

**YUANSHENGTAI DAIRY FARM LTD:  
IS THERE MORE TO THIS FLOTATION THAN MEETS THE EYE ?**

When trying to ascertain how well (or how poorly) publicly listed YuanShengTai Dairy Farm Ltd () (Code: 1431, Main Board, The Stock Exchange of Hongkong Ltd) has performed, during the 42-month, track record, ended June 30, 2013, one has to take into account at least the following three factors with regard to its financials:

1. Non-Recurrent, Extraordinary Items;
2. Financial subsidies, compliments of the Government of the People's Republic of China (PRC); and,
3. Interest-free loans from shareholders.

More about the above-mentioned, later on in this financial analysis of this Company that is one of the latest to come to the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the PRC in order to raise more than a few billion Hongkong dollars.

**The Flotation**

YuanShengTai Dairy Farm issued its Global Offering Prospectus on Thursday, November 14, 2013, when it Offered 1,221,484,000, one-cent Shares at the Indicative Offer Price Per Share, ranging from \$HK2.49 to \$HK3.18.

Of the total number of Shares on Offer, 855,037,000 are New Shares and 244,297,000 are 'Sale Shares'.

The Selling Shareholders are given at Appendix IV-37 of the Global Offering Prospectus as follows:

<b><u>'Name of Selling Shareholder</u></b>	<b><u>Date of incorporation</u></b>	<b><u>Relationship with our Group</u></b>
<i>YHW Asia Limited</i>	<i>30 March 2012</i>	<i>Yang Hongwei () is the sole shareholder of this company and is an individual investor of our Group</i>
<i>ZSY Asia Limited</i>	<i>30 March 2012</i>	<i>Zhao Siyuan () is the sole shareholder of this company and is an individual investor of our Group</i>
<i>SB Asia Limited</i>	<i>30 March 2012</i>	<i>Sun Bo () is the sole shareholder of this company and is an individual investor of our Group</i>
<i>SXY Asia Limited</i>	<i>30 March 2012</i>	<i>Sun Xiaoyan () is the sole shareholder of this company and is an individual investor of our Group</i>
<i>MFQ Asia Limited</i>	<i>30 March 2012</i>	<i>Meng Fanqing () is the sole</i>

<i>Ares*</i>	<i>31 January 2013</i>	<i>shareholder of this company and is an individual investor of our Group A Pre-IPO Investor of our Group, whose background is set out in “History, Development and Reorganization — Pre-IPO Investments” in this Prospectus</i>
<i>OCBC*</i>	<i>31 October 1932</i>	<i>A Pre-IPO Investor of our Group, whose background is set out in “History, Development and Reorganization — Pre-IPO Investments” in this Prospectus</i>
<i>KNI*</i>	<i>18 March 2013</i>	<i>A Pre-IPO Investor of our Group, whose background is set out in “History, Development and Reorganization — Pre-IPO Investments” in this Prospectus’</i>

\*Ares = Ares YST Holdings LP  
\*OCBC = Oversea-Chinese Banking Corporation Ltd ()  
\*KNI = Key Network Investments Ltd

The first five Selling Shareholders ‘have been our Shareholders since 4 May 2012, shortly after the incorporation of the Company on 1 May 2012’, the Global Offering Prospectus states.

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