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China Shengmu Organic Milk Limited (the “Company”) is regarded as having a Significant Public Float Shortfall under Rule 13.32F of the Listing Rules. Accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company (the “Shares”) because: (a) the Company has failed to maintain the minimum public float required under Rule 13.32B of the Listing Rules, resulting in a shortfall that constitutes a Significant Public Float Shortfall as defined under Rule 13.32F of the Listing Rules; and (b) the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with Rule 13.32B of the Listing Rules within the prescribed period under Rule 13.32G(3) of the Listing Rules (i.e. by 2 February 2028).



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)

NON-COMPLIANCE WITH THE MINIMUM PUBLIC FLOAT REQUIREMENT

Reference is made to (i) the composite document dated 30 June 2026 jointly issued by China Modern Dairy Holdings Ltd. (“CMD”) and the Company and (ii) the announcement jointly issued by CMD and the Company dated 3 August 2026 in relation to, among other things, the Offer and the public float of the Company (the “**Results Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document and the Results Announcement.

NON-COMPLIANCE WITH THE MINIMUM PUBLIC FLOAT REQUIREMENT

Immediately upon the close of the Offer and as at the date of the Results Announcement:

- (1) CMD and the parties acting in concert with it were interested in an aggregate of 6,999,897,901 Shares (representing approximately 83.52% of the total issued Shares as at the date of the Results Announcement);

- (2) Mr. Zhang Jiawang (an executive director of the Company) was interested in an aggregated of 171,427,580 Shares (representing approximately 2.05% of the total issued Shares as at the date of the Results Announcement); and
- (3) an aggregate of 1,079,017,353 Shares (representing approximately 12.87% of the total issued Shares as at the date of the Results Announcement) were held by the public (as defined under the Listing Rules).

In light of the above and considering that the market value of the Shares held by the public is less than HK\$500,000,000, the Company does not satisfy the minimum public float requirement of 25% as set out in Rule 13.32B(1) of the Listing Rules or the alternative threshold as set out in Rule 13.32B(2) of the Listing Rules. Therefore, the Company has a Significant Public Float Shortfall as defined under Rule 13.32F of the Listing Rules.

PLAN TO RESTORE PUBLIC FLOAT

As stated in the Results Announcement, the CMD Directors have jointly and severally undertaken to the Stock Exchange they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment.

Details of the restoration plan, being proposed steps to be taken by CMD to restore the public float of the Company, will be announced by way of a subsequent announcement in accordance with the requirements under the Listing Rules.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement:

	Number of Shares	% of Shares (Note 1)
Shareholders who are not members of the public		
<i>Substantial shareholders</i>		
CMD	4,486,719,346	53.53
Start Great Holdings Limited (Note 2)	2,513,178,555	29.99
<i>Director</i>		
Zhang Jiawang	171,427,580	2.05

	Number of Shares	% of Shares (Note 1)
Other Shareholders who are not members of the public	130,952,395	1.56
Shareholders who are members of the public		
Other public Shareholders	1,079,017,353	12.87
Total	8,381,295,229	100

Notes:

1. Certain percentage figures in the above table are subject to rounding adjustments.
2. Start Great Holdings Limited is a wholly-owned subsidiary of China Mengniu Dairy Company Limited, a substantial shareholder of CMD.

For so long as the Company remains non-compliant with Rule 13.32B(2) of the Listing Rules, the Company will comply with the relevant disclosure requirements under the Listing Rules and refrain from taking any action which may further lower the percentage of its public float, unless the Company can demonstrate there are exceptional circumstances.

By order of the board of directors
China Shengmu Organic Milk Limited
LI Kwok Fat
Company Secretary

Hong Kong, 3 August 2026

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. Chen Yiyi (Chairman), Mr. Zhang Ping, Mr. Bai Fengming, Mr. Sun Qian and Ms. Shao Lijun; and the independent non-executive directors of the Company are Mr. Wang Liyan, Mr. Wu Liang and Mr. Sun Yansheng.