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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)

DELAY IN DESPATCH OF CIRCULAR IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

This announcement is made pursuant to Rule 14A.47 of the Listing Rules.

Reference is made to the announcement of China Shengmu Organic Milk Limited (the “**Company**”) dated 22 November 2016 (the “**Announcement**”) in relation to, among other things, the Milk Supply Framework Agreement and the transactions contemplated under such agreement. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

It was stated in the Announcement that a circular containing, among other things, (1) details of the Milk Supply Framework Agreement and the transactions contemplated under such agreement; (2) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and independent Shareholders in relation to the Milk Supply Framework Agreement and the transactions contemplated under such agreement; (3) the recommendation of the Independent Board Committee in relation to the Milk Supply Framework Agreement and the transactions contemplated under such agreement; and (4) the notice convening the EGM, will be dispatched to the Shareholders in accordance with the Listing Rules on or before 9 December 2016.

As the Company requires additional time to finalise certain information in the circular, the despatch of the circular is expected to be postponed to a date falling on or before 13 December 2016.

By Order of the Board
China Shengmu Organic Milk Limited
Yao Tongshan
Chairman

Hong Kong, 9 December 2016

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