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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 year ended 31 December 2019 (the “**Current Year**”) as compared to the net loss of approximately RMB556.31 million for the year ended 31 December 2018 (the “**Corresponding Year**”).

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

- (i) gross profit increased as compared to that of the Corresponding Year due to the increase in the price, as well as sales volume, of domestic raw milk;
- (ii) there would be a decrease in loss on changes in fair value less cost to sell of biological assets for the Current Year as compared to that of the Corresponding Year due to the increase in the price of domestic raw milk;
- (iii) the administrative expenses incurred by the Group in the Current Year decreased as compared to that of the Corresponding Year in particular, including equity-settled share option expenses; and
- (iv) the impairment losses and accrued expenses related to the removal of Baiquan Ruixincheng Farm, a farm operated by Baiquan Ruixincheng Dairy Farming Co., Ltd., an indirect wholly owned subsidiary of the Company, incurred by the Group in the Current Year decreased as compared to that of the Corresponding Year.

The Group is still in the process of preparing its consolidated financial results for the Current Year. 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 Year will be disclosed in the Company's annual results announcement for the Current Year, which is expected to be published by the end of March 2020.

**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, 3 March 2020

*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; and three independent non-executive Directors, namely Mr. Meng Jingzong (alias Owens Meng), Mr. Zhang Yuezhou and Mr. Zhu Zhanbo.*