

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1431)**

**PROFIT WARNING**

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, it is expected that the net loss of the Group for the six months ended 30 June 2018 (the “**Current Period**”) will record an increase as compared to the net loss of approximately RMB17 million for the six months ended 30 June 2017 (the “**Corresponding Period**”).

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

- (i) there would be an increase 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 drop in the price of domestic raw milk;
- (ii) the administrative expenses incurred by the Group in the Current Period increased as compared to that of the Corresponding Period in particular, including equity-settled share option expenses; and
- (iii) the Group’s other income, mainly interest income, decreased in the Current Period as compared to that of the Corresponding Period.

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 2018.

**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, 1 August 2018

*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. Wu Chi Keung, Mr. Zhang Yuezhou and Mr. Zhu Zhanbo.*