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If you have sold or transferred all your shares in YuanShengTai Dairy Farm Limited, you should at once forward 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 this cover page and the first page of this circular shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the 2024 AGM to be held at EAST Beijing, Workshop 2, No. 22, Jiuxianqiao Road, Chaoyang District, Beijing, the PRC on Tuesday, 25 June 2024 at 10:00 a.m. is set out on pages AGM-1 to AGM-5 of this circular.

A form of proxy for use in connection with the 2024 AGM is enclosed with this circular. If you do not intend to attend the 2024 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 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not later than 48 hours before the time appointed for holding the 2024 AGM (i.e. on or before 10:00 a.m. on Sunday, 23 June 2024 (Hong Kong time) or its adjournment. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the 2024 AGM or its adjournment should you so wish and, in such event, the authority of your proxy will be revoked.

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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:

“2024 AGM”	the AGM to be held at EAST Beijing, Workshop 2, No. 22, Jiuxianqiao Road, Chaoyang District, Beijing, the PRC on Tuesday, 25 June 2024 at 10:00 a.m.
“AGM”	the annual general meeting of the Company
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as adopted by the Shareholders on 28 June 2022 and as amended, supplemented or otherwise modified from time to time
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	YuanShengTai Dairy Farm Limited (原生態牧業有限公司), 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)
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED(s)”	independent non-executive Director(s)
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2024 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”	22 April 2024, 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
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China and for the purposes of this circular excluding Hong Kong, the Macau Special Administration Region and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2024 AGM to repurchase Shares not exceeding 10% of the aggregate number of the issued Shares as at the date of the passing of the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of the 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(ies)”	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 pm, Wednesday, 19 June 2024
Book closure period (both days inclusive).....	Thursday, 20 June 2024 to Tuesday, 25 June 2024
Record date for determining entitlement to attend and vote at the 2024 AGM.....	Tuesday, 25 June 2024
2024 AGM	Tuesday, 25 June 2024
Announcement on poll results of 2024 AGM.....	Tuesday, 25 June 2024
Re-opening of register of members	Wednesday, 26 June 2024

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. Zhang Yongjiu (張永久)
Mr. Chen Xiangqing (陳祥慶)
Mr. Liu Gang (劉剛)

Non-executive Directors:

Mr. Leng Youbin (冷友斌)
Mr. Liu Hua (劉華)
Mr. Cai Fangliang (蔡方良)

INEDs:

Ms. Liu Jinping (劉晉萍)
Mr. Meng Jingzong (alias Owens Meng) (蒙靜宗)
Mr. Zhang Yuezhou (張月周)
Mr. Zhu Zhanbo (朱戰波)

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Headquarters and Principal Place of
Business in the PRC:*

Qingxiang Street
Kedong, Qiqihar
Heilongjiang Province
The PRC

*Principal Place of Business in
Hong Kong:*

31/F, 148 Electric Road
North Point
Hong Kong

29 April 2024

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 2024 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 (i) the information regarding the resolutions to be proposed at the 2024 AGM relating to the granting to the Directors the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, and the re-election of the Directors; and (ii) the notice of the 2024 AGM.

ISSUE MANDATE

The Company's existing mandate to issue Shares was approved by its then Shareholders at the AGM held on 28 June 2023. Unless otherwise renewed, the existing mandate to issue Shares will lapse at the conclusion of the 2024 AGM.

An ordinary resolution will be proposed at the 2024 AGM to grant the Issue Mandate to the Directors. Based on 4,690,496,400 issued Shares as at the Latest Practicable Date and assuming that no further Shares are issued and no Shares are repurchased or cancelled after the Latest Practicable Date and up to the date of the 2024 AGM, the Directors will be able to allot, issue and deal with up to a total of 938,099,280 Shares if the Issue Mandate is granted at the 2024 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, the Companies Act 1981 of Bermuda or any applicable laws of Bermuda; and (iii) the passing of an ordinary resolution of the Shareholders in general meeting of the Company revoking or varying the authority given to the Directors.

REPURCHASE MANDATE

The Company's existing mandate to repurchase Shares was approved by its then Shareholders at the AGM held on 28 June 2023. Unless otherwise renewed, the existing mandates to repurchase will lapse at the conclusion of the 2024 AGM.

