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## THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in doubt as to any aspect of the Share Buy-back Offer, this Offer Document and/or the accompanying Form of Acceptance or forms of proxy or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Lanzhou Zhuangyuan Pasture Co., Ltd.\*, you should at once hand this Offer Document and the accompanying Form of Acceptance and forms of proxy to the purchaser(s) or the transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Offer Document should be read in conjunction with the accompanying Form of Acceptance or forms of proxy, the contents of which form part of the terms and conditions of the Share Buy-back Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the accompanying forms, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying forms.

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## Lanzhou Zhuangyuan Pasture Co., Ltd.\*

### 蘭州莊園牧場股份有限公司

(a joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 1533)

**OFFER DOCUMENT RELATING TO**  
**1. CONDITIONAL CASH OFFER BY ELSTONE SECURITIES LIMITED**  
**ON BEHALF OF**  
**LANZHOU ZHUANGYUAN PASTURE CO., LTD.\***  
**TO BUY-BACK ALL THE ISSUED H SHARES**  
**AT HK\$10.89 PER H SHARE;**  
**AND**  
**2. PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF**  
**THE H SHARES OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.\***  
**ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

**Financial Adviser to the Company**



**Independent Financial Adviser to the Independent H Shareholders**



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Capitalized terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Offer Document.

A letter from Elstone Securities containing the Share Buy-back Offer is set out on pages 10 to 22 of this Offer Document. A letter from the Board is set out on pages 23 to 40 of this Offer Document. A letter from Veda Capital containing its advice in relation to the Share Buy-back Offer is set out on pages 41 to 68 of this Offer Document.

The notices convening the EGM and H Shareholders Class Meeting to be held at Multimedia Conference Room, 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC on 29 June 2022 at 3:00 p.m. and 4:00 p.m. or any adjournment thereof, respectively, are set out on pages VI-1 to VII-3 of this Offer Document.

Whether or not you are able to attend the EGM and H Shareholders Class Meeting in person, you are requested to complete and return the form(s) of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time of the EGM and H Shareholders Class Meeting or any adjournment thereof to the office of the Share Registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong. Completion and return of the form(s) of proxy will not preclude you from attending and voting at the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting or any adjournment thereof should you so wish.

Independent H Shareholders should note that if they do not agree to the terms of the Share Buy-back Offer, they can vote against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting. If more than 10% of the disinterested H Shares are voted against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the Share Buy-back Offer would not become unconditional and the H Shares would remain listed on the Stock Exchange.

The procedures for acceptance and settlement of the Share Buy-back Offer and related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptances of the Share Buy-back Offer should be received by the Share Registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event by no later than 4:00 p.m. on 21 July 2022 or such later time(s) and/or date(s) as the Company may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Offer Document and/or the accompanying forms to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in the paragraph headed "7. Overseas H Shareholders" in Appendix I to this Offer Document before taking any action. It is the responsibility of each Overseas H Shareholder wishing to accept the Share Buy-back Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Overseas H Shareholders are advised to seek professional advice on deciding whether or not to accept the Share Buy-back Offer.

Taking into account the recent development of the pandemic caused by COVID-19, the Company will implement the following prevention and control measures at the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting to protect the Shareholders from the risk of infection:

- (i) compulsory body temperature checks will be conducted for every attending Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue, but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
- (ii) every attending Shareholder or proxy is required to wear a surgical mask throughout the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting; and
- (iii) no refreshments will be served at the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting.

Furthermore, the Company wishes to advise all of its Shareholders, particularly any Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting as a proxy to attend and vote on any of the resolutions, instead of attending the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting in person.

The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the PRC government, and if necessary, will make further announcements in case of any update regarding the precautionary measures to be carried out at the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting.

6 June 2022

\* For identification purposes only

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## EXPECTED TIMETABLE

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*The timetable sets out below is indicative only and may be subject to changes. Any changes to the timetable will be announced by the Company. Unless otherwise expressly stated, all time and date references contained in this Offer Document refer to Hong Kong time and dates.*

<b>Event</b>	<b>Time and Date</b>
Latest time for lodging transfer of the H Shares in order to be entitled to attend and vote at the EGM and H Shareholders Class Meeting . . . . .	4:00 p.m. on 27 May 2022
Closure of H Shares register of members of the Company for the determination of entitlements to attend and vote at the EGM and H Shareholders Class Meeting . . . . .	30 May to 29 June 2022 (both days inclusive)
Despatch date of this Offer Document and commencement of the acceptance period <sup>(Note 1)</sup> . . . . .	6 June 2022
Latest time for lodging forms of proxy in respect of:	
• EGM <sup>(Note 2)</sup> . . . . .	3:00 p.m. on 28 June 2022
• A Shareholders Class Meeting <sup>(Note 2)</sup> . . . . .	24 June 2022
• H Shareholders Class Meeting <sup>(Note 2)</sup> . . . . .	4:00 p.m. on 28 June 2022
EGM. . . . .	3:00 p.m. on 29 June 2022
A Shareholders Class Meeting . . . . .	3:30 p.m. on 29 June 2022 (or immediately after the conclusion or adjournment of the EGM)
H Shareholders Class Meeting . . . . .	4:00 p.m. on 29 June 2022 (or immediately after the conclusion or adjournment of the A Shareholders Class Meeting)

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## EXPECTED TIMETABLE

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Event	Time and Date
Date of announcement of the results of the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting on the website of the Stock Exchange and the Company ( <a href="http://www.lzzhuangyuan.com">http://www.lzzhuangyuan.com</a> ) . . . . .	After trading hours on 29 June 2022
Reopening of the H shares register of members . . . . .	30 June 2022
First Closing Date . . . . .	21 July 2022
Latest time for acceptance of the Share Buy-back Offer on the First Closing Date <sup>(Note 3)</sup> . . . . .	4:00 p.m. on 21 July 2022
Announcement of the results of the Share Buy-back Offer on the First Closing Date <sup>(Note 4)</sup> . . . . .	By 7:00 p.m. on 21 July 2022
Latest date for posting of remittances for the amounts due under the Share Buy-back Offer in respect of valid acceptances received at or before the latest time for acceptances of the Share Buy-back Offer on the First Closing Date (assuming the Share Buy-back Offer has become unconditional in all respects on the First Closing Date) <sup>(Note 5)</sup> . . . . .	1 August 2022
Latest time for the Share Buy-back Offer to become or be declared unconditional as to acceptances (if not already unconditional). . . . .	7:00 p.m. on 5 August 2022
Last day of trading in the H Shares on the Stock Exchange, assuming the Voluntary Withdrawal of Listing is approved. . . . .	15 August 2022
Final Closing Date (assuming the Share Buy-back Offer has become unconditional in all respects on the First Closing Date) <sup>(Note 6)</sup> . . . . .	18 August 2022

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## EXPECTED TIMETABLE

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Event	Time and Date
Latest time for the Share Buy-back Offer remaining opened for acceptance on the Final Closing Date and the closing of the Share Buy-back Offer <sup>(Note 6)</sup> . . . . .	4:00 p.m. on 18 August 2022
Announcement of the results of the Share Buy-back Offer on the Final Closing Date. . . . .	By 7:00 p.m. on 18 August 2022
Latest date for posting of remittances for the amounts due under the Share Buy-back Offer in respect of valid acceptances received at or before the latest time for acceptances of the Share Buy-back Offer on the Final Closing Date (assuming the Share Buy-back Offer has become unconditional in all respects on the First Closing Date). . . . .	29 August 2022
Withdrawal of listing of the H Shares from the Stock Exchange becoming effective. . . . .	9:00 a.m. on 30 August 2022

*Notes:*

1. The Share Buy-back Offer is made on 6 June 2022, the date of posting of the Offer Document, and is capable of being accepted on and from this date until the Final Closing Date (assuming the Share Buy-back Offer has become unconditional in all respects on the First Closing Date).
2. For H Shareholders, the proxy forms shall be provided to the Share Registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, whereas for A Shareholders, the proxy forms shall be provided to the Company instead. Completion and return of a proxy form for the EGM and/or the H Shareholders Class Meeting will not preclude an Independent H Shareholder from attending the EGM and/or the H Share Class Meeting and, as the case may be, voting in person if he/she/it so wishes and if such Independent H Shareholder has notified the Company not less than 24 hours in writing before the time appointed for any adjournment of the EGM and the H Shareholders Class Meeting. In such event, the returned proxy form will be deemed to have been revoked.
3. The procedures for acceptance and settlement of the Share Buy-back Offer and related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptances of the Share Buy-back Offer should be received by the Share Registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event by no later than 4:00 p.m. on 21 July 2022 or such later time(s) and/or date(s) as the Company may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

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## EXPECTED TIMETABLE

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4. The Company will issue an announcement on the Company's and the Stock Exchange's website by 7:00 p.m. on the First Closing Date stating the results of the Share Buy-back Offer and the Voluntary Withdrawal of Listing and whether the Share Buy-back Offer has been revised or extended, have expired or have become or been declared unconditional.
5. Remittances in respect of the cash consideration under the Share Buy-back Offer will be posted to the accepting Independent H Shareholders by ordinary post at their own risk as soon as possible but in any event within seven (7) Business Days following the later of the date of receipt by the Share Registrar, of duly completed Form of Acceptance and the relevant documents, or on the date the Share Buy-back Offer and Voluntary Withdrawal of Listing become or are declared unconditional.
6. In compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code, the Share Buy-back Offer will remain open for acceptance for 28 days which is a longer period than normally required by Rule 15.3 of the Takeovers Code after it has been declared unconditional in all respects. At least 14 days' notice in writing must be given before the Share Buy-back Offer is closed to the H Shareholders who have not yet accepted the Share Buy-back Offer. Hence, the latest time to receive acceptances under the Share Buy-back Offer will be 4:00 p.m. on 18 August 2022.

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## **IMPORTANT NOTICE**

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### **NOTICE TO H SHAREHOLDERS OUTSIDE HONG KONG**

The making of the Share Buy-back Offer to a person with a registered address in a jurisdiction outside Hong Kong may be prohibited or affected by the applicable laws and regulations of the relevant jurisdictions. Overseas H Shareholders who are citizens or residents or nationals of jurisdiction outside Hong Kong should observe any applicable legal requirements and, where necessary, seek independent legal advice.

It is the responsibility of any such person who wishes to accept the Share Buy-back Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities or legal requirements, and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction.

The Company, the Directors and parties acting in concert with any of them, Elstone Capital, Elstone Securities, Veda Capital, the Property Valuer and the Share Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Share Buy-back Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the paragraph headed “Overseas H Shareholders” in the “Letter from Elstone Securities” in this Offer Document.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENT**

This Offer Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Company assumes no obligation and does not intend to update these forward-looking statements or opinions contained in this Offer Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code. In accordance with Rule 9.1 of the Takeovers Code, the Company, together with Elstone Capital and Elstone Securities (being the advisers to the Company involved in preparing this Offer Document or statements set out herein), must ensure that they remain accurate and up to date throughout the Offer Period, and must notify the Shareholders of any material changes as soon as possible.

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## IMPORTANT NOTICE

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### WARNING

H Shareholders and potential investors of the Company should note that the Share Buy-back Offer is subject to the satisfaction of the Conditions in all respects. Accordingly, the Share Buy-back Offer may or may not become unconditional. H Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

The Directors strongly recommend the Independent H Shareholders not to form a view on the Share Buy-back Offer and the Voluntary Withdrawal of Listing unless and until they have received and read this Offer Document, including the letter from Veda Capital containing its advice to the Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing.

Independent H Shareholders are reminded that if they do not accept the Share Buy-back Offer, and if the Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code) after the completion of the Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced.

Shareholders should also note that if they do not agree to the terms of the Share Buy-back Offer, they can vote against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, A Shareholders Class Meeting and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the Share Buy-back Offer would lapse and the H Shares would remain listed on the Stock Exchange.



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## DEFINITIONS

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*In this Offer Document, the following expressions have the meanings set out below unless the context requires otherwise.*

“2019 Restricted Share Incentive Scheme”	the 2019 Restricted A Share Incentive Scheme of the Company, which was approved at the extraordinary general meeting of the Company, the class meeting of A Shareholders, and the class meeting of H Shareholders on 23 May 2019
“A Share(s)”	the domestic-listed shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in RMB and listed on the Main Board of the Shenzhen Stock Exchange (stock code: 002910)
“A Shareholder(s)”	holder(s) of A Share(s)
“A Shareholders Class Meeting”	the 2022 second A Shareholders class meeting to be convened at Multimedia Conference Room, 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC on Wednesday, 29 June 2022 at 3:30 p.m. or immediately after the conclusion of the EGM or any adjournment thereof (whichever is the later), and any adjournment thereof, for the purpose of approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code, and “concert parties” shall be construed accordingly
“associates”	has the same meaning ascribed to it under the Listing Rules or the Takeovers Code (as the case may be)
“Board”	the board of Directors
“Business Day”	means a day on which the Stock Exchange is open for the transaction of business
“CCASS”	Central Clearing and Settlement System

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## DEFINITIONS

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“Company”	Lanzhou Zhuangyuan Pasture Co., Ltd.* (蘭州莊園牧場股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose (i) H Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 1533) and (ii) A Shares are listed and traded on the Main Board of the Shenzhen Stock Exchange (stock code: 002910)
“Conditions”	the conditions of the Share Buy-back Offer, as set out under the sub-paragraph headed “Conditions of the Share Buy-back Offer and the Voluntary Withdrawal of Listing” in the “Letter from Elstone Securities” of this Offer Document
“COVID-19”	Coronavirus pandemic
“Director(s)”	director(s) of the Company
“EGM”	the 2022 second extraordinary general meeting of the Company to be convened at Multimedia Conference Room, 26th Floor, Block B, Shanghai Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC on Wednesday, 29 June 2022 at 3:00 p.m. for the purpose of, among other things, considering and approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing
“Elstone Capital”	Elstone Capital Limited, a licensed corporation under the SFO, licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. Elstone Capital is the financial adviser to the Company in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing
“Elstone Securities”	Elstone Securities Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Encumbrance”	a charge, debenture, mortgage, pledge, deed of trust, lien, option, equity rights, power of sale, hypothecation, claim, retention of title, right of pre-emption, right of first refusal, or other third party right or security interest of any kind or an agreement or obligation to create any of the above
“Exchange Rate”	the exchange rate of RMB1.00 to HK\$1.22

