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YuanShengTai Dairy Farm Limited

原 生 態 牧 業 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1431)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The Board wishes to inform shareholders of the Company and potential investors that the profit attributable to the owners of the Company for the Current Period is expected to record a significant decrease by more than 80% as compared to that for the Corresponding Period.

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

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)(a) 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).

Reference is made to the announcements of the Company dated 16 June 2015 and 11 August 2015 (the “**Announcements**”) in relation to the interim financial performance of the Group for the six months ended 30 June 2015 (the “**Interim Period**”) and the interim report of the Company for the Interim Period (the “**Interim Report**”), it was disclosed that the Group’s unaudited consolidated profit for the Interim Period was approximately RMB10.9 million, representing a decrease of 95.6% as compared to approximately RMB249.1 million for the six months ended 30 June 2014.

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company and potential investors that, after the Board’s preliminary review of the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2015 (the “**Current Period**”) and information currently available to the Board, the factors causing the decrease in profit in the Interim Period will continue to be reflected in the full year results of the Group for the Current Period, therefore, the profit attributable to the owners of the Company for the year ended 31 December 2015 is expected to record a significant decrease by more than 80% as compared to that for the year ended 31 December 2014 (the “**Corresponding Period**”).

The significant decrease in the Group’s profit for the Current Period is, similarly to the reasons as set out in the Announcements and the Interim Report, mainly attributable to (i) the continuing drop in price of domestic raw milk in 2015, (ii) the lower average selling price of the Group’s high quality raw milk during the Current Period as compared to the Corresponding Period, and the Group’s resulting loss on changes in the fair value less costs to sell of biological assets for the Current Period.

The Group is still in the process of preparing its audited 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 for the Current Period 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. The audited consolidated annual results for the year will be published by the Company within the timeframe as stipulated under the Listing Rules.

Shareholders of the Company 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, 19 February 2016

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhao Hongliang, Mr. Wang Shaogang, Mr. Fu Wenguo and Mr. Chen Xiangqing; two non-executive Directors, namely Mr. Sun Wei and Mr. Lau Ho Fung; and three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Zhang Yuezhou and Mr. Zhu Zhanbo.