An ordinary resolution will be proposed at the 2024 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, the Companies Act 1981 of Bermuda 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 2024 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 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.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with bye-laws 107(A) and (B) of the Bye-laws, Mr. Liu Gang, Mr. Leng Youbin, Mr. Liu Hua and Mr. Zhang Yuezhou (“**Mr. Zhang**”), will retire from office by rotation at the 2024 AGM.

In accordance with bye-law 111 of the Bye-laws, Mr. Zhang Yongjiu, who was appointed as a Director with effect from 23 February 2024 will hold office until the 2024 AGM.

All the retiring Directors, being eligible, have offered themselves for re-election.

The Nomination Committee has assessed and reviewed the annual written confirmation of independence from each of the INEDs based on the independence criteria as set out in Rule 3.13 of the Listing Rules. Among the retiring Directors, Mr. Zhang has served the Company as an INED for more than nine years during which Mr. Zhang has provided professional advice and insight to the Board with his extensive experience and knowledge in dairy farm management. Mr. Zhang has in-depth understanding of the Group’s business and operation and has also demonstrated strong independence when providing comments at Board and Board committee meetings during his tenure of office. In addition, Mr. Zhang has never held any executive or management position in the Group nor has he throughout such period been under the employment of any member of the Group and Mr. Zhang does not have any financial or family relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company, which could give rise to a conflict of interests situation or otherwise affect their exercise of independent judgement. In view of the aforesaid factors, the Nomination Committee considered that long service of Mr. Zhang would not affect his exercise of independent judgment and was satisfied that Mr. Zhang has the required integrity and experience to continue fulfilling the role of an INED. The Nomination Committee affirmed that all the INEDs remain independent.

Further, the Nomination Committee has also evaluated the performance of each of the retiring Directors during the year ended 31 December 2023 based on the nomination policy of the Company, which was disclosed in the annual report of the Company, and found their performance satisfactory. The Nomination Committee also considered that the experience of the retiring Directors, as well as their skills and other perspectives as set out in Appendix I to this circular can bring further contributions to the Board and its diversity. Therefore, upon the nomination by the Nomination Committee, the Board has recommended that the retiring Directors to stand for re-election as Directors at the 2024 AGM. Each of the retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders. The Board also believes that the continuous appointment of the retiring Directors contributes to the stability and diversity of the Board.

Details of each of the retiring Directors to be re-elected at the 2024 AGM are set out in Appendix I to this circular in accordance with the relevant requirements under the Listing Rules.

LETTER FROM THE BOARD

2024 AGM

The notice of the 2024 AGM is set out on pages AGM-1 to AGM-5 of this circular. At the 2024 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 in connection with the 2024 AGM is enclosed with this circular and such form of proxy is 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 17M 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 later than 48 hours before the time appointed for holding the 2024 AGM (i.e. on or before 10:00 a.m. on Sunday, 23 June 2024 (Hong Kong time) or its adjournment. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the 2024 AGM or its adjournment should he/she/it so wish. If the Shareholder attends and votes at the 2024 AGM, the authority of the proxy will be revoked.

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 2024 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.

LETTER FROM THE BOARD

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 the 2024 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 2024 AGM as set out in the notice of the 2024 AGM on pages AGM-1 to AGM-5 of this circular.

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

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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 2024 AGM.

EXECUTIVE DIRECTORS (“EDs”)

Mr. Liu Gang (劉剛)

Mr. Liu, aged 50, was appointed as an ED on 25 June 2018. Mr. Liu joined the Group in January 2012 and was appointed as one of the Company’s joint company secretaries and authorised representatives of the Company on 7 November 2013 and subsequently appointed as the Company’s sole company secretary (the “**Company Secretary**”) on 5 April 2017. Following his appointment as an ED on 25 June 2018, he resigned as the Company Secretary on the same date. Prior to joining our Group, Mr. Liu had accumulated more than 8 years of experience in the investment sector. Mr. Liu was awarded a bachelor’s degree in automation, majoring in measuring and control technology and instrumentations, by the Yanshan University* (燕山大學) in the PRC in July 1999. Mr. Liu is a younger brother of Mr. Liu Hua, a non-executive Director (the “**NED**”).

Mr. Liu is a director of each of the following subsidiaries of our Company: Royal Dairy Farm Limited, Natural Dairy Farm Limited, Harbin Ruixinda Dairy Farming Co., Ltd.* (哈爾濱市瑞信達牧業有限公司), Harbin Ruixincheng Trading Co., Ltd.* (哈爾濱市瑞信誠商貿有限公司), Kedong Ruixinda Commercial Trade Co., Ltd.* (克東瑞信達商貿有限公司), Gannan Ruixincheng Commercial Trade Co., Ltd.* (甘南瑞信誠商貿有限公司) and Heilongjiang Ruibenda Animal Husbandry Co., Ltd.* (黑龍江瑞犇達牧業有限公司).

