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If you have sold or transferred all your shares in YuanShengTai Dairy Farm Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



YuanShengTai Dairy Farm Limited

原生态牧业有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1431)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;
RE-ELECTION OF DIRECTORS; AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in the lower portion of the front and inside front cover pages shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the 2015 AGM to be held at Boardroom 6, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on Wednesday, 10 June 2015 at 10:00 a.m. is set out on pages 16 to 21 of this circular.

A form of proxy for the 2015 AGM is enclosed with this circular. If you do not intend to attend the 2015 AGM but wish to exercise your right as a Shareholder, you are requested to complete the form of proxy and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the 2015 AGM or its adjournment. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the 2015 AGM or its adjournment should you so wish.

23 April 2015

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This circular is prepared in both English and Chinese. In the event of inconsistency, the English text of this circular will prevail.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“2015 AGM”	the AGM to be held at Boardroom 6, Renaissance Harbour View, Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on Wednesday, 10 June 2015 at 10:00 a.m.
“AGM”	the annual general meeting of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as adopted by the Shareholders on 7 November 2013 and as amended, supplemented or otherwise modified from time to time
“Company”	YuanShengTai Dairy Farm Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1431)
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2015 AGM to allot, issue and deal with Shares not exceeding 20% of the aggregate number of the issued Share as at the date of passing the relevant resolution for approving such mandate
“Latest Practicable Date”	15 April 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information to be contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“PRC”	the People’s Republic of China and for the purposes of this circular excluding Hong Kong, the Macau Special Administration Region and Taiwan
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2015 AGM to repurchase Shares not exceeding 10% of the aggregate number of the issued Shares as at the date of passing the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs as amended, supplemented or otherwise modified from time to time and administered by the Securities and Futures Commission of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

Latest time for lodging transfer of Shares.....	4:30 p.m. on Thursday, 4 June 2015
Book closure period (both days inclusive).....	Friday, 5 June 2015 to Wednesday, 10 June 2015
Record Date	Wednesday, 10 June 2015
2015 AGM	Wednesday, 10 June 2015
Announcement on poll results of AGM.....	Wednesday, 10 June 2015
Re-opening of register of members.....	Thursday, 11 June 2015

LETTER FROM THE BOARD



YuanShengTai Dairy Farm Limited

原生態牧業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1431)

Executive Directors:

Mr. Zhao Hongliang (趙洪亮)

Mr. Wang Shaogang (王紹崗)

Mr. Fu Wenguo (付文國)

Ms. Su Shiqin (蘇士芹)

Non-executive Directors:

Mr. Sun Wei (孫瑋)

Mr. Lau Ho Fung (劉浩峰)

Independent Non-executive Directors:

Mr. Wu Chi Keung (胡志強)

Mr. Zhang Yuezhou (張月周)

Mr. Zhu Zhanbo (朱戰波)

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and Principal Place
of Business in PRC:*

Qingxiang Street

Kedong, Qiqihar

Heilongjiang Province

PRC

*Principal Place of Business
in Hong Kong:*

31/F, 148 Electric Road

North Point

Hong Kong

23 April 2015

To the Shareholders

Dear Sir or Madam

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;
RE-ELECTION OF DIRECTORS; AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Directors wish to seek the approval of the Shareholders at the 2015 AGM for, among other matters, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the proposed re-election of Directors.

LETTER FROM THE BOARD

The purpose of this circular is to give you the information regarding the resolutions to be proposed at the 2015 AGM relating to the granting to the Directors the Issue Mandate and Repurchase Mandate, the extension of the Issue Mandate and the re-election of the Directors.

ISSUE MANDATE

The Company's existing mandate to issue Shares was approved by its then Shareholders at the Company's AGM held on 6 June 2014. Unless otherwise renewed, the existing mandates to issue will lapse at the conclusion of the 2015 AGM.

