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**HONGKONG JINGANG TRADE  
HOLDING CO., LIMITED**

**香港金港商貿控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**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)**

## **JOINT ANNOUNCEMENT**

### **DELAY IN DESPATCH OF COMPOSITE DOCUMENT AND GRANT OF WAIVER**

Reference is made to the joint announcement (the “**Joint Announcement**”) dated November 2, 2016 jointly issued by China Shengmu Organic Milk Limited (the “**Company**”) and Hongkong Jingang Trade Holding Co., Limited (the “**Offeror**”) in relation to, among others, (i) the Sale and Purchase Agreements; and (ii) the possible conditional mandatory cash offers to be made by Huatai Financial Holdings (Hong Kong) Limited on behalf of the Offeror. Capitalised terms used herein shall have the same meanings as defined in the Joint Announcement unless otherwise specified.

The Offeror and the Company intend to combine the offer document and the offeree response document in relation to the Offers into the Composite Document, if the Offers are to be made. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of the Joint Announcement. However, as the making of the Offers is subject to the Completion and additional time is required to fulfill the conditions under the Sale and Purchase Agreements, the Offeror has made an application to the Executive for consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the document to a date within seven days of date of the Completion or April 28, 2017, whichever is earlier, and such consent has been granted by the Executive on November 18, 2016.

Further announcement will be jointly made by the Company and the Offeror when the Composite document is despatched.

**WARNING: THE MAKING OF THE OFFERS IS SUBJECT TO COMPLETION OF THE ACQUISITION AND IT MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.**

By order of the board of directors of  
**HONGKONG JINGANG TRADE  
HOLDING CO., LIMITED**  
**Pan Gang**  
*Director*

By order of the board of directors of  
**CHINA SHENGMU ORGANIC  
MILK LIMITED**  
**Yao Tongshan**  
*Chairman*

Hong Kong, November 21, 2016

*As at the date of this joint announcement, the executive Directors of the Company are Yao Tongshan, Wu Jianye, Gao Lingfeng and Cui Ruicheng; and the non-executive Directors of the Company are Dong Xianli, Fan Xiang, Cui Guiyong, Sun Qian, Shao Genhuo and Zhang Jiawang; and the independent non-executive Directors of the Company are Wong Kun Kau, Li Changqing, Ge Xiaoping, Yuan Qing and Fu Wenge.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and its directors), and confirm, having made all reasonable inquiries, that to the best of each of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Offeror and its directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the directors of the Offeror are Pan Gang, Liu Chunhai, Hu Liping and Wang Ruisheng.*

*As at the date of this joint announcement, the directors of Inner Mongolia Yili Industrial Group Co., Ltd are Pan Gang, Liu Chunhai, Zhao Chengxia, Hu Liping, Wang Ruishen, Zhang Junping and Yang Jinguo; the independent directors of Inner Mongolia Yili Industrial Group Co., Ltd are Gao Debu, Gao Hong, Zhang Xinling and Lv Gang.*

*The directors of the Offeror and Inner Mongolia Yili Industrial Group Co., Ltd jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Vendors and the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Vendors and the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*