Mr. Liu has entered into a service agreement with the Company for a term of three years which shall automatically renew thereafter until terminated by either party giving to the other not less than three months’ prior notice in writing and is subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. Pursuant to his service agreement with the Company, he is entitled to the annual basic salary of RMB1,200,000. Mr. Liu is also entitled to discretionary bonus to be determined at the discretion of the Board or, if so delegated, the Remuneration Committee. The aggregate emolument of Mr. Liu for the year ended 31 December 2023 amounted to RMB1,080,000.

Mr. Zhang Yongjiu (張永久)

Mr. Zhang, aged 50, was appointed as an ED, the chief executive officer of the Company (the “**CEO**”) and a member of the Nomination Committee on 23 February 2024. He was the vice president of Heilongjiang Feihe Dairy Co., Limited (黑龍江飛鶴乳業有限公司) (“**Feihe FLJ**”), a wholly-owned subsidiary of China Feihe Limited whose shares are listed on the Stock Exchange (Stock Code: 6186) (“**China Feihe**”, together with its subsidiaries “**China Feihe Group**”), prior to his appointment as an ED and the CEO on 23 February 2024. Mr. Zhang joined the group of China Feihe in February 2006 and managed various departments, including production division, production division in Canada, construction and engineering, research and development, supply chain centre, quality centre and legal departments.

Mr. Zhang graduated from the Heilongjiang College of Commerce (黑龍江商學院) with a bachelor’s degree in freezing and refrigerating engineering in July 1996. He is a qualified engineer in diary process (乳品加工) awarded by the Personnel Department of Heilongjiang Province* (黑龍江省人事廳) (currently known as the Department of Human Research and Social Security of Heilongjiang Province* (黑龍江人力資源和社會保障廳)) in September 2001. Mr. Zhang obtained the Certificate of Advanced Management Professionalism (高級職業經理資質證書) in February 2006 from the Research Center for Professional Managers of China National Center for Human Resources (人事部全國人才流動中心職業經理研究中心).

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Zhang has entered into a service contract with the Company in relation to his appointment as an ED for an initial term of three years (subject to retirement by rotation and re-election at the general meeting of the Company in accordance with the bye-laws of the Company), unless and until terminated by either party giving to the other not less than three months' notice in writing. Pursuant to such service agreement, Mr. Zhang will be entitled to a director's fee of RMB2,000,000 per annum. Such director's fee is determined with reference to the prevailing market conditions and his duties and responsibilities with the Company, and will be subject to review by the Remuneration Committee from time to time. As at the Latest Practicable Date, Mr. Zhang beneficially owns 6,108,731 shares of China Feihe, a substantial shareholder of the Company.

NEDS

Mr. Leng Youbin (冷友斌)