An ordinary resolution will be proposed at the 2015 AGM to grant the Issue Mandate to the Directors. Based on 3,908,747,000 issued Shares as at the Latest Practicable Date and assuming that no further Shares are issued or no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the 2015 AGM, the Directors will be able to allot, issue and deal with up to a total of 781,749,400 Shares if the Issue Mandate is granted at the 2015 AGM, which will remain in effect until the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Bye-laws or any applicable laws of Bermuda; and (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

REPURCHASE MANDATE

The Company's existing mandate to repurchase Shares was approved by its then Shareholders at the Company's AGM held on 6 June 2014. Unless otherwise renewed, the existing mandates to repurchase will lapse at the conclusion of the 2015 AGM.

An ordinary resolution will be proposed at the 2015 AGM to grant the Repurchase Mandate to the Directors. The Repurchase Mandate, if granted, will be effective until whichever is the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Bye-laws or any applicable laws of Bermuda; and (iii) the passing of an ordinary resolution by the Shareholders in a general meeting of the Company revoking or varying the authority given to the Directors.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2015 AGM to extend the Issue Mandate by the addition to the aggregate number of the issued Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of the Shares repurchased by the

LETTER FROM THE BOARD

Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Issue Mandate.

RE-ELECTION OF DIRECTORS

In accordance with Bye-laws 108(A) and (B) of Bye-laws, Mr. Zhao Hongliang, Mr. Wang Shaogang and Ms. Su Shiqin will retire from office by rotation at the 2015 AGM.

All the above retiring Directors, being eligible, have offered themselves for re-election. Details of each of the retiring Directors to be re-elected at the 2015 AGM are set out in Appendix I to this circular in accordance with the relevant requirements under the Listing Rules.

Following the nomination by the nomination committee of the Board, the Board has recommended that the retiring Directors, namely, Mr. Zhao Hongliang, Mr. Wang Shaogang and Ms. Su Shiqin, to stand for re-election as Directors at the AGM. Each of Mr. Zhao Hongliang, Mr. Wang Shaogang and Ms. Su Shiqin abstained from voting at the relevant Board Meeting on the respective propositions of their recommendations for re-election by the Shareholders.

2015 AGM

The notice of the 2015 AGM is set out on pages 16 to 21 of this circular. At the 2015 AGM, resolutions will be proposed to approve, among others, the granting of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate and the re-election of Directors. A form of proxy for use at the 2015 AGM is enclosed with this circular and such form of proxy is also published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ystdfarm.com) and (www.ystdairyfarm.com). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time appointed for holding the 2015 AGM or its adjournment. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the 2015 AGM or its adjournment should he/she/it so wishes.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the 2015 AGM will be voted by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors believe that the proposals for the granting of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the re-election of Directors as set out in the notice of 2015 AGM are in the interests of the Company and the Shareholders as a whole. Therefore, they recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2015 AGM as set out in the notice of the 2015 AGM on pages 16 to 21 of this circular.

Yours faithfully
For and on behalf of the Board
YuanShengTai Dairy Farm Limited
Zhao Hongliang
Chairman

The following are the particulars of the retiring Directors (as required by the Bye-laws and the Listing Rules) proposed to be re-elected at the 2015 AGM.

EXECUTIVE DIRECTORS (“EDs”)

Mr. Zhao Hongliang (趙洪亮)

Mr. Zhao, aged 48, was appointed as an ED and the chairman of the Group with effect from 4 May 2012. He is primarily responsible for the overall strategic development of the Group. He is also a member of the remuneration committee of the Board (the “Remuneration Committee”). Mr. Zhao completed his high school education in the PRC in July 1983.

Mr. Zhao is the founder of the Group. He has past experience in raising dairy cows and cattle management in Heilongjiang Province, the PRC. In 1995, he started to invest in various sectors in the PRC, including real properties, trading of construction materials and mining. Simultaneously, he had been all along paying close attention to the dairy farming industry in the PRC. In 2008, he was awarded as one of the “Outstanding Private Entrepreneurs”^{*} (優秀民營企業家), and in the following year, he was awarded as one of “Top Ten Outstanding Young Entrepreneurs of the Farming District of Heilongjiang” (黑龍江墾區十大傑出青年企業家). Mr. Zhao has accumulated substantial experience in making investments in the PRC and has maintained a sound financial capability.