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## DEFINITIONS

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“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Final Closing Date”	18 August 2022, assuming that the Share Buy-back Offer and the Voluntary Withdrawal of Listing become unconditional in all respects on the First Closing Date and the Share Buy-back Offer will be open for acceptance for 28 days after the First Closing Date
“Final Dividend Record Date”	the record date to be specified in the Company’s circular for the annual general meeting such that holders of A Shares and H Shares whose names appear on the Company’s register of members on such a date shall be entitled to receive the final cash dividend
“First Closing Date”	21 July 2022, the date on which the Share Buy-back Offer and the Voluntary Withdrawal of Listing are to become or to be declared unconditional, being the 45th day after the date of the despatch of the Offer Document
“Form of Acceptance”	the form of acceptance and transfer of H Share(s) in respect of the Share Buy-back Offer accompanying this Offer Document
“Gansu Nongken Asset”	Gansu Nongken Asset Operation Company Limited* (甘肅省農墾資產經營有限公司), a company established in the PRC that is wholly owned by Gansu Nongken Group
“Gansu Nongken Group”	Gansu Nongken Group Limited Liability Company* (甘肅省農墾集團有限責任公司), a company established in the PRC and wholly-owns the entire share capital of Gansu Nongken Asset and Lanzhou Zhuangyuan Investment
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares

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## DEFINITIONS

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“H Shareholders Class Meeting”	the 2022 second H Shareholders class meeting to be convened at Multimedia Conference Room, 26th Floor, Block B, Shanghai Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC on Wednesday, 29 June 2022 at 4:00 p.m. or immediately after the conclusion of the A Shareholders Class Meeting or any adjournment thereof (whichever is the later), and any adjournment thereof, for the purpose of approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Financial Adviser” or “Veda Capital”	Veda Capital Limited, a licensed corporation under the SFO, licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. Veda Capital Limited is the independent financial adviser appointed to advise the Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing
“Independent H Shareholders”	H Shareholders other than (i) the Directors and parties acting in concert with any of the Directors and the Company and (ii) any H Shareholder who has a material interest in the Share Buy-back Offer and the Voluntary Withdrawal of Listing that is different from the interests of all other Shareholders (as stipulated under Rule 3.2 of the Share Buy-backs Code)
“Irrevocable Undertakings”	the deeds of irrevocable undertakings given by each of the IU Shareholders in favour of the Company and entered into on 22 April 2022 and 23 April 2022
“IU Shareholder(s)”	Mr. Hu Keliang, Mr. Wang Wei and Venko Limited (being a company wholly owned by Mr. Wang Wei)
“Lanzhou Zhuangyuan Investment”	Lanzhou Zhuangyuan Investment Co., Ltd.* (蘭州莊園投資有限公司), a company established in the PRC that is wholly owned by Gansu Nongken Group
“Last Trading Day”	17 December 2021, being the last trading day of the H Shares prior to commencement of the Offer Period

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## DEFINITIONS

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“Latest Practicable Date”	2 June 2022, being the latest practicable date prior to the printing of this Offer Document for the purpose of ascertaining certain information for inclusion in this Offer Document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offer Document”	this offer document issued by the Company to the Shareholders in connection with the Share Buy-back Offer and Voluntary Withdrawal of Listing in compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules containing, among other things, details of the Share Buy-back Offer and the Voluntary Withdrawal of Listing (accompanied by the Form of Acceptance and proxy forms for the EGM and H Shareholders Class Meeting) and the respective letters of advice from Elstone Securities, the Board and Veda Capital
“Offer Period”	has the meaning ascribed to it under the Takeovers Code and has commenced from 17 December 2021, being the date of the Rule 3.7 Announcement
“Offer Price”	HK\$10.89, being the price at which the Share Buy-back Offer will be made
“Offer Share(s)”	all the H Share(s) in issue, other than any H Shares already owned or agreed to be acquired by the Company and the Directors
“Overseas H Shareholders”	H Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this Offer Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property Valuer”	Vincorn Consulting and Appraisal Limited, the property valuer of the property valuation report set out in Appendix IV to this Offer Document, with its address at Units 1602-4, 16/F, FWD Financial Centre, No 308 Des Voeux Road Central, Hong Kong
“Relevant Period”	the period commencing on 17 June 2021, being the date falling six months preceding 17 December 2021, the date of commencement of the Offer Period, up to and including the Latest Practicable Date

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## DEFINITIONS

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“Restricted A Shares”	the A Shares granted to the participants by the Company under the 2019 Restricted Share Incentive Scheme
“RMB”	Renminbi, the lawful currency of the PRC
“Rule 3.5 Announcement”	the announcement made by the Company on 25 April 2022 in relation to the Share Buy-back Offer and the Voluntary Withdrawal of Listing under Rule 3.5 of the Takeovers Code
“Rule 3.7 Announcement”	the first announcement made by the Company on 17 December 2021 in relation to the Share Buy-back Offer and the Voluntary Withdrawal of Listing under Rule 3.7 of the Takeovers Code
“SAFE”	the local bureau of the State Administration of Foreign Exchange
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Fuhan”	Shanghai Fuhan Business Consulting Co., Ltd.* (上海福函商務諮詢有限公司), a company established in the PRC and 39.44% of the equity interests of which is held by Mr. Ma Hongfu, a Director
“Share(s)”	H Shares and A Shares
“Share Buy-back Offer”	the share buy-back offer being made by Elstone Securities, on behalf of the Company, to buy-back H Shares not already owned or agreed to be acquired by the Company and the Directors in accordance with the Takeovers Code
“Share Buy-backs Code”	the Code on Share Buy-backs
“Share Registrar”	Union Registrars Limited, the H share registrar and transfer office of the Company, with its address at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Takeovers Code”	the Code on Takeovers and Mergers
“Voluntary Withdrawal of Listing”	the proposed conditional voluntary withdrawal of listing of the H Shares from the Stock Exchange
“%”	per cent.

\* *For identification purposes only*

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## LETTER FROM ELSTONE SECURITIES

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6 June 2022

*To the Shareholders*

Dear Sir or Madam,

- 1. CONDITIONAL CASH OFFER BY ELSTONE SECURITIES LIMITED  
ON BEHALF OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.\*  
TO BUY-BACK ALL THE ISSUED H SHARES AT HK\$10.89 PER H SHARE;  
AND**
- 2. PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF  
THE H SHARES OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.\*  
ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

### INTRODUCTION

Reference is made to the Rule 3.5 Announcement in relation to, among other things, the possible Share Buy-back Offer and the Voluntary Withdrawal of Listing.

On 25 April 2022, the Board announced that a conditional cash offer would be made by Elstone Securities on behalf of the Company in compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules, subject to fulfilment of the numerous conditions, to buy-back for cancellation of up to 35,130,000 H Shares, representing the entire issued H share capital of the Company and approximately 15.12% of the total issued share capital of the Company as at the Latest Practicable Date. The H Shareholders may (1) accept the Share Buy-back Offer by lodging the Forms of Acceptance for the sale of their H Shares to the Company at the Offer Price of HK\$10.89 per H Share and (2) vote in favor of the resolutions approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing.

The Company will not make an offer for the A Shares and it is the Company's intention to maintain the listing of the A Shares on the Shenzhen Stock Exchange. As advised by the PRC legal advisers to the Company, the Company is not required to make a comparable offer for the A Shares pursuant to the PRC laws and regulations.

\* For identification purposes only



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Pursuant to the Irrevocable Undertakings, each of the IU Shareholders has irrevocably and unconditionally undertaken to the Company that, amongst others, he/it (a) will accept or procure the acceptance of the Share Buy-back Offer in respect of all the H Shares held or controlled by him/it; (b) will exercise or procure the exercise of all voting rights attached to the Shares held by him/it at the H Shareholders Class Meeting, the A Shareholders Class Meeting and/or the EGM (as the case may be) in favour of all the resolutions which are necessary to implement otherwise related to the Share Buy-back Offer and the Voluntary Withdrawal of Listing; and (c) will not sell, transfer, impose any encumbrance over, or grant to any third party any rights attaching to the Shares held by him/it (other than the acceptance of the Share Buy-back Offer). As at the Latest Practicable Date, other than the IU Shareholders as set out in the shareholding table on pages 26 to 27 to this Offer Document, none of the Shareholders have irrevocably committed themselves to accept or reject the Share Buy-back Offer, or to vote in favour of the resolutions at the H Shareholders Class Meeting, the A Shareholders Class Meeting and/or the EGM.

This letter sets out the details of the terms of the Share Buy-back Offer and the Voluntary Withdrawal of Listing. Further details of the terms and conditions of the Share Buy-back Offer and the Voluntary Withdrawal of Listing are set out in Appendix I to the Offer Document and the Form of Acceptance.

### THE SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING

#### Principal terms of the Share Buy-back Offer

A conditional cash offer is being made by Elstone Securities on behalf of the Company to buy back up to 35,130,000 H Shares, representing the entire issued H Share capital of the Company and approximately 15.12% of the total issued share capital of the Company as at the Latest Practicable Date from the H Shareholders on the following basis:

**For each Offer Share . . . . . HK\$10.89 in cash**

**The Company will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Company will not be allowed to increase the Offer Price and the Company does not reserve the right to increase the Offer Price.**

Subject to the Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrances, together with all rights attached or accrued thereto on or after the closing date of the Share Buy-back Offer, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the closing date of the Share Buy-back Offer.

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## LETTER FROM ELSTONE SECURITIES

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As disclosed in the annual report of the Company dated 29 April 2022, the Board has recommended the payment of a final cash dividend of RMB4.70 cents per Share (including tax) for the year ended 31 December 2021 to Shareholders whose names appear on the Final Dividend Record Date. Accordingly, if the Final Dividend Record Date is before the closing date of the Share Buy-back Offer, H Shareholders who accept the Share Buy-back Offer and whose names appear on the register of members on the Final Dividend Record Date shall be entitled to (i) the final cash dividend (if approved by Shareholders at the annual general meeting) and (ii) the cash consideration of HK\$10.89 per H Share under the Share Buy-back Offer.

The Company confirms that as at the Latest Practicable Date, save for the final cash dividend for the year ended 31 December 2021, (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the closing date of the Share Buy-back Offer.

All the H Shares bought-back under the Share Buy-back Offer will be cancelled and subsequently the H Shares listing on the Stock Exchange will be withdrawn.

### THE OFFER PRICE

The Offer Price, being HK\$10.89 per H Share, values the entire market capitalization of H Shares of the Company as at the Latest Practicable Date at approximately HK\$382.57 million. The Offer Price represents:

- (a) a premium of approximate 8.25% over the closing price of the H Shares as quoted on the Stock Exchange on the Latest Practicable Date of HK\$10.06 per Share;
- (b) a premium of approximately 11.69% over the closing price of HK\$9.75 per H Share as quoted on the Stock Exchange on 22 April 2022, being the last trading day prior to the publication of the Rule 3.5 Announcement;
- (c) a premium of approximately 25.17% over the closing price of HK\$8.70 per H Share as quoted on the Stock Exchange on 17 December 2021, being the Last Trading Day;
- (d) a premium of approximately 43.10% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$7.61 per H Share;
- (e) a premium of approximately 47.36% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$7.39 per H Share;

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## LETTER FROM ELSTONE SECURITIES

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- (f) a premium of approximately 43.48% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$7.59 per H Share;
- (g) a premium of approximately 54.25% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of HK\$7.06 per H Share;
- (h) a premium of approximately 58.75% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$6.86 per H Share;
- (i) a premium of approximately 26.48% over the audited consolidated net asset value of approximately RMB7.06 (equivalent to approximately HK\$8.61) per Share (based on (i) the audited consolidated net asset value as stated in the annual results announcement of the Company for the year ended 31 December 2021 published on 30 March 2022; (ii) 232,381,032 Shares in issue as at the Latest Practicable Date; and (iii) the Exchange Rate); and
- (j) a premium of approximately 12.50% to the adjusted unaudited consolidated net asset value per Share of approximately RMB7.93 (equivalent to approximately HK\$9.68) per Share, based on the equity attributable to owners of the Company of approximately RMB1,652.0 million as at 31 March 2022 as extracted from the first quarterly report of the Company for the three months ended 31 March 2022 and adjusted upward by the valuation of the property interest held by the Company attributable to owners of the Company of approximately RMB191.0 million (comparison between the Group's property interests with a book value of approximately RMB1,233.0 million as at 31 March 2022 and the valuation of property interest as at the valuation date of RMB1,424.0 million as set out in the property valuation report in Appendix IV to this Offer Document) and the issued share capital of the Company of 232,381,032 Shares as at the Latest Practicable Date.

### **Highest and lowest H Share prices**

During the Relevant Period, the highest and lowest closing prices of the H Shares as quoted on the Stock Exchange was HK\$10.08 per H Share on 4 May 2022 and 5 May 2022 and HK\$5.94 per H Share on 27 July 2021, respectively.

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## LETTER FROM ELSTONE SECURITIES

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### **Value of the Share Buy-back Offer**

As at the Latest Practicable Date, the Company has 35,130,000 H Shares in issue. The Share Buy-back Offer will be extended to all H Shareholders in accordance with the Takeovers Code.

Based on the Offer Price of HK\$10.89 per Offer Share, and assuming that the Share Buy-back Offer is accepted in full, the value of the Share Buy-back Offer will be approximately HK\$382.57 million.

### **Financial resources available for the consideration and the Share Buy-back Offer**

The Company intends to finance the consideration for the full acceptance of the Share Buy-back Offer of HK\$382.57 million by its internal cash resources.

Elstone Capital, being the financial adviser to the Company in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, is satisfied that sufficient financial resources are available to the Company to satisfy the consideration for the full acceptance of the Share Buy-back Offer.

