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**YuanShengTai Dairy Farm Limited**  
**原生态牧业有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1431)**

**POSITIVE PROFIT ALERT**

This announcement is made by YuanShengTai Dairy Farm Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) pursuant to Rule 13.09 (2) 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 board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Board’s preliminary review of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a net profit for the six months ended 30 June 2019 (the “**Current Period**”) as compared to the net loss of approximately RMB53.34 million for the six months ended 30 June 2018 (the “**Corresponding Period**”).

The Board reached this view after taking into account the following principal factors:

- (i) gross profit increased as compared to that of the Corresponding Period due to the increase in the price of domestic raw milk as well as sale volume;
- (ii) there would be a decrease in loss on changes in fair value less cost to sell of biological assets for the Current Period as compared to that of the Corresponding Period due to the increase in the price of domestic raw milk; and
- (iii) the administrative expenses incurred by the Group in the Current Period decreased as compared to that of the Corresponding Period in particular, including equity-settled share option expenses.

The Group is still in the process of preparing its consolidated financial results for the Current Period. The information contained in this announcement is only based on the Board's preliminary review of the latest unaudited consolidated management accounts of the Group and information currently available to the Board and is not based on any financial figures or information which have been audited or reviewed by the Company's auditor. Detailed financial information and performance of the Group for the Current Period will be disclosed in the Company's interim results announcement for the Current Period, which is expected to be published by the end of August 2019.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**YuanShengTai Dairy Farm Limited**  
**Zhao Hongliang**  
*Chairman*

Hong Kong, 9 August 2019

*As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhao Hongliang (Chairman), Mr. Fu Wenguo (Chief Executive Officer), Mr. Chen Xiangqing (Chief Financial Officer) and Mr. Liu Gang; one non-executive Director, namely Mr. Lau Ho Fung; and three independent non-executive Directors, namely Mr. Meng Jingzong (alias Owens Meng), Mr. Zhang Yuezhou and Mr. Zhu Zhanbo.*