In 2008, Mr. Zhao invested in the dairy farming industry in the PRC and as a result, the Company’s first operating entity, namely Heilongjiang Kedong Ruixinda YuanShengTai Dairy Farming Joint Stock Co., Ltd.^{*} (黑龍江克東瑞信達原生態牧業股份有限公司) (“YST Heilongjiang”), was established in September 2008.

Mr. Zhao is a director and the sole shareholder of a controlling shareholder of the Company. Mr. Zhao is a director of each of the following subsidiaries of the Company: YST Heilongjiang, Qiqihar Sifang YuanShengTai Dairy Farming Joint Stock Co., Ltd.^{*} (齊齊哈爾四方原生態牧業股份有限公司) (“YST Sifang”), Qiqihar Honghai YuanShengTai Dairy Farming Joint Stock Co., Ltd.^{*} (齊齊哈爾紅海原生態牧業股份有限公司) (“YST Honghai”), Royal Dairy Farm Limited (“Royal Dairy Farm”) and Natural Dairy Farm Limited (“Natural Dairy Farm”).

Other than Mr. Zhao’s directorship in the Company, he has not held any directorship in any publicly-listed company in the past three years.

Mr. Zhao has entered into a service contract with the Company for an initial term of three years commencing on 1 November 2013 and is subject to retirement by rotation and re-election at the 2015 AGM in accordance with the Bye-laws. He is entitled to a basic salary of HK\$125,000 per annum (subject to an annual increment of not more than 10% of the annual salary immediately prior to such increase after 31 December 2014 at the discretion of the Directors). In addition, he is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the EDs for any financial year of the Company may not exceed 10% of the audited

consolidated net profit of the Group (after taxation, minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. Mr. Zhao shall not be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to him. Mr. Zhao's emolument is determined by the Board upon the recommendation of the Remuneration Committee reference to his experience, responsibilities and the prevailing market conditions.

Mr. Zhao does not have any relationship with any Director, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Zhao was deemed to be interested in 1,355,100,000 Shares of the Company within the meaning of Part XV of the SFO. 1,178,400,000 Shares were beneficially owned by ZHL Asia Limited ("ZHL"), which is solely owned by Mr. Zhao (therefore, Mr. Zhao is deemed or taken to be interested in all the Shares beneficially owned by ZHL by virtue of the SFO); 6,500,000 share options to subscribe for a total of 6,500,000 Shares within the meaning of Part XV of the SFO and 170,200,000 Shares were beneficially owned by ZHY Asia Limited ("ZHY") which is solely owned by Mr. Zhao Hongyu, the brother of Mr. Zhao. ZHL, ZHY, Mr. Zhao and Mr. Zhao Hongyu are parties acting in concert and on 29 October 2013, they entered into a deed to confirm, among others, their acting-in-concert agreement. As such, Mr. Zhao is also deemed to have interests in the Shares beneficially owned by ZHL, ZHY and Mr. Zhao Hongyu, representing an aggregate of approximately 34.66% interest in the issued share capital of the Company.

Mr. Wang Shaogang (王紹崗)

Mr. Wang, aged 52, was appointed as an ED and the vice chairman of the Group with effect from 4 May 2012. Mr. Wang is a director of each of the following subsidiaries of the Company: Heilongjiang Kedong Heping YuanShengTai Dairy Farming Co., Ltd. (黑龍江克東和平原生態牧業有限公司), Zhenlai Ruixinda YuanShengTai Dairy Farming Co., Ltd.* (鎮賚瑞信達原生態牧業有限公司), YST Sifang, YST Honghai, Qiqihar Ruixinda ShengTai Dairy Farming Co., Ltd.* (齊齊哈爾瑞信達生態養殖有限公司), Royal Dairy Farm and Natural Dairy Farm. He is primarily responsible for the overall corporate and business policies of the Group. Mr. Wang graduated from the Shanghai Light Industry Institute* (上海輕工業專科學校) (now known as The Shanghai Institute of Technology* (上海應用技術學院)) in 1989, majoring in food engineering.

Mr. Wang joined the Group since its establishment in September 2008 as the general manager thereof and was then in charge of the supervision of the daily business management of the Group (including the operation of the Group's farms). In June 2012, he was appointed as the vice chairman of the Group. He is also a member of the senior management of the Group. Mr. Wang has over 23 years of experience in the dairy farming industry.