### **CONDITIONS OF THE SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING**

The Share Buy-back Offer and the Voluntary Withdrawal of Listing will be subject to the following Conditions being fulfilled:

- (a) the passing of the resolution to be proposed at the H Shareholders Class Meeting for approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that:
  - (i) the resolution is approved (by way of poll) by at least 75% of the votes attaching to all the H Shares held by the Independent H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting; and
  - (ii) the number of votes cast (by way of poll) by the Independent H Shareholders present and voting either in person or by proxy at the H Shareholders Class Meeting against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

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## LETTER FROM ELSTONE SECURITIES

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- (b) the passing of the resolution to be proposed at the A Shareholders Class Meeting for approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the A Shares held by the A Shareholders that are voted either in person or by proxy at the A Shareholders Class Meeting;
- (c) the passing of the resolution to be proposed at the EGM for approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the Shares held by the Shareholders that are voted either in person or by proxy at the EGM;
- (d) minimum valid acceptances of the Share Buy-back Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time and date as the Company may, subject to the Takeovers Code, decide) amounting to at least 90% of the H Shares held by the Independent H Shareholders;
- (e) the granting by the Executive of (i) the waiver for the Company from strict compliance with the requirement to compulsorily acquire H Shares that are not tendered for acceptance under the Share Buy-back Offer under Rule 2.2(c) of the Takeovers Code and (ii) the waiver for the Company's obligation to make a comparable offer to the A Shareholders under Rule 14 of the Takeovers Code;
- (f) the registration with SAFE in relation to the Share Buy-back Offer remains in full force and effect; and
- (g) the compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code, the statutory laws of Hong Kong and the PRC applicable to the Share Buy-back Offer and the Voluntary Withdrawal of Listing. As at the Latest Practicable Date, the Directors are not aware of any non-compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code and any statutory laws of Hong Kong and the PRC that are applicable to the Share Buy-back Offer and the Voluntary Withdrawal of Listing.

None of the above Conditions is waivable and as at the Latest Practicable Date, to the exception of Condition (f) to the extent that such registration has been completed and Condition (e) above, none of the other Conditions has been fulfilled.

In respect of Condition (e) above, the Company has applied for, and the Executive has granted, the waivers from strict compliance with Rule 2.2(c) and Rule 14 of the Takeovers Code.

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## **LETTER FROM ELSTONE SECURITIES**

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Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Company should not invoke any of the Conditions (other than Condition (d) above) so as to cause the Share Buy-back Offer to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Company in the context of the Share Buy-back Offer.

Pursuant to Rule 15.5 of the Takeovers Code, the latest time on which the Company can declare the Share Buy-back Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the despatch of this Offer Document (or such later date to which the Executive may consent). If any of the Conditions is not satisfied by such time, the Share Buy-back Offer will lapse.

### **REASONS AND BENEFITS OF THE SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING**

The Share Buy-back Offer and the Voluntary Withdrawal of Listing will be beneficial for the Company that the Company can save cost and management resources associated with the maintenance of the listing of its H Shares on the Stock Exchange when its H Shares have been withdrawn from listing on the Stock Exchange and the relevant compliance requirements will no longer be applicable.

The Share Buy-back Offer and Voluntary Withdrawal of Listing will also be beneficial for the H Shareholders that the H Shareholders can realise their investment in the Company at the Offer Price, which represents a premium of approximately 58.75% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day, without discount on the lack of liquidity in the trading of the H Shares.

### **EFFECT OF ACCEPTANCE OF THE SHARE BUY-BACK OFFER**

In order to accept the Share Buy-back Offer, H Shareholders should complete and return the accompanying Form of Acceptance in accordance with the instructions set out in this Offer Document and the instructions printed on the Form of Acceptance. The instructions set out in this Offer Document should be read together with the instructions printed on the Form of Acceptance (in which the instructions form part of the terms of the Share Buy-back Offer). Only one Form of Acceptance may be submitted by each H Shareholder to the Share Registrar. No acknowledgement of receipt of any Form of Acceptance or title documents will be given.

The Share Buy-back Offer will initially be open for acceptances for forty-five (45) days from the date of this Offer Document. Once all Conditions have been satisfied, the Share Buy-back Offer will be declared unconditional in all respects and the Share Buy-back Offer shall remain open for acceptance for at least 28 days in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code before the Share Buy-back Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the Share Buy-back Offer to accept the Share Buy-back Offer or to process the transfer of their H Shares.

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## LETTER FROM ELSTONE SECURITIES

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The procedures for acceptance and settlement of the Share Buy-back Offer and related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptances of the Share Buy-back Offer should be received by the Share Registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event by no later than 4:00 p.m. on the First Closing Date or such later time(s) and/or date(s) as the Company may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

Subject to the Share Buy-back Offer becoming unconditional in all respects, by accepting the Share Buy-back Offer, the relevant H Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the Share Buy-back Offer are fully paid and free from all Encumbrances, together with all rights attached or accrued thereto on or after the closing date of the Share Buy-back Offer including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the closing date of the Share Buy-back Offer.

Acceptance of the Share Buy-back Offer will be irrevocable and will not be capable of being withdrawn, except in the circumstances set out in the following paragraphs regarding Rule 19.2 of the Takeovers Code or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Share Buy-back Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from the First Closing Date, if the Share Buy-back Offer has not by then become unconditional as to acceptances.

If the Company is unable to comply with the requirements set out in paragraph headed "3. Announcement" in Appendix I of this Offer Document, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent H Shareholders who have tendered acceptance of the Share Buy-back Offer, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Independent H Shareholders withdraw their acceptance(s), the Company shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Independent H Shareholder(s) at his/her/its own risk.

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## LETTER FROM ELSTONE SECURITIES

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### **No right of compulsory acquisition**

The Company has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the Share Buy-back Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the Share Buy-back Offer, and if the Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code) after the completion of the Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced. In view of the implications on the H Shareholders who have not accepted the Share Buy-back Offer upon the extended closing date, the Company will notify the relevant H Shareholders in writing by way of issuing an announcement in one (1) week prior to the extended closing date to remind the H Shareholders of the extended closing date and the implications if they choose not to accept the Share Buy-back Offer.

Shareholders should also note that if they do not agree to the terms of the Share Buy-back Offer, they can vote against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, A Shareholders Class Meeting and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the Share Buy-back Offer would lapse and the H Shares would remain listed on the Stock Exchange.

### **EGM, A SHAREHOLDERS CLASS MEETING AND H SHAREHOLDERS CLASS MEETING**

The notices convening the EGM and H Shareholders Class Meeting are set out in pages VI-1 to VII-3 of this Offer Document. Resolutions in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing will be proposed at the EGM, A Shareholders Class Meeting and H Shareholders Class Meeting.

A form of proxy for each of the EGM and H Shareholders Class Meeting are enclosed with this Offer Document. Whether or not you are able to attend the EGM and/or H Shareholders Class Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar as soon as possible and in any event, not less than 24 hours before the time of the holding of the EGM and H Shareholders Class Meeting or any adjournment thereof before 3:00 p.m. and 4:00 p.m. on 28 June 2022, respectively, in the case of H Shareholders, to the office of the Share Registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM and H Shareholders Class Meeting or any adjournment if you so wish.



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### NOMINEE REGISTRATION OF SHARES

#### **Procedure for acceptance**

Beneficial owners of H Shares who hold their H Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to this Offer Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Please refer to Appendix I to this Offer Document for additional information on how to accept the Share Buy-back Offer.

In order for the beneficial owners of the H Shares, whose investments are registered in nominee names (including those whose interests in the H Shares are held through CCASS), to accept the Share Buy-back Offer, it is essential that they provide instructions to their nominee agents of their intentions with regard to the Share Buy-back Offer.

For the avoidance of doubt, for beneficial owners of H Shares who hold their H Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant, if you send the accompanying Form of Acceptance to the Share Registrar by yourself directly, the acceptance of the Share Buy-back Offer will be treated as invalid. Therefore, if the H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Share(s) is/are in the name of a nominee company or a name other than your own, you must take actions as mentioned above.

#### **Procedures for voting**

If your H Share(s) has/have been lodged with your licensed securities dealer (or other registered dealer in securities or custodian bank) through CCASS and you intend to vote at the EGM and/or the H Shareholders Class Meeting (as applicable) or attend in person, you should instruct your licensed securities dealer (or other registered dealer in securities or custodian bank) to give instructions to HKSCC Nominees Limited on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer (or other registered dealer in securities or custodian bank) for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer (or other registered dealer in securities or custodian bank) as required by them.

If your H Share(s) has/have been lodged with your investor participant's account maintained with CCASS, you should authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

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For the avoidance of doubt, your vote will be invalid if you give voting instructions to the Share Registrar by yourself directly. Therefore, if your H Share(s) has/have been lodged with your licensed securities dealer (or other registered dealer in securities or custodian bank) through CCASS, or lodged with your investor participant's account maintained with CCASS, you must take actions as mentioned above.

### SETTLEMENT

Pursuant to Rule 20.1 of the Takeovers Code, settlement in cash in respect of acceptances of the Share Buy-back Offer will be made within seven (7) Business Days (as defined under the Takeovers Code) following the later of the date on which the Share Buy-back Offer has become or is declared unconditional and the date on which the H Shares are tendered for acceptance of the Share Buy-back Offer. Relevant documents of title must be received by the Share Registrar to render each acceptance of the Share Buy-back Offer complete and valid. Remittances in respect of the H Shares tendered for acceptance and taken up by the Company under the Share Buy-back Offer (after, if applicable, deducting the seller's ad valorem stamp duty arising therefrom) will be posted to the H Shareholders by ordinary post at their own risk.

If the Share Buy-back Offer does not become unconditional, the title documents will be returned and/or sent to each accepting H Shareholder (by ordinary post at that H Shareholder's own risk) within 10 days of the lapse of the Share Buy-back Offer. In such an event, the Company will make an announcement in accordance with the Takeovers Code and, or, send a notice of lapse of the Share Buy-back Offer to the H Shareholders. Where any accepting H Shareholder has sent one or more transfer receipt(s) and in the meantime one or more share certificate(s) has/have been collected on that H Shareholder's behalf in respect thereof, that H Shareholder will be sent (by ordinary post at his/her/its own risk) such share certificate(s) in lieu of the transfer receipt(s).

### HONG KONG STAMP DUTY

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Share Buy-back Offer will be payable by the relevant H Shareholders at a rate of 0.13% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Company in respect of the relevant acceptances of the Share Buy-back Offer, and will be deducted from the amount payable by the Company to the relevant H Shareholders on acceptance of the Share Buy-back Offer.

The Company will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant H Shareholders accepting the Share Buy-back Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Buy-back Offer and the transfer of the Offer Shares.

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## LETTER FROM ELSTONE SECURITIES

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### RESPONSIBILITY FOR DOCUMENTS

All communications, notices, Forms of Acceptance, proxy forms, the title documents and remittances to be delivered or sent by, to or from any H Shareholder will be delivered or sent by, to and from them, or their designated agents, at their risk and none of the Company, Elstone Capital, Elstone Securities, the Share Registrar and Veda Capital or any of their respective directors or any other persons involved in the Share Buy-back Offer accepts any liability for any loss or any other liabilities whatsoever which may rise as a result.

### OVERSEAS H SHAREHOLDERS

The Company intends to make the Share Buy-back Offer available to all H Shareholders, including the Overseas H Shareholders. However, the Share Buy-back Offer is in respect of securities of a company incorporated in the PRC and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. The availability of the Share Buy-back Offer to any Overseas H Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas H Shareholders' participation in the Share Buy-back Offer may be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Share Buy-back Offer. Overseas H Shareholders and beneficial owners of the H Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek their own legal advice in respect of the Share Buy-back Offer.

It is the responsibility of the Overseas H Shareholders and overseas beneficial owners of the H Shares who wish to accept the Share Buy-back Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Buy-back Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). The Company, the Directors and parties acting in concert with any of them, Elstone Capital, Elstone Securities, Veda Capital, the Share Registrar, any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Share Buy-back Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Acceptance by any Overseas H Shareholders and overseas beneficial owners of the H Shares will be deemed to constitute a representation and warranty from such Overseas H Shareholders or overseas beneficial owners of the H Shares, as applicable, to the Company that the local laws and requirements have been complied with. Overseas H Shareholders and overseas beneficial owners of the H Shares should consult their professional advisers if in doubt. As at the Latest Practicable Date, there was no Overseas H Shareholder with registered address outside Hong Kong.

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## LETTER FROM ELSTONE SECURITIES

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### TAXATION ADVICE

H Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Buy-back Offer. None of the Company, the Directors, parties acting in concert with any of them, Elstone Capital, Elstone Securities, Veda Capital, the Share Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Share Buy-back Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Buy-back Offer.

### GENERAL

In considering what action to take, you must rely on your own examination of the terms of the Share Buy-back Offer and the Voluntary Withdrawal of Listing. You should, if in any doubt, consult your professional advisers for professional advice.

You are strongly advised to consider carefully the information in the letter from the Board, the recommendation and the advice from Veda Capital contained in this Offer Document, and the information set out in the appendices to this Offer Document which form part of this Offer Document.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

Yours faithfully,  
For and on behalf of  
**Elstone Securities Limited**  
**Kenneth Ng**  
*Managing Director*

*Mr. Kenneth Ng is a licensed person registered with the SFC and a responsible officer of Elstone Securities Limited to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.*

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## LETTER FROM THE BOARD

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### Lanzhou Zhuangyuan Pasture Co., Ltd.\*

### 蘭州莊園牧場股份有限公司

(a joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 1533)

*Non-independent Executive Directors/Executive Directors:*

Mr. Yao Gexian  
Mr. Lian Enzhong  
Mr. Zhang Yu  
Mr. Yang Yi  
Mr. Ma Hongfu  
Ms. Zhang Qianyu

*Independent Director/Independent Non-executive Directors:*

Mr. Wang Haipeng  
Mr. Zhang Yubao  
Mr. Sun Jian

*Registered office in the PRC:*

No. 398 Sanjiaocheng Commune  
Sanjiaocheng Village  
Chengguan Town  
Yuzhong County  
Lanzhou City, Gansu Province  
PRC

*Principal place of business and  
head office in the PRC*

25th-26th Floors, Block B  
Shanghai Building of  
Gansu Province  
No. 601, Yanyuan Road  
Chengguan District  
Lanzhou City, Gansu Province  
PRC

*Principal place of business  
in Hong Kong:*

Suite 2703, 27/F  
Shui On Centre  
Nos. 6-8 Harbour Road  
Wanchai, Hong Kong

6 June 2022

*To the Shareholders*

Dear Sir or Madam,

**1. CONDITIONAL CASH OFFER BY ELSTONE SECURITIES LIMITED  
ON BEHALF OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.\*  
TO BUY-BACK ALL THE ISSUED H SHARES AT HK\$10.89 PER H SHARE;  
AND**

**2. PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES  
OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.\*  
ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

#### INTRODUCTION

Reference is made to the Rule 3.5 Announcement in relation to, among other things, the possible Share Buy-back Offer and the Voluntary Withdrawal of Listing.

