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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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Reference is made to the announcements (the “**Announcements**”) issued by YuanShengTai Dairy Farm Limited (the “**Company**”) dated 23 December 2016 in relation to the placing of up to 781,749,400 new shares under the General Mandate. Unless otherwise defined, capitalized terms shall have the same meaning as those defined in the Announcements.

COMPLETION OF THE PLACING

The Board is pleased to announce that the conditions of the Placing have been fulfilled and Completion took place on 13 January 2017. A total of 781,749,400 Placing Shares have been successfully placed to not less than six Placees at the Placing Price of HK\$0.5 per Placing Share.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are third parties independent of, and not acting in concert (within the meaning of the Hong Kong Code on Takeovers and Mergers) with the Company or its connected persons, and none of the Placees has become a substantial shareholder (as defined in the Listing Rules) of the Company after Completion.

The net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) are approximately HK\$385.0 million, which are intended to be used for importing heifers and calves from Australia and New Zealand and general working capital.

SHAREHOLDING STRUCTURE OF THE COMPANY

The 781,749,400 Placing Shares represent (i) 20.00% of the issued share capital of the Company immediately before the Completion; and (ii) approximately 16.67% of the issued share capital of the Company immediately after Completion as enlarged by the allotment and issue of the Placing Shares and as at the date of this announcement.

Set out below is the shareholding structure of the Company immediately before and after Completion:

	Shareholding immediately before Completion		Shareholding immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate per cent.</i>	<i>No. of Shares</i>	<i>Approximate per cent.</i>
ZHL Asia Limited (<i>Note 1</i>)	1,150,900,000	29.44	1,150,900,000	24.54
ZHY Asia Limited (<i>Note 2</i>)	170,200,000	4.35	170,200,000	3.63
Placee(s)	0	0.00	781,749,400	16.67
Public Shareholders	<u>2,587,647,000</u>	<u>66.21</u>	<u>2,587,647,000</u>	<u>55.16</u>
Total	<u>3,908,747,000</u>	<u>100.00</u>	<u>4,690,496,400</u>	<u>100.00</u>

Notes:

- 1,150,900,000 Shares were beneficially owned by ZHL Asia Limited, which is solely owned by Mr. Zhao Hongliang, the chairman of the Board and an executive Director. Therefore, Mr. Zhao Hongliang is deemed or taken to be interested in all the Shares beneficially owned by ZHL Asia Limited by virtue of the Securities Futures Ordinance.
- 170,200,000 Shares were beneficially owned by ZHY Asia Limited, which is solely owned by Mr. Zhao Hongyu, the brother of Mr. Zhao Hongliang. Therefore, Mr. Zhao Hongyu is deemed or taken to be interested in the 170,200,000 Shares beneficially owned by ZHY Asia Limited by virtue of the Securities Futures Ordinance. ZHL Asia Limited, ZHY Asia Limited, Mr. Zhao Hongliang and Mr. Zhao Hongyu are parties acting in concert and on 29 October 2013 they entered into a deed of acting in concert to, among others, confirm their acting-in-concert agreement.

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

Hong Kong, 13 January 2017

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.