profit warning included in this announcement (the "**Profit Warning**") constitutes a profit forecast under Rule 10 of the Takeovers Code and should be reported on by the Company's financial adviser and auditors in accordance with Rule 10 of the Takeovers Code. In order to ensure compliance with the requirements to make timely disclosures of the inside information under Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10 of the Takeovers Code.

Pursuant to Rule 10 of the Takeovers Code and Practice Note 2, if a profit forecast is made during an offer period and is first published in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors on the said profit forecast, in the next document to be sent to the shareholders by the Company (the "**Shareholders' Document**"). However, if the annual results of the Group for the year ended 31 December 2025, which fall within the ambit of Rule 10.9 of the Takeovers Code and to which the Profit Warning relates, are published prior to the despatch of the next Shareholders' Document, the requirements to report on the Profit Warning under Rule 10 of the Takeovers Code will no longer apply.

Shareholders and potential investors of the Company should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offer. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 27 February 2026

As at the date of this announcement, the Board comprises Mr. Zhang Jiawang, as executive Director; Mr. Chen Yiyi (Chairman), Mr. Zhang Ping, Mr. Bai Fengming, 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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.