\* For identification purposes only

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## LETTER FROM THE BOARD

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A board meeting of the Company was held on 25 April 2022, whereby the Board has resolved, among other matters, that subject to compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules, the Share Buy-back Offer shall be made to buy-back all H Shares in issue. All H Shares bought-back under the Share Buy-back Offer will be cancelled. If the Share Buy-back Offer becomes unconditional in all respects, the Company will make an application for the listing of the H Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules by way of capital reorganisation.

If the Share Buy-back Offer materialises and becomes unconditional, such H Shares which will be bought back by the Company will be cancelled, and the listing of H Shares of the Company will be withdrawn pursuant to the Takeovers Code, the Share Buy-backs Code and the Listing Rules. The Share Buy-back Offer, together with the Voluntary Withdrawal of Listing, are subject to the fulfilment of a number of conditions as set out in this Offer Document, including the passing of resolutions approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting and minimum valid acceptances of the Share Buy-back Offer being received amounting to at least 90% of the H Shares held by the Independent H Shareholders. The Directors believe the Share Buy-back Offer will be in the best interest of the Company and its Shareholders as a whole.

The Company will not make an offer for the A Shares and it is the Company's intention to maintain the listing of the A Shares on the Shenzhen Stock Exchange. As advised by the PRC legal advisers to the Company, the Company is not required to make a comparable offer for the A Shares pursuant to the PRC laws and regulations.

The purpose of this Offer Document is to provide you with, among other things, (i) the details of the Share Buy-back Offer and the Voluntary Withdrawal of Listing (including the expected timetable and terms of the Share Buy-back Offer and the Voluntary Withdrawal of Listing); (ii) a letter from Elstone Securities Limited; (iii) a letter from the Board; (iv) a letter of advice from Veda Capital in relation to the Share Buy-back Offer and the Voluntary Withdrawal of Listing; and (v) information relating to the Group, together with the Form of Acceptance and proxy forms for the EGM and H Shareholders Class Meeting.

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## LETTER FROM THE BOARD

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### THE SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING

#### Background

Pursuant to the Rule 3.7 Announcement and Rule 3.5 Announcement, the Company announced to buy-back all issued H Shares at the Offer Price of HK\$10.89 per H Share. The Share Buy-back Offer, which may or may not proceed, is subject to, among others, receipt of a minimum valid acceptances as to 90% of the H Shares held by the Independent H Shareholders and compliance with the applicable provisions under the Listing Rules, the Takeovers Code, the Share Buy-backs Code, including but not limited to, the passing of resolutions approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting. If the Share Buy-back Offer materialises, such H Shares will be bought back by the Company and be subsequently delisted from the Stock Exchange pursuant to the Takeovers Code and the Listing Rules.

#### Shareholding structure of the Company

As at the Latest Practicable Date, save for the 35,130,000 H Shares (representing approximately 15.12% of the total issued share capital of the Company) and 197,251,032 A Shares (representing approximately 84.88% of the total issued share capital of the Company) in issue, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

All the 35,130,000 H Shares in issue will be subject to the Share Buy-back Offer.

## LETTER FROM THE BOARD

The shareholding table below sets forth the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Share Buy-back Offer and assuming that there will be no other change to the shareholding of the Company from the Latest Practicable Date up to the completion of the Share Buy-back Offer:

	Class of Shares	As at the Latest Practicable Date		Upon completion of the Share Buy-back Offer		
		No. of Shares	Approximate % of the relevant class of share capital of the Company (%)	Approximate % in the total share capital of the Company (%)	No. of Shares	Approximate % in the total share capital of the Company (%)
<b>Independent H Shareholders</b>						
<i>Substantial Shareholders</i>						
<i>(as defined under the Listing Rules) of the H Shares</i>						
Mr. Hu Keliang	H Shares	4,837,500	13.77	2.08	–	–
Mr. Wang Wei (Note 1)	H Shares	3,936,000	11.20	1.69	–	–
Mr. Ren Qifeng (Note 2)	H Shares	3,523,000	10.03	1.52	–	–
<b>Other Independent H Shareholders</b>	H Shares	22,833,500	65.00	9.83	–	–
<b>Sub-total</b>	<b>H Shares</b>	<b>35,130,000</b>	<b>100.00</b>	<b>15.12</b>	<b>–</b>	<b>–</b>
<b>Directors, supervisor of the Company and other parties acting in concert with the Company</b>						
<i>Directors</i>						
Mr. Ma Hongfu (Note 3)	A Shares	47,197,400	23.93	20.31	47,197,400	23.93
Ms. Zhang Qianyu	A Shares	75,600	0.04	0.03	75,600	0.04
<i>Supervisor of the Company</i>						
Mr. Wang Xuefeng	A Shares	18,900	0.01	0.01	18,900	0.01
<i>Other parties acting in concert with the Company</i>						
Gansu Nongken Group (Note 4)	A Shares	68,826,365	34.89	29.62	68,826,365	34.89
		<b>116,118,265</b>	<b>58.87</b>	<b>49.97</b>	<b>116,118,265</b>	<b>58.87</b>
Other A Shareholders	A Shares	81,132,767	41.13	34.91	81,132,767	41.13
<b>Sub-total</b>	<b>A Shares</b>	<b>197,251,032</b>	<b>100.00</b>	<b>84.88</b>	<b>197,251,032</b>	<b>100.00</b>
<b>Total</b>		<b>232,381,032</b>	<b>N/A</b>	<b>100.00</b>	<b>197,251,032</b>	<b>100.00</b>



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## LETTER FROM THE BOARD

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*Notes:*

1. According to information available to the Company, (i) Mr. Wang Wei directly owns 1,640,000 H Shares and (ii) Venko Limited, the entire issued share capital of which is beneficially owned by Mr. Wang Wei, directly owns 2,296,000 H Shares. Mr. Wang Wei therefore controls the exercise of the voting rights over 3,936,000 H Shares.
2. According to public information available to the Company, Technoart Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Ren Qifeng, directly owns 3,523,000 H Shares. Mr. Ren Qifeng therefore controls the exercise of the voting rights over 3,523,000 H Shares.
3. Mr. Ma Hongfu directly owns 32,197,400 A Shares and Shanghai Fuhan, 39.44% of the equity interests of which is held by Mr. Ma Hongfu, directly owns 15,000,000 A Shares. Mr. Ma Hongfu therefore controls the exercise of the voting rights over 47,197,400 A Shares.
4. Gansu Nongken Asset and Lanzhou Zhuangyuan Investment, both being companies wholly owned by Gansu Nongken Group, directly owns 37,931,665 A Shares and 30,894,700 A Shares, respectively. Gansu Nongken Group therefore controls the exercise of the voting rights over 68,826,365 A Shares.
5. Mr. Hu Keliang, Mr. Wang Wei and Venko Limited are the IU Shareholders.

### **Interest in the Company of the Concert Parties**

As shown in the shareholding table above, as at the Latest Practicable Date, (i) Mr. Ma Hongfu and Ms. Zhang Qianyu, being Directors, holds or controls the voting rights over 47,197,400 A Shares and 75,600 A Shares, respectively; (ii) Mr. Wang Xuefeng, a supervisor of the Company, holds 18,900 A Shares; and (iii) Gansu Nongken Group controls the voting rights over 68,826,365 A Shares, which aggregate to 116,118,265 A Shares, representing approximately 58.87% of the total number of A Shares in issue and approximately 49.97% of the total issued share capital of the Company. Save for these 116,118,265 A Shares, the Company, the Directors and parties acting in concert with any of them do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

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## LETTER FROM THE BOARD

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### **Reasons and benefits of the Share Buy-Back Offer and the Voluntary Withdrawal of Listing**

The Board believes that the Share Buy-back Offer and the Voluntary Withdrawal of Listing is in the interest of the Company and the Shareholders as a whole on the following bases:

- (a) the Share Buy-back Offer is expected to provide an exit opportunity for H Shareholders to realise their investment in the Company at the Offer Price, which represents a premium over the market price of the H Share, without discount on the lack of liquidity in the trading of the H Shares;
- (b) the Company's earnings per Share is expected to increase upon the cancellation of the H Shares bought-back pursuant to the Share Buy-back Offer; and
- (c) given the relatively low trading volume of the H Shares, the Company believes that its ability to raise funds from the public equity market in Hong Kong is currently limited and any significant improvement in this regard in the foreseeable future is unlikely. Consequently, the Company considers that the costs and management resources associated with the maintenance of the listing of H Shares on the Stock Exchange, which are needed in order to access the public equity capital market in Hong Kong, may no longer be warranted.

### **Conditions of the Share Buy-Back Offer and the Voluntary Withdrawal of Listing**

The Share Buy-back Offer and the Voluntary Withdrawal of Listing will be subject to the following Conditions being fulfilled:

- (a) the passing of the resolution to be proposed at the H Shareholders Class Meeting for approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that:
  - (i) the resolution is approved (by way of poll) by at least 75% of the votes attaching to all the H Shares held by the Independent H Shareholders that are voted either in person or by proxy at the H Shareholders Class Meeting; and
  - (ii) the number of votes cast (by way of poll) by the Independent H Shareholders present and voting either in person or by proxy at the H Shareholders Class Meeting against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;

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## LETTER FROM THE BOARD

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- (b) the passing of the resolution to be proposed at the A Shareholders Class Meeting for approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the A Shares held by the A Shareholders that are voted either in person or by proxy at the A Shareholders Class Meeting;
- (c) the passing of the resolution to be proposed at the EGM for approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing, provided that the resolution must be approved (by way of poll) by at least two-thirds (2/3) of the votes attaching to all the Shares held by the Shareholders that are voted either in person or by proxy at the EGM;
- (d) minimum valid acceptances of the Share Buy-back Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time and date as the Company may, subject to the Takeovers Code, decide) amounting to at least 90% of the H Shares held by the Independent H Shareholders;
- (e) the granting by the Executive of (i) the waiver for the Company from strict compliance with the requirement to compulsorily acquire H Shares that are not tendered for acceptance under the Share Buy-back Offer under Rule 2.2(c) of the Takeovers Code and (ii) the waiver for the Company's obligation to make a comparable offer to the A Shareholders under Rule 14 of the Takeovers Code;
- (f) the registration with SAFE in relation to the Share Buy-back Offer remains in full force and effect; and
- (g) the compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code, the statutory laws of Hong Kong and the PRC applicable to the Share Buy-back Offer and the Voluntary Withdrawal of Listing. As at the Latest Practicable Date, the Directors are not aware of any non-compliance by the Company with the Listing Rules, the Takeovers Code, the Share Buy-backs Code and any statutory laws of Hong Kong and the PRC that are applicable to the Share Buy-back Offer and the Voluntary Withdrawal of Listing.

None of the above Conditions is waivable and as at the Latest Practicable Date, to the exception of Condition (f) to the extent that such registration has been completed and Condition (e) above, none of the other Conditions has been fulfilled.

In respect of Condition (e) above, the Company has applied for, and the Executive has granted, the waivers from strict compliance with Rule 2.2(c) and Rule 14 of the Takeovers Code.

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## LETTER FROM THE BOARD

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Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Company should not invoke any of the Conditions (other than Condition (d) above) so as to cause the Share Buy-back Offer to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Company in the context of the Share Buy-back Offer.

The latest time on which the Company can declare the Share Buy-back Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the despatch of this Offer Document (or such later date to which the Executive may consent). If any of the Conditions is not satisfied by such time, the Share Buy-back Offer will lapse.

Acceptances by the H Shareholders under the Share Buy-back Offer will be irrevocable and cannot be withdrawn, except in the circumstances set out in the following paragraphs regarding Rule 19.2 of the Takeovers Code or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Share Buy-back Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from the First Closing Date, if the Share Buy-back Offer has not by then become unconditional as to acceptances.

If the Company is unable to comply with the requirements set out in paragraph headed “3. Announcement” in Appendix I of this Offer Document, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent H Shareholders who have tendered acceptance of the Share Buy-back Offer, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Independent H Shareholders withdraw their acceptance(s), the Company shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Independent H Shareholder(s) at his/her/its own risk.

### **Irrevocable Undertakings**

Pursuant to the Irrevocable Undertakings, each of Mr. Hu Keliang, Mr. Wang Wei and Venko Limited (being a company wholly owned by Mr. Wang Wei) (collectively, the “**IU Shareholders**”) has irrevocably and unconditionally undertaken to the Company that, amongst others, he/it:

- (a) will accept or procure the acceptance of the Share Buy-back Offer in respect of all the H Shares held or controlled, or to be acquired, by him/it;
- (b) will exercise or procure the exercise of all voting rights attached to the Shares held, or to be acquired, by him/it at the H Shareholders Class Meeting, the A Shareholders Class Meeting and the EGM (as the case may be) in favour of all the resolutions which are necessary to implement otherwise related to the Share Buy-back Offer and the Voluntary Withdrawal of Listing; and

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## LETTER FROM THE BOARD

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- (c) will not sell, transfer, impose any encumbrance over, or grant to any third party any rights attaching to the Shares held, or to be acquired, by him/it (other than the acceptance of the Share Buy-back Offer).

As at the Latest Practicable Date, the IU Shareholders are interested in 8,773,500 H Shares in total (representing approximately 24.97% of the total number of H Shares in issued) and do not hold any interests in A Shares, among which Mr. Hu Keliang directly owns 4,837,500 H Shares (representing approximately 13.77% of the total number of H Shares in issued) and Mr. Wang Wei are interested in 3,936,000 H Shares (representing approximately 11.20% of the total number of H Shares in issued) comprising 1,640,000 H Shares directly held under his personal capacity and 2,296,000 H Shares held by his wholly owned company, Venko Limited.