Other than Mr. Wang's directorship in the Company, he has not held any directorship in any publicly-listed company in the past three years.

Mr. Wang has entered into a service contract with the Company for an initial term of three years commencing on 1 November 2013 and is subject to retirement by rotation and re-election at the 2015 AGM of the Company in accordance with the Bye-laws. He is entitled to a basic salary of HK\$125,000 per annum (subject to an annual increment of not more than 10% of the annual salary immediately prior to such increase after 31 December 2014 at the discretion of the Directors). In addition, he is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the EDs for any financial year of the Company may not exceed 10% of the audited consolidated net profit of the Group (after taxation, minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. Mr. Wang shall not be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to him. Mr. Wang's emolument is determined by the Board upon the recommendation of the Remuneration Committee reference to his experience, responsibilities and the prevailing market conditions.

Mr. Wang does not have any relationship with any Director, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wang beneficially owned share options to subscribe for a total of 3,500,000 Shares.

Ms. Su Shiqin (蘇士芹)

Ms. Su, aged 49, was appointed as an ED and the chief financial officer of the Group with effect from 4 May 2012. Ms. Su is a director of YST Heilongjiang, Royal Dairy Farm and Natural Dairy Farm. She is primarily responsible for financial reporting and business planning of the Group. She graduated from Changchun Finance College* (長春金融高等專科學院) in 1998, majoring in accounting and finance. She is also a holder of the certificate of accounting professional.

Ms. Su joined the Group in September 2011 and was then in charge of financial reporting and business planning of the Group. Since then, Ms. Su has been assuming the office of chief financial officer of the Group. She is also a member of the senior management of the Group. Ms. Su has over 25 years of experience in financial reporting in the dairy farming industry.

Other than Ms. Su's directorship in the Company, she has not held any directorship in any publicly-listed company in the past three years.

Ms. Su has entered into a service contract with the Company for an initial term of three years commencing on 1 November 2013 and is subject to retirement by rotation and re-election at the 2015 AGM in accordance with the Bye-laws. She is entitled to a basic salary of HK\$125,000 per annum (subject to an annual increment of not more than 10% of the annual salary immediately prior to such increase after 31 December 2014 at the discretion of the Directors). In addition, she is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the EDs for any financial year of the Company may not exceed 10% of the audited consolidated net profit of the Group (after taxation, minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. Ms. Su shall not

be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to her. Ms. Su's emolument is determined by the Board upon the recommendation of the Remuneration Committee reference to her experience, responsibilities and the prevailing market conditions.

Ms. Su does not have any relationship with any Director, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Su beneficially owned share options to subscribe for a total of 2,000,000 Shares.

Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules in respect of each of the above retiring Directors and there are no other matters that need to be brought to the attention of the Shareholders in respect of the re-election of each of the above retiring Directors.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the proposed grant of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

Under the Listing Rules, a company is prohibited from knowingly purchasing securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates and a core connected person is prohibited from knowingly selling his/her/its securities to the Company.

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 3,908,747,000 issued Shares. Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the 2015 AGM, the Directors would be authorised to repurchase up to a maximum of 390,874,700 Shares, representing 10% of the issued Shares as at the 2015 AGM date up to (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Bye-laws or any applicable laws of Bermuda; or (iii) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

3. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Bermuda laws, the memorandum of association of the Company, the Bye-laws and the Listing Rules for such purpose.

5. IMPACT ON WORKING CAPITAL OR GEARING LEVEL

An exercise of the Repurchase Mandate in full would have a material adverse impact on the working capital or gearing position of the Company compared with that as at 31 December 2014, being the date of its latest published audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

6. SHARE PRICES

The highest and lowest market prices at which the Shares had been traded on the Main Board during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Traded Prices (HK\$)	
	Highest	Lowest
2014		
April	1.66	1.23
May	1.49	1.24
June	1.46	1.20
July	1.41	1.23
August	1.53	1.28
September	1.46	1.24
October	1.28	0.97
November	1.08	0.86
December	0.87	0.68
2015		
January	0.86	0.73
February	1.04	0.73
March	1.03	0.85
April (<i>up to and including the Latest Practicable Date</i>)	1.12	0.88

7. DIRECTORS AND THEIR CLOSE ASSOCIATES

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved at the 2015 AGM.

8. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the Bye-laws.

9. EFFECT OF TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

According to the register of interests in Shares and short positions maintained by the Company under section 336 of the SFO, as at the Latest Practicable Date, the following Shareholders were interested or deemed to be interested in 5% or more the issued Shares:

Name of Shareholders	Capacity/ Nature of interest	Number of issued Shares held	Number of underlying Shares held	Total	Approximate percentage of shareholding	Approximate percentage of shareholding if Repurchase Mandate is exercised in full
Mr. Zhao Hongliang ("Mr. HL Zhao") (Note 1)	Interest in a controlled corporation and beneficial owner	1,178,400,000	6,500,000	1,184,900,000	30.31%	33.68%
Mr. Zhao Hongyu (Note 1)	Interest in a controlled corporation	170,200,000	—	170,200,000	4.35%	4.84%
Parties acting in concert with Mr. HL Zhao (Note 2)	Total	1,348,600,000	6,500,000	1,355,100,000	34.66%	38.52%
Ms. Li Shuxia (Note 3)	Interest of spouse	1,355,100,000	—	1,355,100,000	34.66%	38.52%

Notes:

- (1) 1,178,400,000 Shares were beneficially owned by ZHL Asia Limited ("ZHL"), which is solely owned by Mr. HL Zhao, the chairman of the Group and an executive Director. Therefore, Mr. HL Zhao is deemed or taken to be interested in all the Shares beneficially owned by ZHL by virtue of the SFO. In addition, Mr. HL Zhao beneficially held share options to subscribe for a total of 6,500,000 Shares.

170,200,000 Shares were beneficially owned by ZHY Asia Limited (“ZHY”), which is solely owned by Mr. Zhao Hongyu, the brother of Mr. HL Zhao.

- (2) ZHL, ZHY, Mr. HL Zhao and Mr. Zhao Hongyu are parties acting in concert and on 29 October 2013, they entered into a deed to confirm, among others, their acting-in-concert agreement. As such, Mr. HL Zhao was also deemed to have interests in the Shares beneficially owned by ZHL, ZHY and Mr. Zhao Hongyu and owns an aggregate of approximately 34.66% beneficial and deemed interest in the share capital of the Company.
- (3) Ms. Li Shuxia is the wife of Mr. HL Zhao. Accordingly, Ms. Li Shuxia is deemed or taken to be interested in all the Shares in which Mr. HL Zhao is interested and deemed to have for the purpose of the SFO.

In the event that the Directors will exercise in full the Repurchase Mandate, the total interests of the above Shareholders would be increased to the respective approximate percentages shown in the last column of the above table. Accordingly, the interests in the Company of each of Mr. Zhao Hongliang, Mr. HL Zhao, ZHL and ZHY would be increased to approximately 38.52% respectively of the issued Shares.

Hence, each of Mr. HL Zhao, Mr. Zhao Hongyu, ZHL and ZHY would be required under Rules 26 and 32 of the Takeovers Code to make a mandatory offer in respect of all the issued Shares because they will be regarded as having acquired in any period of 12 months additional Shares carrying more than 2% of the voting rights. However, the Directors do not have plan or intend to repurchase Shares to such an extent as would result in any of such takeover obligations. Save as aforesaid, the Directors are not aware of any consequence which may arise under the Takeovers Code as a consequence of any repurchase of the Shares made under the Repurchase Mandate.

Assuming that there is no change in the issued Shares between the Latest Practicable Date and the date of repurchase, the exercise of the Repurchase Mandate whether in whole or in part will not result in less than 25% of the total issued Shares being held by the public as required by Rule 8.08 of the Listing Rules.

10. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



YuanShengTai Dairy Farm Limited

原生態牧業有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1431)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of the members of YuanShengTai Dairy Farm Limited (the “Company”) will be held at Boardroom 6, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on Wednesday, 10 June 2015 at 10:00 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and independent auditor for the year ended 31 December 2014 (the “Year”).
2. To re-elect the following retiring directors of the Company (the “Directors”):
 - i. Mr. Zhao Hongliang as an executive Director (“ED”);
 - ii. Mr. Wang Shaogang as an ED; and
 - iii. Ms. Su Shiqin as an ED.
3. To approve the Directors’ remuneration for the Year and to authorize the board of Directors (the “Board”) to fix the Directors’ remuneration for the year ending 31 December 2015.
4. To re-appoint Ernst & Young, Certified Public Accountants (“E&Y”) as the independent auditor of the Company for the ensuing year and authorize the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

As Special Business

5. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“That:

- (a) subject to paragraph (c) of this Resolution below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company (the “Shares”) or securities convertible into the Shares, or options or warrants for similar rights to subscribe for any Shares and to make or grant offers, agreements and options, including warrants to subscribe for the Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription, conversion or exchange under the terms of any warrants of the Company or any securities which are convertible into or exchange for Shares, shall not exceed the aggregate of:
 - (aa) 20% of the aggregate number of the issued Shares as at the date of the passing of this Resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of any Shares repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate number of the issued Shares as at the date of the passing of this Resolution),

and the authority pursuant to paragraph (a) of this Resolution above shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable laws of Bermuda; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.

“**Rights Issue**” means an offer of shares, or offer or issue of warrants, options or other securities giving the rights to subscribe for shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange applicable to Hong Kong).”

6. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**That:**

- (a) subject to paragraph (b) of this Resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to purchase the shares in the share capital of the Company (the “Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “Commission”) and the Stock Exchange under the Hong Kong Code on Share Buy-backs administered by the Commission for such purpose, and otherwise in accordance with the rules and regulations of the Commission, the Stock Exchange, the Companies Act 1981 of Bermuda (as amended) (the “Companies Act”) and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate number of the Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of the issued Shares as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

(c) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Bye-laws of the Company, the Companies Act or any other applicable laws of Bermuda; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.”

7. “**THAT** subject to the passing of Resolution nos. 5 and 6 set out in the notice convening the annual general meeting of the Company (the “Notice”), the authority of the Directors pursuant to Resolution no. 5 set out in the Notice be and is hereby approved to extend to cover such amount representing the aggregate number of the issued shares of the Company repurchased pursuant to the authority granted pursuant to Resolution no. 6 set out in the Notice.”

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

Hong Kong, 23 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and Principal Place of Business
in The People's Republic of China
(the "PRC"):*
Qingxiang Street
Kedong, Qiqihar
Heilongjiang Province
PRC

*Principal Place of Business and
Address in Hong Kong:*
31/F, 148 Electric Road
North Point
Hong Kong

Notes:

1. Any member of the Company (the "Member") entitled to attend and vote at the AGM convened by the Notice or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more shares in the Company, more than one) proxy to attend and, on a poll, vote on his/her/its behalf subject to the provisions of the Bye-laws of the Company. A proxy need not be a Member but must be present in person at the AGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the AGM or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the AGM or its adjournment should he/she so wish.
3. For determining Members' entitlement to attend and vote at the AGM, the register of Members will be closed from Friday, 5 June 2015 to Wednesday, 10 June 2015 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify for attending the forthcoming AGM, all transfers documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 4 June 2015.
4. In relation to the proposed Resolution no. 4 above, the Board concurs with the views of the Audit Committee of the Company and has recommended that E&Y be re-appointed independent auditor of the Company.
5. In relation to the proposed Resolutions nos. 5 and 7 above, approval is being sought from the Members for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Directors have no immediate plans to issue any new shares of the Company other than the shares which may fall to be issued under the share option scheme of the Company.

NOTICE OF ANNUAL GENERAL MEETING

6. In relation to the proposed Resolution no. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they consider appropriate for the benefit of the Members. An explanatory statement containing the information necessary to enable the Members to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix II to this circular.
7. In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolutions set out in the Notice will be decided by way of a poll.
8. If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 8:00 a.m. and 5:00 p.m. on the date of the AGM, the AGM will be postponed and Members will be informed of the date, time and venue of the postponed AGM by a supplemental notice posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited. If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled at or before 8:00 a.m. on the date of the AGM and where conditions permit, the AGM will be held as scheduled.
9. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.