Mr. Leng, aged 55, was appointed as a NED on 3 December 2020. He is an executive director, the chairman of the board and the chief executive officer of China Feihe, a substantial shareholder of the Company within the meaning of Part XV of the SFO. He has over 30 years of experiences in the dairy industry. Mr. Leng has been a director, the chairman of the board and the chief executive officer of China Feihe since January 2013, and was re-designated as an executive director in April 2017. Mr. Leng has been a director of Vitamin World USA Corporation (“Vitamin World USA”) since December 2017 and has been the executive director of Feihe (Gannan) Dairy Products Co., Ltd. (飛鶴(甘南)乳品有限公司) since March 2006. He has served as director of Feihe HLJ since August 1996, during which he concurrently served as the general manager of Feihe HLJ from August 1996 to March 2020 and deputy head of Zhaoguang Farm (趙光農場) from December 1999 to December 2001. Before that, he worked in Heilongjiang Province Zhaoguang Dairy Plant (黑龍江省趙光乳品廠) from March 1987 to May 1993. Mr. Leng has received various honors and awards. He was successively awarded as one of the “Top Ten Technology Figures of Dairy Industry in China” (中國乳品加工業十大傑出科技人物), “Outstanding Entrepreneur” (傑出企業家) and “Outstanding Leaders of National Light Industry Enterprise Informatization” (全國輕工業企業信息化優秀領導) in the dairy industry in China. He was also awarded the “National May 1st Labor Medal” (全國五一勞動獎章) in 2012, “National Labor Model” (全國勞動模範) in 2015, “Person of the Year 2018 of Chinese Economy” (2018 中國經濟年度人物), “Dedication Award of National Poverty Alleviation Award” (全國脫貧攻堅獎奉獻獎) in 2018, one of the “Innovative Talents of Ministry of Science and Technology of the Year 2018” (2018 年科技部創新人才), one of the “Hundred Outstanding Private Entrepreneurs during Forty Years since Reform and Opening up” (改革開放 40 年百名傑出民營企業家), “The Fifth Excellent Constructor of Socialism with Chinese Characteristics from Non-public Sector” (第五屆全國非公有制經濟人士優秀中國特色社會主義事業建設者) and other awards. Mr. Leng was selected into the fourth batch of the national “Ten Thousand Talents Plan” (萬人計劃), and was awarded with government special allowance issued by the State Council of the PRC. He was awarded the “Commemorative Medals Celebrating the 70th Anniversary of the Founding of the PRC” (慶祝中華人民共和國成立 70 周年紀念章) issued by the Central Committee of the Communist Party of China, the State Council and the Central Military Commission, “Advanced Individuals Nationwide in Fighting the Coronavirus Pneumonia Epidemic” (全國抗擊新冠肺炎疫情先進個人), “The Sixth National Outstanding Professional Technology Figures”, the “Integrity Star” (誠信之星) in 2020 jointly issued by the Propaganda Department of the Central Committee of the Communist Party of China and the National Development and Reform Commission. Mr. Leng is a representative of the National People's Congress of the thirteenth session. Mr. Leng currently serves as the vice chairman of the All-China Federation of Industry and Commerce (Non-governmental Commerce Chamber of China) (中華全國工商業聯合會(中國民間商會)) and the vice chairman of the Federation of Industry and Commerce of Heilongjiang Province (黑龍江省工商業聯合會).

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

He graduated from Northeast Agricultural University (東北農業大學) in Heilongjiang, China in July 1995 through correspondence course, and obtained an executive master of business administration (“EMBA”) degree from the School of Economics of Peking University (北京大學經濟學院) in Beijing, China in July 2002 and an EMBA degree from Guanghua School of Management of Peking University (北京大學光華管理學院) in Beijing, China in July 2007. Mr. Leng is a dairy engineer certified by the Personnel Bureau of Heilongjiang (黑龍江省人事廳) in September 1999.

As at the Latest Practicable Date, 3,342,320,920 Shares were beneficially owned by China Feihe and, Mr. Leng was interested as to approximately 49.29% of the equity interests in China Feihe, within the meaning of Part XV of the SFO. Mr. Leng is therefore deemed to be interested in 3,342,320,920 Shares, representing approximately 71.26% of the issued share capital of the Company, within the meaning of Part XV of the SFO.

The Company entered into a letter of appointment with Mr. Leng for a term of three years which shall be automatically renewed thereafter until being terminated by either party giving to the other not less than three months’ prior notice in writing and is subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. Mr. Leng will not receive remuneration from the Company.

Mr. Liu Hua (劉華)

Mr. Liu, aged 52, was appointed as a NED on 3 December 2020. He is an executive director, the vice chairman of the board and the chief financial officer of China Feihe, a substantial shareholder of the Company within the meaning of Part XV of the SFO. He joined Feihe HLJ in November 2000 and has been the chief financial officer of Feihe HLJ since then. He has been a director, the vice chairman of the board and the chief financial officer of China Feihe since June 2013, and was re-designated as an executive director in April 2017. Mr. Liu has been a director of Vitamin World USA since December 2017. Mr. Liu has been involved in the financing activities of the Feihe Group, including the quotation of Flying Crane U.S. on the OTCBB in 2003, the listing of Flying Crane U.S. on the New York Stock Exchange in 2009, and the listing of China Feihe on the Stock Exchange in 2019.

Mr. Liu received an EMBA degree in finance from the Advanced Institute of Finance of Shanghai Jiao Tong University (上海交通大學高級金融學院) in Shanghai, China in December 2015. Mr. Liu is an elder brother of Mr. Liu Gang, an ED.

The Company entered into a letter of appointment with Mr. Liu for a term of three years which shall be automatically renewed thereafter until being terminated by either party giving to the other not less than three months’ prior notice in writing and is subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. Mr. Liu will not receive remuneration from the Company.