The obligations and commitments of the IU Shareholders under the Irrevocable Undertakings shall terminate only if the Share Buy-back Offer is withdrawn or lapsed.

### Principal terms of the Share Buy-back Offer

Elstone Securities, on behalf of the Company and in compliance with the Takeovers Code and Share Buy-backs Code, will make the Share Buy-back Offer on the terms set out in this Offer Document on the following basis:

**For each Offer Share . . . . . HK\$10.89 in cash**

**The Company will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Company will not be allowed to increase the Offer Price and the Company does not reserve the right to increase the Offer Price.**

Subject to the Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrances, together with all rights attached or accrued thereto on or after the closing date of the Share Buy-back Offer, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the closing date of the Share Buy-back Offer.

All the H Shares bought-back under the Share Buy-back Offer will be cancelled and subsequently the H Shares listing on the Stock Exchange will be withdrawn.

### Further details on the Share Buy-back Offer

Further details regarding the Share Buy-back Offer, including the terms and procedures for acceptance of the Share Buy-back Offer are set out in “Further Terms and Procedures for Acceptance of the Share Buy-back Offer” as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

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## LETTER FROM THE BOARD

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### Comparison with the Offer Price

The Offer Price of HK\$10.89 per H Share represents:

- (a) a premium of approximate 8.25% over the closing price of the H Shares as quoted on the Stock Exchange on the Latest Practicable Date of HK\$10.06 per Share.
- (b) a premium of approximately 11.69% over the closing price of HK\$9.75 per H Share as quoted on the Stock Exchange on 22 April 2022, being last trading day prior to publication of the Rule 3.5 Announcement;
- (c) a premium of approximately 25.17% over the closing price of HK\$8.70 per H Share as quoted on the Stock Exchange on 17 December 2021, being the Last Trading Day;
- (d) a premium of approximately 43.10% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK \$7.61 per H Share;
- (e) a premium of approximately 47.36% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$7.39 per H Share;
- (f) a premium of approximately 43.48% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$7.59 per H Share;
- (g) a premium of approximately 54.25% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of HK\$7.06 per H Share;
- (h) a premium of approximately 58.75% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$6.86 per H Share;
- (i) a premium of approximately 26.48% over the audited consolidated net asset value of approximately RMB7.06 (equivalent to approximately HK\$8.61) per Share (based on (i) the audited consolidated net asset value as stated in the annual results announcement of the Company for the year ended 31 December 2021 published on 30 March 2022; (ii) 232,381,032 Shares in issue as at the Latest Practicable Date; and (iii) the Exchange Rate); and

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## LETTER FROM THE BOARD

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- (j) a premium of approximately 12.50% to the adjusted consolidated net asset value per Share of approximately RMB7.93 (equivalent to approximately HK\$9.68) per Share, based on the equity attributable to owners of the Company of approximately RMB1,652.0 million as at 31 March 2022 as extracted from the first quarterly report of the Company for the three months ended 31 March 2022 and adjusted upward by the valuation of the property interest held by the Company attributable to owners of the Company of approximately RMB191.0 million (comparison between the Group's property interests with a book value of approximately RMB1,233.0 million as at 31 March 2022 and the valuation of property interest as at the valuation date of RMB1,424.0 million as set out in the property valuation report in Appendix IV to this Offer Document) and the issued share capital of the Company of 232,381,032 Shares as at the Latest Practicable Date.

Historic share price information on the H Shares is set out in the paragraph headed "3. Market Prices" in Appendix V to this Offer Document.

### **Dividends and Distribution**

Subject to the Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrance, together with all rights attached or accrued thereto on or after the closing date of the Share Buy-back Offer, including the right to receive in full all dividends and other distributions, if any, the record date of which falls on or after the closing date of the Share Buy-back Offer.

As disclosed in the annual report of the Company dated 29 April 2022, the Board has recommended the payment of a final cash dividend of RMB4.70 cents per Share (including tax) for the year ended 31 December 2021 to Shareholders whose names appear on the Final Dividend Record Date. Accordingly, if the Final Dividend Record Date is before the closing date of the Share Buy-back Offer, H Shareholders who accept the Share Buy-back Offer and whose names appear on the register of members on the Final Dividend Record Date shall be entitled to (i) the final cash dividend (if approved by Shareholders at the annual general meeting) and (ii) the cash consideration of HK\$10.89 per H Share under the Share Buy-back Offer.

The Company confirms that as at the Latest Practicable Date, save for the final cash dividend for the year ended 31 December 2021, (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the closing date of the Share Buy-back Offer.

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## LETTER FROM THE BOARD

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### **Value of the Share Buy-back Offer**

As at the Latest Practicable Date, the Company has 35,130,000 H Shares in issue. The Share Buy-back Offer will be extended to all H Shareholders in accordance with the Takeovers Code. Based on the Offer Price of HK\$10.89 per Offer Share, and assuming that the Share Buy-back Offer is accepted in full, the value of the Share Buy-back Offer will be approximately HK\$382.57 million.

### **Financial resources available for the consideration and the Share Buy-back Offer**

The Company intends to finance the consideration for the full acceptance of the Share Buy-back Offer of HK\$382.57 million by its internal cash resources.

Elstone Capital, being the financial adviser to the Company in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, is satisfied that sufficient financial resources are available to the Company to satisfy the consideration for the full acceptance of the Share Buy-back Offer.

### **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Company has appointed Veda Capital as the Independent Financial Adviser to advise the Independent H Shareholders in connection with the Share Buy-back Offer and the Voluntary Withdrawal of Listing and, in particular, as to whether the Share Buy-back Offer is fair and reasonable, acceptance of the Share Buy-back Offer and voting at the EGM and H Shareholders Class Meeting in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, pursuant to Rule 2.1 of the Takeovers Code. A copy of their letter is set out on pages 41 to 68 of this Offer Document.

Pursuant to Rule 3.3 of the Share Buy-backs Code, as no Directors will be considered as independent in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, no independent board committee will be formed for the purpose of the Share Buy-back Offer and the Voluntary Withdrawal of Listing.

### **INFORMATION OF THE GROUP**

The Company was incorporated in the PRC with limited liability in April 2000, and was converted into a joint stock company in April 2011. The Company's H Shares were listed on the Main Board of the Stock Exchange in October 2015, and its A Shares were listed on the Main Board of the Shenzhen Stock Exchange in October 2017. The Group is principally engaged in the production, processing and sales of raw milk and dairy products, and dairy farming business.



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## LETTER FROM THE BOARD

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Set out below is a summary of the audited consolidated financial results of the Group for the financial years ended 31 December 2020 and 2021:

	For the financial year ended/ as at 31 December	
	2020 <i>RMB'000</i> (audited)	2021 <i>RMB'000</i> (audited)
Operating income	739,821	1,021,432
Profit before tax	12,361	55,128
Income tax expenses	1,907	1,594
Profit for the year attributable to equity Shareholders	10,453	53,533
Net assets	1,591,834	1,640,693

Your attention is drawn to the section “Financial Information of the Group”, “Unaudited Pro Forma Financial Information of the Group” and “General Information of the Company” as set out in Appendix II, III and V, respectively, to this Offer Document.

### Other Arrangements

The Company confirms that, as at the Latest Practicable Date:

- (i) save as disclosed in the paragraph headed “Shareholding structure of the Company” in this Offer Document, none of the Company, the Directors and their respective concert parties owns, holds or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company, and there is no outstanding derivative in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by the Company, the Directors or any of their respective concert parties;
- (ii) save for the Irrevocable Undertakings, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares which might be material to the Share Buy-back Offer;
- (iii) save for the Irrevocable Undertakings, the Company or any of its concert parties have not received any irrevocable commitment to accept or reject the Share Buy-back Offer, or to vote in favour of the resolutions at the H Shareholders’ Class Meeting, the A Shareholders’ Class Meeting and/or the EGM;

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## LETTER FROM THE BOARD

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- (iv) there is no agreement or arrangement to which the Company is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Buy-back Offer;
- (v) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Company, any of the Directors or any of their respective concert parties has borrowed or lent;
- (vi) save for the consideration for the Share Buy-back Offer, there is no other consideration, compensation or benefits in whatever form provided (or to be provided) by the Company or any of its concert parties to any Shareholder in connection with the Share Buy-back Offer;
- (vii) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between:
  - (A) (a) the Company or any of its concert parties on one hand and (b) the Shareholders on the other hand; and
  - (B) (a) the Company, its subsidiaries or associated companies on one hand and (b) the Shareholders on the other hand.

### **FINANCIAL IMPACT OF THE SHARE BUY-BACK OFFER AND THE VOLUNTARY WITHDRAWAL OF LISTING**

#### **Earnings per Share attributable to equity holders of the Company**

Based on the unaudited pro forma financial information of the Group set out in Appendix III to this Offer Document and assuming the completion of the Share Buy-back Offer on 31 December 2021, the earnings per Share attributable to the equity holders of the Company for the year ended 31 December 2021 would have increased by approximately 17.39% from approximately RMB0.23 per Share to approximately RMB0.27 per Share.

#### **Net asset value per Share**

Based on the unaudited pro forma financial information of the Group set out in Appendix III to this Offer Document and assuming the completion of the Share Buy-back Offer on 31 December 2021, the net assets per Share attributable to the equity holders of the Company as at 31 December 2021 would have decreased by approximately 4.96% from approximately RMB7.06 per Share to approximately RMB6.71 per Share.

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## LETTER FROM THE BOARD

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The cash outlay from the estimated costs to be incurred under the Share Buy-back Offer represented only approximately 19.37% of the consolidated net asset value of the Company as at 31 December 2021. The Directors believe that the Share Buy-back Offer and the Voluntary Withdrawal of Listing will not have a material adverse impact on the Company's cash position and consolidated net asset value.

### **Liabilities and Working Capital**

The estimated costs of RMB317,730,000 to be incurred under the Share Buy-back Offer will be settled by cash and therefore the Share Buy-back Offer will not have any effect on the liabilities of the Group. On the other hand, the estimated costs would have decreased the working capital at 31 December 2021 by approximately RMB317,730,000.

The Company will satisfy the Share Buy-back Offer using cash from its own internal resources and has no intention of buying back its H Shares with borrowings. As such, this will result in a corresponding decrease in the working capital of the Group. Given the net asset value attributable to equity holders of the Company amounted to RMB1,640,693,000 as at 31 December 2021, the net asset value would be decreased by approximately 19.37% to approximately RMB1,322,963,000 taking into account the abovementioned estimated cost, the Directors believe that the Share Buy-back will not have a material adverse impact on the Company. For more details, please see "Appendix III – Unaudited Pro Forma Financial Information of the Group".

### **INTENTION OF THE COMPANY**

The Company intends to buy-back all H Shares and withdraw the listing of its H Shares from the Stock Exchange pursuant to the Share Buy-back Offer. The Company intends to maintain the listing status of the A Shares on the Main Board of the Shenzhen Stock Exchange.

It is the intention of the Company that, after the delisting of the H Shares, (i) the Group will continue to carry on its current business, which principally comprises the dairy farming business, the production, processing and sales of raw milk and dairy products; (ii) the Company will not introduce any major changes to the business of the Group (including any redeployment of fixed assets of the Group) in the foreseeable future; and (iii) the Company will not make any significant changes to the continued employment of the employees of the Group as a result of the implementation of the Share Buy-back Offer or the Voluntary Withdrawal of Listing.

### **WITHDRAWAL OF LISTING OF THE H SHARES**

Upon the Share Buy-back Offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules by way of capital reorganisation.

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## LETTER FROM THE BOARD

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H Shareholders will be notified by way of an announcement of the last day of dealings in the H Shares and the date on which the withdrawal of the listing of the H Shares on the Stock Exchange will become effective.

### **No right of compulsory acquisition**

**The Company has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the Share Buy-back Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the Share Buy-back Offer, and if the Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code) after the completion of the Share Buy-back Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced. In view of the implications on the H Shareholders who have not accepted the Share Buy-back Offer upon the extended closing date, the Company will notify the relevant H Shareholders in writing by way of issuing an announcement in one (1) week prior to the extended closing date to remind the H Shareholders of the extended closing date and the implications if they choose not to accept the Share Buy-back Offer.**

Shareholders should also note that if they do not agree to the terms of the Share Buy-back Offer, they can vote against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, A Shareholders Class Meeting and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the Share Buy-back Offer would lapse and the H Shares would remain listed on the Stock Exchange.

### **EGM, A SHAREHOLDERS CLASS MEETING AND H SHAREHOLDERS CLASS MEETING**

The notices convening the EGM and H Shareholders Class Meeting are set out in pages VI-1 to VII-3 of this Offer Document. Resolutions in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing will be proposed at the EGM, A Shareholders Class Meeting and H Shareholders Class Meeting.

A form of proxy for each of the EGM and H Shareholders Class Meeting are enclosed with this Offer Document. If you are not able to attend the EGM and/or H Shareholders Class Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar as soon as possible and in any event, not less than 24 hours before the time appointed for the holding of the EGM and H Shareholders Class Meeting or any adjournment thereof, i.e. before 3:00 p.m. and 4:00 p.m. on 28 June 2022, respectively. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM and H Shareholders Class Meeting or any adjournment if you so wish.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company has 35,130,000 H Shares in issue, and no H Shares are held by the Company, the Directors and parties acting in concert with any of them, and hence, all H Shareholders are considered as Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing. Therefore, all H Shareholders (being Independent H Shareholders) are eligible to vote at the H Shareholders Class Meeting and the EGM.

As at the Latest Practicable Date, the Company has 197,251,032 A Shares in issue. As there is no restriction under the articles of association of the Company and the laws and regulations in the PRC in relation to the voting rights of the Directors and parties acting in concert with any of the Company and the Directors at the A Shareholders Class Meeting and the EGM, all A Shareholders are eligible to vote at the A Shareholders Class Meeting and the EGM.

In order to determine the H Shareholders who are eligible to attend and vote at the EGM and H Shareholders Class Meeting, the H shares register of members of the Company shall be closed from 30 May 2022 to 29 June 2022 (both days inclusive), during which period no transfer of shares will be registered.