APPENDIX I DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

INED

Mr. Zhang Yuezhou (張月周)

Mr. Zhang, aged 60, was appointed as an INED on 7 November 2013. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Currently, Mr. Zhang is engaged in the provision of dairy farm management consultancy services in the PRC. Mr. Zhang obtained his a bachelor's degree in agriculture from Gansu Agricultural University in July 1987 and a master's degree in Agricultural Promotion from Nanjing Agricultural University in 2006. Mr. Zhang obtained the qualification of an animal husbandry expert in the PRC in May 1995. Mr. Zhang has over 30 years of experience in the dairy products industry and since March 2010, he has been the general manager of Shanghai Yuanfan Farming Technology Co. Ltd.* (上海源凡牧業科技有限公司), and is responsible for overseeing its overall operations.

Mr. Zhang has entered into an appointment letter for a term of three years which shall be automatically renewed thereafter until being terminated by either party giving to the other not less than three months' prior notice in writing and is subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. Pursuant to his appointment letter, he is entitled to a director's fee of HK\$125,000 per annum. The emolument for Mr. Zhang was determined by the Board on the recommendation of the Remuneration Committee with reference to Mr. Zhang's responsibilities and duties within the Company and the prevailing market conditions. The aggregate emolument of Mr. Zhang for the year ended 31 December 2023 amounted to RMB113,000.

GENERAL

Save as disclosed above and as at the Latest Practicable Date, each of the above retiring Directors (i) does not hold any directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong and/or overseas; (ii) does not hold any other positions with the Company or any of its subsidiaries nor does he have any other relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company; and (iii) does not have any interests in the shares or securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, there is no information required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to 13.51(2)(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 each of the above retiring Directors' re-election.

* denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purposes only

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 had notified the Company that he/she/it had a present intention to sell any Shares to the Company nor had 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 was approved by the Shareholders.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 4,690,496,400 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 or cancelled after the Latest Practicable Date and up to the date of the 2024 AGM, the Directors would be authorised to repurchase up to a maximum of 469,049,640 Shares, representing 10% of the aggregate number of the issued Shares as at the 2024 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, the Companies Act 1981 of Bermuda or any applicable laws of Bermuda; or (iii) the passing of an ordinary resolution by the Shareholders in general meeting of the Company revoking or varying the authoring given to the Director, 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 2023, 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 prices at which the Shares had been traded on the Main Board of the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Prices (HK\$)	
	Highest	Lowest
2023		
April	0.173	0.152
May	0.166	0.135
June	0.150	0.137
July	0.149	0.135
August	0.151	0.111
September	0.150	0.111
October	0.133	0.102
November	0.133	0.109
December	0.135	0.111
2024		
January	0.138	0.112
February	0.123	0.092
March	0.121	0.080
April (up to and including the Latest Practicable Date)	0.112	0.088

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 2024 AGM.

8. UNDERTAKING OF THE DIRECTORS

The Directors will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda. Neither this explanatory statement nor the proposed share repurchase has any unusual features.

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.

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 of 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
China Feihe ^(Note 1)	Beneficial owner/ Personal Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%
Garland Glory Holdings Limited ("Garland Glory") ^(Note 2)	Interest in a controlled corporation/ Corporate Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%
LYB International Holding Limited ("LYB") ^(Note 2)	Interest in controlled corporations/ Corporate Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%
Harneys Trustees Limited ("Harneys") ^(Note 2)	Trustee of a trust/Other Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%
Mr. Leng Youbin ("Mr. Leng") ^(Note 1)	Interest in controlled corporations and founder of a discretionary trust/ Corporate and other Interest	3,342,320,920	–	3,342,320,920	71.26%	79.17%

Notes:

- (1) 3,342,320,920 Shares were beneficially owned by China Feihe which is owned as to 49.29% by Mr. Leng, a NED. Therefore, Mr. Leng is deemed or taken to be interested in 3,342,320,920 Shares beneficially owned by China Feihe by virtue of the SFO.
- (2) 3,342,320,920 Shares were held by Harneys as the trustee of Leng Family Trust, which in its capacity as trustee holds the entire issued share capital of LYB, which in turn holds the entire issued share capital of Garland Glory, which in turn holds 42.82% of China Feihe. Leng Family is a discretionary trust established by Mr. Leng as the settlor and the only discretionary object. Accordingly, each of Harneys, LYB and Garland Glory was deemed or taken to be interest in 3,342,320,920 Shares directly held by China Feihe.

In the event that the Directors 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 table on page App II-3. Accordingly, on the basis of 4,690,496,400 Shares in issue as at the Latest Practicable Date and assuming there is no further issue or repurchase of Shares during the period from the Latest Practicable Date up to and including the date of the 2024 AGM, the interests in the Company of each of Feihe, Garland Glory, LYB, Harneys and Mr. Leng would be increased to approximately 79.17% respectively of the total issued Shares.

Such increase would result in the aggregate amount of the issued share capital of the Company in the public hands being reduced to less than 25% but would not give rise to an obligation under Rules 26 and 32 of the Takeovers Code for each of China Feihe, Garland Glory, LYB, Harneys and Mr. Leng to make a mandatory offer in respect of all the issued Shares. However, the Directors do not have any plan or intend to repurchase Shares to such an extent as would result in the public shareholding falling below the prescribed minimum percentage of 25% required by the Listing Rules. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase of the Shares made under the Repurchase Mandate.

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 原生态牧业有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1431)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**AGM**”) of YuanShengTai Dairy Farm Limited (the “**Company**”) will be held at EAST Beijing, Workshop 2, No. 22, Jiuxianqiao Road, Chaoyang District, Beijing, the People’s Republic of China (the “**PRC**”) on Tuesday, 25 June 2024 at 10:00 a.m. for the following purposes:

AS ORDINARY BUSINESSES

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and the independent auditor for the year ended 31 December 2023 (the “**Year**”).
2. To re-elect Mr. Liu Gang as an executive Director (the “**ED**”).
3. To re-elect Mr. Leng Youbin as a non-executive Director (the “**NED**”).
4. To re-elect Mr. Liu Hua as a NED.
5. To re-elect Mr. Zhang Yuezhou as an independent non-executive Director.
6. To re-elect Mr. Zhang Yongjiu as an ED.
7. To approve the Directors’ remuneration for the Year and to authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration for the year ending 31 December 2024.
8. To re-appoint Ernst & Young, Certified Public Accountants (“**E&Y**”) as the independent auditor of the Company for the ensuing year and to authorise the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESSES

9. 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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by 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 (the “**Bye-laws**”) 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 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, the Companies Act 1981 of Bermuda (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 of the Company 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 the 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).”

10. 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 during the Relevant Period (as defined below) of all the powers of the Company to purchase the Shares on 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 for this purpose, subject to and in accordance with the Companies Act and all other applicable laws, the Code on Share Buy-backs administered by the Commission and the requirements of the Listing Rules, be and the same is hereby generally and unconditionally approved; and

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 above shall be limited accordingly; and
- (c) for the purpose of this Resolution, “**Relevant Period**” shall have the same meaning as in Resolution 9(d).”
11. “**THAT** subject to the passing of Resolutions no. 9 and 10 set out in the notice convening the AGM of the Company (the “**Notice**”), the authority of the directors of the Company pursuant to Resolution no. 9 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. 10 set out in the Notice.”

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

Hong Kong, 29 April 2024

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong:

31/F, 148 Electric Road
North Point
Hong Kong

Headquarters and Principal Place of

Business in the PRC:
Qingxiang Street
Kedong, Qiqihar
Heilongjiang Province
The PRC

NOTICE OF ANNUAL GENERAL MEETING

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, more than one) proxy to attend and, on a poll, vote on his/her/its behalf subject to the provisions of the Bye-laws. 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 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 48 hours before the time for holding the AGM (i.e. on or before 10:00 a.m. on Sunday, 23 June 2024 (Hong Kong time) 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. In the event of a Member who has lodged a form of proxy attending the AGM, the form of proxy will be deemed to have been revoked.
3. For determining Members’ entitlement to attend and vote at the AGM, the register of Members will be closed from Thursday, 20 June 2024 to Tuesday, 25 June 2024 (both days 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 Wednesday, 19 June 2024.
4. In relation to the proposed Resolution no. 8 above, the Board concurs with the views of the audit committee of the Board and has recommended that E&Y be re-appointed as independent auditor of the Company.
5. In relation to the proposed Resolutions no. 9 and 11 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 under the Listing Rules. The Directors have no immediate plans to issue any new Shares.
6. In relation to the proposed Resolution no. 10 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 the Company’s circular dated 29 April 2024.
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. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.