Shareholders who intend to appoint a proxy to attend the EGM and H Shareholders Class Meeting shall complete and return the form of proxy in accordance with the instructions printed thereon. For H Shareholders, the form of proxy should be returned to the office of the Share Registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong in person or by post not less than 24 hours before the time fixed for holding the EGM and H Shareholders Class Meeting or any adjourned meeting thereof.

### **PROCEDURES IN DEMANDING A POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings 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. The chairman of the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting will therefore demand a poll for every resolution put to the vote of the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting pursuant to article 106 of the articles of association of the Company.

Pursuant to Rule 2.9 of the Takeovers Code, the Company has appointed the Company's auditor, WUYIGE Certified Public Accountants LLP, as scrutineer for the vote-taking at the EGM and the H Shareholders Class Meeting.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same manner.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Offer Document. You are also recommended to carefully read “Further Terms and Procedures for Acceptance of the Share Buy-back Offer” as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Share Buy-back Offer. In considering what action to take in connection with the Share Buy-back Offer, you should also consider your own tax positions, if any, in case of any doubt, consult your professional advisers.

### RECOMMENDATION

The Directors are of the view that the terms of the Share Buy-back Offer and the Voluntary Withdrawal of Listing are fair and reasonable and is in the best interest of the Company and its Shareholders as a whole.

Your attention is drawn to the “Letter from Veda Capital” as set out on pages 41 to 68 of this Offer Document, which contain, among other things, their advice in relation to the Share Buy-back Offer and Voluntary Withdrawal of Listing and the principal factors considered by them in arriving at their recommendation.

### FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Offer Document.

Yours faithfully,  
By order of the Board  
**Lanzhou Zhuangyuan Pasture Co., Ltd.**  
**Yao Gexian**  
*Chairman*

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## LETTER FROM VEDA CAPITAL

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*The following is the full text of the letter from Veda Capital setting out the advice to the Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, which has been prepared for the purpose of inclusion in the Offer Document.*

**VEDA | CAPITAL**  
**智 略 資 本**

Suites 1001-1002, 10/F., 299 QRC  
299 Queen's Road Central  
Hong Kong

6 June 2022

*To: Independent H Shareholders of Lanzhou Zhuangyuan Pasture Co., Ltd.\**

Dear Sirs,

**1. CONDITIONAL CASH OFFER BY ELSTONE SECURITIES  
ON BEHALF OF  
LANZHOU ZHUANGYUAN PASTURE CO., LTD.\*  
TO BUY-BACK ALL THE ISSUED H SHARES  
AT HK\$10.89 PER H SHARE;  
AND  
2. PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF  
THE H SHARES OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.\*  
ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, details of which are set out in the Offer Document dated 6 June 2022 issued by the Company to the Independent H Shareholders, of which this letter forms part. Terms used herein shall have the same meanings as defined in the Offer Document unless the context otherwise requires.

Reference is made to the letter from the Board (the “**Board Letter**”) contained in the Offer Document in relation to the possible Share Buy-back Offer and the Voluntary Withdrawal of Listing. A board meeting of the Company was held on 25 April 2022, whereby the Board has resolved, among other matters, that subject to compliance with the Takeovers Code, the Share Buy-backs Code and the Listing Rules, the Share Buy-back Offer shall be made to buy-back all H Shares in issue. All H Shares bought-back under the Share Buy-Back Offer will be cancelled. If the Share Buy-back Offer becomes unconditional in all respects, the Company will make an application for the listing of the H Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules.

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## LETTER FROM VEDA CAPITAL

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As extracted from the Board Letter, Elstone Securities, on behalf of the Company and in compliance with the Takeovers Code and Share Buy-backs Code, will make the Share Buy-back Offer on the terms set out in the Offer Document on the following basis:

**For each Offer Share**

**HK\$10.89 in cash**

**The Company will not increase the Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Company will not be allowed to increase the Offer Price and the Company does not reserve the right to increase the Offer Price.**

Subject to the Share Buy-back Offer becoming unconditional in all respects, the Offer Shares to be acquired shall be fully paid and free from all Encumbrances, together with all rights attached or accrued thereto on or after the closing date of the Share Buy-back Offer, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the closing date of the Share Buy-back Offer.

If the Share Buy-back Offer materialises and becomes unconditional, such H Shares which will be bought back by the Company will be cancelled, and the listing of H Shares of the Company will be withdrawn pursuant to the Takeovers Code, the Share Buy-backs Code and the Listing Rules. Upon the Share Buy-back Offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules by way of capital reorganisation.

The Share Buy-back Offer, together with the Voluntary Withdrawal of Listing, are subject to the fulfilment of a number of conditions as set out in the Offer Document, including the passing of resolutions approving the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the EGM and class meetings and minimum valid acceptances of the Share Buy-back Offer being received amounting to at least 90% of the H Shares held by the Independent H Shareholders.

As at the Latest Practicable Date, the Company has 35,130,000 H Shares in issue, and no H Shares are held by the Company, the Directors and parties acting in concert with any of them, and hence, all H Shareholders are considered as Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing. Therefore, all H Shareholders (being the Independent H Shareholders) are eligible to vote at the H Shareholders Class Meeting and the EGM.

As at the Latest Practicable Date, the Company has 197,251,032 A Shares in issue. As there is no restriction under the articles of association of the Company and the laws and regulations in the PRC in relation to the voting rights of the Directors and parties acting in concert with any of the Company and the Directors at the A Shareholders Class Meeting and the EGM, all A Shareholders are eligible to vote at the A Shareholders Class Meeting and the EGM.



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## LETTER FROM VEDA CAPITAL

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The Company will not make an offer for the A Shares and it is the Company's intention to maintain the listing of the A Shares on the Shenzhen Stock Exchange. As advised by the PRC legal advisers to the Company, the Company is not required to make a comparable offer for the A Shares pursuant to the PRC laws and regulations.

Pursuant to Rule 3.3 of the Share Buy-backs Code, as no Directors will be considered as independent in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, no independent board committee will be formed for the purpose of the Share Buy-back Offer and the Voluntary Withdrawal of Listing.

We, Veda Capital, have been appointed as the Independent Financial Adviser to advise the Independent H Shareholders and to provide recommendation on whether the Share Buy-back Offer and the Voluntary Withdrawal of Listing are fair and reasonable and in the interests of the Independent H Shareholders and as to acceptance of the Share Buy-back Offer and voting at the EGM and the H Shareholders Class Meeting in respect of the Share Buy-back Offer and Voluntary Withdrawal of Listing, pursuant to Rule 2.1 of the Takeovers Code.

### **OUR INDEPENDENCE**

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, there were no other engagements between us and the Group. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefits from the Company or any party acting, or presumed to be acting, in concert with it. Accordingly, we are considered eligible to give independent advice to the Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent H Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Offer Document and the representations made to us by the Directors and/or the management of the Company (the "**Management**").

We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date and the Independent H Shareholders will be notified of any material changes to such statements, information, opinions and/or representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

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## LETTER FROM VEDA CAPITAL

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We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Offer Document were reasonably made after due enquiries and careful consideration. The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in the Offer Document, the omission of which would make any statement in the Offer Document misleading. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Offer Document, or the reasonableness of the opinions expressed by the Company, its adviser and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding entered into by the Group concerning the Share Buy-back Offer and the Voluntary Withdrawal of Listing. In rendering our opinion in the Offer Document, we have researched, analyzed and relied on (i) information in relation to the Group, including but not limited to, the published financial reports of the Company for the three financial years ended 31 December 2021; (ii) information provided by the Company; (iii) the Offer Document; (iv) recent announcements of the Company published on the Stock Exchange; (v) market information obtained from the website of the Stock Exchange; and (vi) information obtained from governmental websites, including the government of the PRC (<http://www.gov.cn>) and the National Bureau of Statistics of the PRC (<http://www.stats.gov.cn>).

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Offer Document, save and except for this letter. We consider that we have been provided with sufficient information and have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group and other parties acting in concert with the Company or their respective subsidiaries or associates (if applicable).

Our opinion is necessarily based on the prevailing financial, economic, market and other conditions and the information made available to us as at the Latest Practicable Date. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context. Should there be any material changes to the statements, information and/or representation affecting our opinion after the Latest Practicable Date, the Independent H Shareholders would be notified as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

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## LETTER FROM VEDA CAPITAL

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We have not considered the tax and regulatory implications on the Group or the Independent H Shareholders as a result of the Share Buy-back Offer since these depend on their individual circumstances. In particular, the Independent H Shareholders who are residents overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional advisers. We will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Share Buy-back Offer.

This letter is issued for the information for the Independent H Shareholders solely in connection with their consideration of Share Buy-back Offer and the Voluntary Withdrawal of Listing, except for its inclusion in the Offer Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations to the Independent H Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

#### 1. Information of the Group

##### *Business and financial information of the Group*

With reference to the “Letter from the Board” of the Offer Document, the Company was incorporated in the PRC with limited liability in April 2000, and was converted into a joint stock company in April 2011. The Company’s H Shares were listed on the Main Board of the Stock Exchange in October 2015, and its A Shares were listed on the Main Board of the Shenzhen Stock Exchange in October 2017. The Group is principally engaged in the production, processing and sales of raw milk and dairy products, and dairy farming business.

Set out below is a summary of the Group’s audited consolidated financial information for the financial years ended 31 December 2021 and 2020 as extracted from the Company’s annual report for the financial year ended 31 December 2021.

	For the financial years ended		
	31 December	31 December	Changes
	2021	2020	
	RMB’000	RMB’000	%
	(audited)	(audited)	
Revenue	1,021,432	739,821	38.06
Profit for the year attributable to Shareholders	53,533	10,453	412.13

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## LETTER FROM VEDA CAPITAL

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	As at		Changes %
	31 December 2021	31 December 2020	
	<i>RMB'000</i> (audited)	<i>RMB'000</i> (audited)	
Total assets	2,810,380	3,080,558	(8.77)
Net assets attributable to Shareholders	1,640,693	1,591,834	3.07

The Group recorded revenue for the year ended 31 December 2021 in the amount of approximately RMB1,021.43 million, representing an increase of approximately 38.06% as compared to that of the year ended 31 December 2020 in the amount of approximately RMB739.82 million. As advised by the Company, the increase in revenue was mainly due to the fact that (i) the Group consolidated traditional channels and adopted an aggressive sales policy during the year ended 31 December 2021; and (ii) the Company diversified its development by selling its surplus own produced fresh milk from time to time on the premise of satisfying the needs of the production of dairy products.

The Group recorded a profit attributable to Shareholders for the year ended 31 December 2021 in the amount of approximately RMB53.3 million, representing an increase of approximately 412.13% as compared to that for the year ended 31 December 2020 in the amount of approximately RMB10.45 million. As advised by the Company, the increase in profit was mainly due to (i) the increase in revenue as mentioned in the above; and (ii) the low profit base for the financial year ended 31 December 2020 which was mainly due to the impact of COVID-19 and high impairment loss on fixed assets in the amount of approximately RMB65.87 million, including (a) the preparation for the provision of approximately RMB54.06 million for asset impairment for a subsidiary of the Group as they were likely to be at risk of shut-down in the following three years; and (b) the impairment provision of approximately RMB11.62 million in relation to the Group's fixed assets which have been delimited into forbidden areas for animal and poultry and included in the area of closure and relocation as they may be disposed of in advance due to such relocation and closure.

The Group's audited total assets as at 31 December 2021 amounted to approximately RMB2,810.38 million. The Group's audited net asset value attributable to Shareholders increased by approximately 3.07% to approximately RMB1,640.69 million as at 31 December 2021 from approximately RMB1,591.83 million as at 31 December 2020 which was mainly due to the increase in retained earnings resulted from the profit attributable to the Shareholders for the year ended 31 December 2021 as discussed in the above.

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## LETTER FROM VEDA CAPITAL

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Set out below is a summary of the Group's audited consolidated financial information for the financial years ended 31 December 2020 and 2019 as extracted from the Company's annual report for the financial year ended 31 December 2020.

	<b>For the financial years ended</b>		<b>Changes</b>
	<b>31 December</b>	<b>31 December</b>	
	<b>2020</b>	<b>2019</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
	(audited)	(audited)	
Revenue	739,821	813,554	(9.06)
Profit for the year attributable to Shareholders	10,453	51,321	(79.63)

	<b>As at</b>		<b>Changes</b>
	<b>31 December</b>	<b>31 December</b>	
	<b>2020</b>	<b>2019</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
	(audited)	(audited)	
Total assets	3,080,558	2,492,727	23.58
Net assets attributable to Shareholders	1,591,834	1,225,407	29.90

The Group recorded revenue for the year ended 31 December 2020 in the amount of approximately RMB739.82 million, representing a decrease of approximately 9.06% as compared to that of the year ended 31 December 2019 in the amount of approximately RMB813.55 million. As advised by the Company, the decrease in revenue was mainly due to (i) the highly competitive market of PRC dairy products during the period, especially liquid milk products; (ii) the lower sales price of the Group's products in response to the outbreak of COVID-19 in early 2020 which had a significant impact on the product sales of the Group.

The Group recorded a profit attributable to Shareholders for the year ended 31 December 2020 in the amount of approximately RMB10.45 million, representing a decrease of approximately 79.63% as compared to that for the year ended 31 December 2019 in the amount of approximately RMB51.32 million. As advised by the Company, the decrease in profit was mainly due to (i) the decrease in revenue as mentioned in the above; (ii) the lower sales price of the Group's products in response to the outbreak of COVID-19 in the first half of year 2020 resulting in an overall decline in gross profit margin; and (iii) the provision for impairment of fixed assets in the amount of approximately RMB65.87 million.

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## LETTER FROM VEDA CAPITAL

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The Group's audited total assets as at 31 December 2020 amounted to approximately RMB3,080.56 million. The Group's audited net asset value attributable to Shareholders increased by approximately 29.90% to approximately RMB1,591.83 million as at 31 December 2020 from approximately RMB1,225.41 million as at 31 December 2019, which was mainly due to the increase in capital premium in the amount of approximately RMB325.88 million resulted from the non-public issuance of A Shares.

Set out below is a summary of the Group's audited consolidated financial information for the financial years ended 31 December 2019 and 2018 as extracted from the Company's annual report for the financial year ended 31 December 2019.

	<b>For the financial years ended</b>		<b>Changes</b>
	<b>31 December</b>	<b>31 December</b>	
	<b>2019</b>	<b>2018</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
	(audited)	(audited)	
Revenue	813,554	657,732	23.69
Profit for the year attributable to Shareholders	51,321	63,533	(19.22)
	<b>As at</b>		
	<b>31 December</b>	<b>31 December</b>	<b>Changes</b>
	<b>2019</b>	<b>2018</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
	(audited)	(audited)	
Total assets	2,492,727	2,048,109	21.71
Net assets attributable to Shareholders	1,225,407	1,184,407	3.46

The Group recorded revenue for the year ended 31 December 2019 in the amount of approximately RMB813.55 million, representing an increase of approximately 23.69% as compared to that of the year ended 31 December 2018 in the amount of approximately RMB657.73 million. As advised by the Company, the increase in revenue was mainly due to the acquisition of Xi'an Dongfang Dairy Company Limited at the end of year 2018 which increased the consolidated revenue of the Group for the year ended 31 December 2019.

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## LETTER FROM VEDA CAPITAL

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The Group recorded a profit attributable to Shareholders for the year ended 31 December 2019 in the amount of approximately RMB51.32 million, representing a decrease of approximately 19.22% as compared to that for the year ended 31 December 2018 in the amount of approximately RMB63.53 million. As advised by the Company, the decrease in profit was mainly due to (i) the increase in administration expenses in the amount of approximately RMB28.68 million which was mainly attributable to the acquisition of Xi'an Dongfang Dairy Company Limited; and (ii) the provision of impairment loss of goodwill in the amount of approximately RMB48.72 million.

The Group's audited total assets as at 31 December 2019 amounted to approximately RMB2,492.73 million. The Group's audited net asset value attributable to Shareholders increased by approximately 3.46% to approximately RMB1,225.41 million as at 31 December 2019 from approximately RMB1,184.41 million as at 31 December 2018 which was mainly due to the increase in retained earnings resulted from the profit attributable to the Shareholders for the year ended 31 December 2019 as discussed in the above.

Furthermore, the Company had distributed dividend of RMB5.50 cents, RMB2.00 cents and RMB4.70 cents per Share cents to the Shareholders for each of the period for the three years ended 31 December 2019, 31 December 2020 and 31 December 2021 respectively.

We noticed from the above that the operation and profitability of the Group could be materially affected by the outbreak of COVID-19 as the case may be in the PRC during the year ended 31 December 2020.

### **2. Intention in respect of the Company**

Set out below is the intention in respect of the Company as extracted from "Letter from the Board" in the Offer Document:

The Company intends to buy-back all the H Shares and withdraw the listing of its H Shares from the Stock Exchange pursuant to the Share Buy-back Offer. The Company intends to maintain the listing status of the A Shares on the Main Board of the Shenzhen Stock Exchange.

It is the intention of the Company that, after the delisting of the H Shares, (i) the Group will continue to carry on its current business, which principally comprises the dairy farming business, the production and sales of raw milk and dairy products; (ii) the Company will not introduce any major changes to the business of the Group (including any redeployment of fixed assets of the Group) in the foreseeable future; and (iii) the Company will not make any significant changes to the continued employment of the employees of the Group as a result of the implementation of the Share Buy-back Offer or the Voluntary Withdrawal of Listing.

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## LETTER FROM VEDA CAPITAL

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### 3. Irrevocable Undertakings

Set out below is the information regarding the Irrevocable Undertakings as extracted from “Letter from the Board” in the Offer Document:

Pursuant to the Irrevocable Undertakings, each of the IU Shareholders has irrevocably and unconditionally undertaken to the Company that, amongst others, he/it:

- (a) will accept or procure the acceptance of the Share Buy-back Offer in respect of all the H Shares held or controlled, or to be acquired, by him/it;
- (b) will exercise or procure the exercise of all voting rights attached to the Shares held, or to be acquired, by him/it at the H Shareholders Class Meeting, the A Shareholders Class Meeting and the EGM (as the case may be) in favour of all the resolutions which are necessary to implement otherwise related to the Share Buy-back and the Voluntary Withdrawal of Listing; and
- (c) will not sell, transfer, impose any encumbrance over, or grant to any third party any rights attaching to the Shares held, or to be acquired, by him/it (other than the acceptance of the Share Buy-back Offer).

As at the Latest Practicable Date, the IU Shareholders are interested in 8,773,500 H Shares in total (representing approximately 24.97% of the total number of H Shares in issue) and do not hold any interests in A Shares, among which Mr. Hu Keliang directly owns 4,837,500 H Shares (representing approximately 13.77% of the total number of H Shares in issue) and Mr. Wang Wei are interested in 3,936,000 H Shares (representing approximately 11.20% of the total number of H Shares in issue) comprising 1,640,000 H Shares held in his personal capacity and 2,296,000 H Shares held by his wholly-owned company, Venko Limited.

The obligations and commitments of the IU Shareholders under the Irrevocable Undertakings shall terminate only if the Share Buy-back Offer is withdrawn or lapsed.



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## LETTER FROM VEDA CAPITAL

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### 4. Reasons for the Share Buy-back Offer

As stated in the Board Letter, the Board believes that the Share Buy-back Offer and the Voluntary Withdrawal of Listing is in the interests of the Company and the Shareholders as a whole on the following bases:

- (a) the Share Buy-back Offer is expected to provide an exit opportunity for H Shareholders to realise their investment in the Company at the Offer Price, which represents a premium over the market price of the H Share, without discount on the lack of liquidity in the trading of the H Shares;
- (b) the Company's earnings per Share is expected to increase upon the cancellation of the H Shares repurchased pursuant to the Share Buy-back Offer; and
- (c) given the relatively low trading volume of the H Shares, the Company believes that its ability to raise funds from the public equity market in Hong Kong is currently limited and any significant improvement in this regard in the foreseeable future is unlikely. Consequently, the Company considers that the costs and management resources associated with the maintenance of the listing of its H Shares on the Stock Exchange, which are needed in order to access the public equity capital market in Hong Kong, may no longer be warranted.

In light of the above, we have considered the followings:

(a) ***The lack of liquidity in the trading of the H Shares may cause abnormal share price fluctuation***

Based on our understanding, a low trading liquidity of a listed issuer's shares may normally make it difficult for the listed issuer's shareholders to execute substantial on-market disposals without adversely affecting the price of the shares and also make it difficult for the listed issuer's shareholders to dispose of a large number of shares when any event that has an adverse impact on the listed issuer's share price occurs.

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## LETTER FROM VEDA CAPITAL

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We performed a trading liquidity analysis of the H Shares for the period from 1 December 2020, being approximately one year prior to the commencement of the Offer Period, up to and including the Latest Practicable Date (the “**Review Period**”). The number of trading days per month, the average daily number of the H Shares traded per month, and the percentage of the average daily H Shares’ trading volume for each calendar month as compared to the total number of issued H Shares as at the Latest Practicable Date, during the Review Period are illustrated below:

Month	Number of trading days	Average daily trading volume (the “Average Volume”) <i>Number of Shares</i>	% of the Average Volume to total number of issued H Shares as at the Latest Practicable Date ( <i>note</i> ) <i>Approximate %</i>
<b>2020</b>			
December	22	24,295	0.07
<b>2021</b>			
January	20	73,550	0.21
February	18	61,774	0.18
March	23	17,935	0.05
April	19	446,342	1.27
May	20	134,375	0.38
June	21	185,333	0.53
July	21	141,429	0.40
August	22	34,614	0.10
September	21	28,429	0.08
October	18	217,306	0.62
November	22	141,364	0.40
December	22	234,000	0.67
<b>2022</b>			
January	21	72,167	0.21
February	17	79,765	0.23
March	23	155,696	0.44
April	17	95,382	0.27
May	19	75,816	0.22
June (up to and including the Latest Practicable Date)	2	4,500	0.01

*Source: Website of the Stock Exchange*

*Note:* Based on 35,130,000 H Shares in issue as at the Latest Practicable Date.

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## LETTER FROM VEDA CAPITAL

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As illustrated from the table above, the H Shares' trading volume was thin during the Review Period. The Average Volume of the H Shares traded in each month was not higher than 2% of the total number of the H Shares in issue as at the Latest Practicable Date. In light of the above, given the low trading liquidity of the H Shares, we consider that any disposal of a large number of the Shares by the Shareholders in the open market may have adverse impact on the price of the Shares.

***(b) The dairy products industry outlook of the Group***

The Group is principally engaged in the production, processing and sales of raw milk and dairy products, and dairy farming business. According to the statistics published by the National Bureau of Statistics of the PRC (<http://www.stats.gov.cn>), we noted that the average dairy consumption per capita in the PRC increased from approximately 12.0 kilograms in 2016 to approximately 13.0 kilograms in 2020, representing a compound annual growth rate of approximately 2.02%. The annual milk production in the PRC increased from approximately 30.4 million tons in 2017 to approximately 36.8 million tons in 2021, representing a compound annual growth rate of approximately 4.89%.

As illustrated above, the dairy and related products industry in the PRC had shown moderate growth in recent years. In response to the growing dairy and related products industry, the PRC government and consumers are also gaining more attention to the healthy, quality and nutritional value of dairy products and the growing focus on food health and quality of dairy products calls for more stringent quality control over raw milk procurement and production. According to the "Opinion on Advancing the Prosperity of Dairy Industry and Assuring the Quality of Dairy Products\*" (推進奶業振興保障乳品質量安全的意見) implemented by the General Office of the State Council of the PRC in 2018, among others, (i) national standards, including safety and hygiene requirements, for milk and a variety of dairy products, would be raised; (ii) relevant laws, regulations and standards for baby milk powder should be enforced and the management for the registration of formula of baby milk powder products would be reinforced; and (iii) regulations in relation to the usage and supervision of feed and veterinary drugs in dairy farming would be strengthened. Considering that the PRC government has continued to increase its awareness on healthcare and food quality control in the PRC, more regulatory policies may be proposed and/or implemented in the dairy and related products industry in the PRC (i.e. health related standards) which may impact the manufacturing costs of dairy product manufacturers in the PRC. Based on the above, we are of the view that the industry of the dairy and related products has had experienced moderate growth in the recent years, however, such growth and the Group's development may be affected, as and when more national regulation to be imposed on the industry.

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## LETTER FROM VEDA CAPITAL

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*(c) Unlock value at a premium for the H Shareholders*

During the Review Period, the highest and lowest closing prices of the H Shares as quoted on the Stock Exchange were HK\$10.08 recorded on 4 May 2022 and 5 May 2022 and HK\$5.61 recorded on 31 December 2021. The Offer Price remained higher than the closing price of the H Shares in all trading days during the Review Period. Detailed analysis on the Offer Price is contained in the sub-section headed “5. The Offer Price” below.

We have reviewed the performance of the Hang Seng Index, which is generally considered as one of the most representative indicators for the performance of the equity market in Hong Kong, from 25 April 2017 to 25 April 2022 (the “**HSI Review Period**”), being the latest five full-year and up to the date of the Rule 3.5 Announcement. We note that the closing Hang Seng Index were between 18,415.08 and 33,154.12 from 25 April 2017 to 26 January 2018. The closing Hang Seng Index fluctuated thereafter, along with a significant fall during February 2020 and March 2020 where the closing Hang Seng Index fell by 6,263.47. Despite the later resurgence during November 2020 to February 2021 where the closing Hang Seng Index reached 30,746.66 on 16 February 2021, the closing Hang Seng Index shown a general downward trend and reached 18,415.08 as at the date of the Rule 3.5 Announcement. The equity market in Hong Kong has been volatile and formed a general downward trend from February 2021 up to the date of the Rule 3.5 Announcement.

On the other hand, amidst the volatile performance and pessimistic sentiment in the general equity market, the Share Buy-back Offer represents an opportunity to realise Independent H Shareholders’ investments in the Company at a cash consideration which represents premiums over recent closing prices of H Share. The Share Buy-back Offer also allows the Independent H Shareholders to redeploy their capital from accepting the Share Buy-back Offer into other investment opportunities that they may consider more attractive in the current market environment.

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## LETTER FROM VEDA CAPITAL

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### 5. The Offer Price

#### (a) Offer Price comparison

The Offer Price of HK\$10.89 represents:

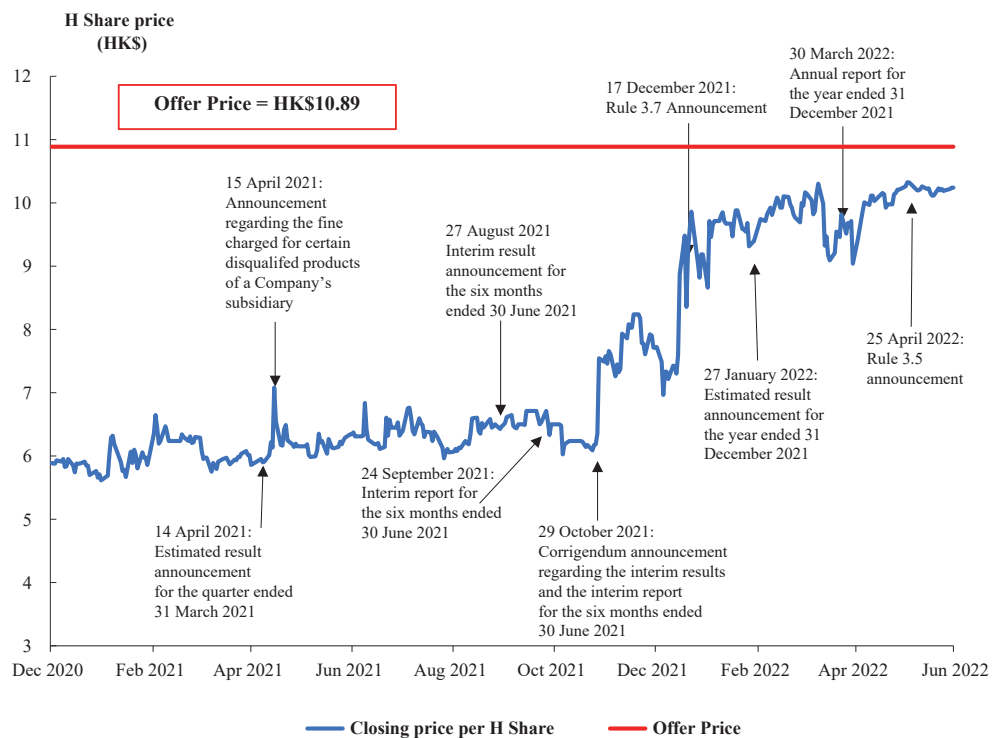
- (i) a premium of approximate 8.25% over the closing price of the H Shares as quoted on the Stock Exchange on the Latest Practicable Date of HK\$10.06 per Share;
- (ii) a premium of approximately 11.69% over the closing price of HK\$9.75 per H Share as quoted on the Stock Exchange on 22 April 2022, being the last trading day prior to the publication of the Rule 3.5 Announcement;
- (iii) a premium of approximately 25.17% over the closing price of HK\$8.70 per H Share as quoted on the Stock Exchange on 17 December 2021, being the Last Trading Day;
- (iv) a premium of approximately 43.10% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$7.61 per H Share;
- (v) a premium of approximately 47.36% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$7.39 per H Share;
- (vi) a premium of approximately 43.48% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$7.59 per H Share;
- (vii) a premium of approximately 54.25% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of HK\$7.06 per H Share;
- (viii) a premium of approximately 58.75% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$6.86 per H Share;
- (ix) a premium of approximately 26.48% over the audited consolidated net asset value of approximately RMB7.06 (equivalent to approximately HK\$8.61) per Share (based on (i) the audited consolidated net asset value as stated in the annual results announcement of the Company for the year ended 31 December 2021 published on 30 March 2022; (ii) 232,381,032 Shares in issue as at the Latest Practicable Date; and (iii) the Exchange Rate); and

## LETTER FROM VEDA CAPITAL

- (x) a premium of approximately 12.50% to the adjusted unaudited consolidated net asset value (the “**Adjusted NAV**”) per Share of approximately RMB7.93 (equivalent to approximately HK\$9.68) per Share, based on the equity attributable to owners of the Company of approximately RMB1,652.0 million as at 31 March 2022 as extracted from the first quarterly report of the Company for the three months ended 31 March 2022 and adjusted upward by the valuation of the property interest held by the Company attributable to owners of the Company of approximately RMB191.0 million (comparison between the Group’s property interests with a book value of approximately RMB1,233.0 million as at 31 March 2022 and the valuation of property interest as at the valuation date of RMB1,424.0 million) as set out in the property valuation report in Appendix IV to the Offer Document and the issued share capital of the Company of 232,381,032 Shares as at the Latest Practicable Date.

### (b) *Historical price performance of the H Shares*

The graph below illustrates the historical closing prices of the H Shares as quoted from the Stock Exchange during the Review Period. We consider that the Review Period is fair, adequate, representative and sufficient to illustrate the general trend and level of movement of recent closing price of the H Shares for conducting a reasonable comparison among the historical closing prices of the H Shares and the Offer Price. The comparison of daily closing prices of the H Shares and the Offer Price is illustrated as follows:



Source: Website of the Stock Exchange

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## LETTER FROM VEDA CAPITAL

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During the Review Period, the highest and lowest closing prices of the H Shares as quoted on the Stock Exchange were HK\$10.08 recorded on 4 May 2022 and 5 May 2022 and HK\$5.61 recorded on 31 December 2021.

From 1 December 2020 (being the beginning of the Review Period) to 28 October 2021, the closing price of the H Shares fluctuated between HK\$5.61 and HK\$7.00.

After trading hours on 29 October 2021, the Company published an announcement in relation to corrigendum and adjustment for the Company's interim result announcement and interim report for the six months ended 30 June 2021, pursuant to which the staff of the Company failed to distinguish between the model of subcontracting processing business and the model of supplying raw milk and providing processing services, and classified the revenue from the above businesses under "sterilised milk" during the preparation of the interim report of the Company for the six months ended 30 June 2021. During the preparation of the third quarterly report for the quarter ended 30 September 2021, the staff of the Company reclassified and distinguished the model of subcontracting processing business and the model of supplying raw milk and providing processing services in accordance with the cooperation agreement entered into between the Company and its business partners. Nevertheless, the closing price of the H Shares gained to a level of HK\$7.44 on 29 October 2021. Since early November 2021 and up to 16 December 2021 (the last full trading day prior to the publication of the Rule 3.7 Announcement), the closing price of the H Shares maintained between HK\$6.89 and HK\$8.10.

On 17 December 2021 and immediately before the suspension of trading of the H Shares at 11:33 a.m., the closing price of the H Shares spiked to HK\$8.7, which has been further increased to HK\$9.28 on 20 December 2021 after the publication of the Rule 3.7 Announcement and resumption of trading of the H Shares. Since the 20 December 2021 and up to the Latest Practicable Date, the closing price of the H Shares has sustained between HK\$8.21 and HK\$10.08.

The Offer Price remained higher than the closing price of the H Shares in all trading days during the Review Period.

**Independent H Shareholders should note that the information set out above is not an indicator of the future performance of the H Shares, and that the price of the H Shares may increase or decrease from its closing price as at the Latest Practicable Date.**

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## LETTER FROM VEDA CAPITAL

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*(c) Comparison with other comparable companies*

To further assess the fairness and reasonableness of the Offer Price, we have performed a price-to-earnings ratio (the “**PER**”) and a price-to-book ratio (the “**PBR**”) analysis, both being the most commonly used benchmark for valuation of companies, to compare the Offer Price against the market valuation of other comparable companies. While it should be noted that all the subject companies involved in the comparable analysis may have different market capitalisation, financial positions and geographical operations as compared with those of the Company, the following comparable analysis is meant to cover a list of similar companies listed on the Stock Exchange and form an appropriate sample size to reflect the value of comparable companies in the same industry.

In this regard, considering that the nature of the business (i.e. production and sales of dairy related products) for different size of dairy and related products manufacturers can be similar in the PRC, we have not considered market capitalisation as one of our selection criteria in our analysis, and alternatively, we have focused to conduct a search of comparables which meet the criteria of (i) which derived more than 50% of their revenue from the production and/or sales of milk and dairy related products based on their respective latest published financial information; and (ii) trading of shares of such listed companies were not halted/suspended for more than three months as at the Latest Practicable Date.



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## LETTER FROM VEDA CAPITAL

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Based on the aforesaid selection criteria and based on our search conducted through published information on the Stock Exchange's website, we have found an exhaustive list of 8 comparables (the "**Industry Comparable(s)**") that share similar comparable businesses of the Group for us to form a view on the terms of the Share Buy-back Offer and we are of the view that the Industry Comparables are sufficient and representative as references to the terms of the Share Buy-back Offer.

No.	Company (stock code)	Principal business	Market Cap <i>HK\$' million</i>	PER times <i>approx.</i> <i>(note 1)</i>	PBR times <i>approx.</i> <i>(note 2)</i>
1.	Ausnutria Dairy Corporation Ltd (1717)	Research and development, production, marketing and distribution of dairy and related products and nutrition products to its worldwide customers, particularly in the PRC	12,081.1	9.52	1.79
2.	China Feihe Limited (6186)	Production and sale of dairy products and raw milk, and sale of nutritional supplements	62,247.5	7.43	2.44
3.	China Mengniu Dairy Company Limited (2319)	Manufacturing and distribution of quality dairy products including liquid milk, ice cream, milk formula and cheese in the PRC	170,385.8	27.79	3.79
4.	China Modern Dairy Holdings Ltd (1117)	Production and sale of raw milk to customers for processing into dairy products	9,261.3	7.45	0.70
5.	China Shengmu Organic Milk Limited (1432)	Cows farming, production and sales of high-end desert organic raw milk and premium non-organic raw milk	3,059.2	5.32	0.68
6.	China Youran Dairy Group Limited (9858)	Provides premium raw milk to large-scale dairy manufacturers and offers ruminant farming products and services to dairy farms in the PRC	12,411.0	6.53	0.77
7.	Yashili International Holdings Ltd (1230)	Production and sale of milk powder, dissolvable and other dairy products	3,891.4	Loss making	0.58
8.	YuanShengTai Dairy Farm Limited (1431)	Production and sale of raw milk	1,116.3	5.83	0.18
			<b>Maximum</b>	<b>27.79</b>	<b>3.79</b>
			<b>Minimum</b>	<b>5.32</b>	<b>0.18</b>
			<b>Average</b>	<b>9.98</b>	<b>1.37</b>
			<b>Median</b>	<b>7.43</b>	<b>0.74</b>
				<b>Implied PER</b> <i>(times)</i>	<b>Implied PBR</b> <i>(times)</i>
	<b>The Company</b>	<b>Production, processing and sales of raw milk and dairy products, and dairy farming business</b>	<b>382.6</b>	<b>39.51</b>	<b>1.13</b>

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## LETTER FROM VEDA CAPITAL

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*Notes:*

1. The PER of the Industry Comparables are calculated by dividing their respective market capitalization as at the date of the Rule 3.5 Announcement by their respective profit attributable to shareholders (or H shareholders if applicable) of the companies according to their latest available annual results or reports or listing documents.

The PER of the Company (the “**Implied PER**”) is calculated by dividing its market capitalization based on the Offer Price by its profit attributable to H Shareholders for the financial year ended 31 December 2021.

2. The PBR of the Industry Comparables are calculated by dividing their respective market capitalization as at the date of the Rule 3.5 Announcement by their respective equity attributable to shareholders (or H shareholders if applicable) of the companies according to their latest available interim/annual results or reports or listing documents.

The PBR of the Company (the “**Implied PBR**”) is calculated by dividing its market capitalization based on the Offer Price by the Adjusted NAV attributable to H Shareholders.

3. The Exchange Rate has been applied.

We note from the table above that:

- (i) the Implied PER of 39.51 times is above the range of the Industry Comparables from approximately 5.32 times to approximately 27.79 times (the “**PER Range**”); and
- (ii) the Implied PBR of 1.13 times is within the range of the Industry Comparables from approximately 0.18 times to approximately 3.79 times (the “**PBR Range**”), below the average of the PBRs of the Industry Comparables of approximately 1.37 times (the “**PBR Average**”) and above the median of the PBRs of the Industry Comparables of approximately 0.74 times (the “**PBR Median**”).

In light of the above, we consider that this comparable analysis provides an additional indicator to demonstrate that the Offer Price is fair and reasonable so far as the Independent H Shareholders are concerned.

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## LETTER FROM VEDA CAPITAL

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*(d) Comparison with other withdrawal of listing precedents involving general offer*

To further assess the fairness and reasonableness of the Offer Price, we have searched for successful and completed withdrawal of listing precedents by way of share buy-back offer announced by listed companies in Hong Kong from for the period from 17 June 2020, being 18 months prior to the commencement of the Offer Period, up to and including the Latest Practicable Date (the “**Comparable Review Period**”), excluding transactions involving a share consideration or transactions with required acceptance level not achieved or yet to be achieved. However, we could only find Zhejiang Cangnan Instrument Group Company Limited (1743) which has met the above criteria and had similar arrangement to the Share Buy-back and the Voluntary Withdrawal.

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## LETTER FROM VEDA CAPITAL

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In light of the above, for the Independent H Shareholders' information purpose only, we have broadened our research criteria and conducted a search of (i) successful and completed privatisation transactions of other listed companies offering a cash consideration; and (ii) successful general cash offer involving the withdrawal of listing of shares as announced by other companies listed on the Stock Exchange during the Comparable Review Period. Based on the aforesaid criteria, we have identified an exhaustive list of 40 comparable transactions (the "Price Comparable(s)") which we considered sufficient and representative. However, it should be noted that the Price Comparables were conducted under different market conditions. Therefore, the factors and considerations that affect the premia or discounts of cancellation prices vary on a case-by-case basis, and may be different from those applicable to the Share Buy-back Offer and the Voluntary Withdrawal of Listing. Set out below is our findings:

No.	Company (stock code)	Initial announcement date of their respective transactions <i>(note 1)</i>	Premium/(discount) of the offer/cancellation price over/to		
			closing price per share on last trading day before the publication of the respective announcement (if applicable) <i>approx. % (note 2)</i>	closing price per share on last trading day before the publication of the respective announcement <i>approx. % (note 3)</i>	average closing prices per share on last 30 trading days before the publication of the respective announcement <i>approx. % (note 4)</i>
1.	Guodian Technology & Environment Group Corporation Limited (1296)	24 January 2022	n/a	47.95	93.09
2.	PFC Device Inc. (8231)	11 December 2021	n/a	29.63	86.17
3.	Shanghai Jin Jiang Capital Company Limited (2006)	24 November 2021	n/a	33.62	77.14
4.	Razer Inc. (1337)	29 October 2021	55.80	5.60	19.00
5.	Yorkey Optical International (Cayman) Ltd. (2788)	15 October 2021	n/a	75.30	102.60
6.	C.P. Pokphand Co. Ltd (43)	30 September 2021	n/a	19.79	27.78
7.	Hop Hing Group Holdings Limited (47)	6 September 2021	n/a	73.90	70.90
8.	Good Friend International Holdings Inc. (2398)	12 August 2021	n/a	50.00	61.58
9.	Nature Home Holding Company Limited (2083)	27 July 2021	n/a	39.30	31.80
10.	Beijing Capital Land Ltd. (2868)	09 July 2021	n/a	62.79	127.64
11.	Bestway Global Holding Inc. (3358)	25 June 2021	n/a	27.00	47.00
12.	Chong Hing Bank Limited (1111)	18 May 2021	n/a	51.20	107.40

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## LETTER FROM VEDA CAPITAL

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No.	Company (stock code)	Initial announcement date of their respective transactions <i>(note 1)</i>	Premium/(discount) of the offer/cancellation price over/to		
			closing price per share on last trading day before the publication of the respective announcement (if applicable) <i>approx. % (note 2)</i>	closing price per share on last trading day before the publication of the respective announcement <i>approx. % (note 3)</i>	average closing prices per share on last 30 trading days before the publication of the respective announcement <i>approx. % (note 4)</i>
13.	Inner Mongolia Energy Engineering Co., Ltd (1649)	20 April 2021	n/a	51.26	40.63
14.	Xiezhong International Holdings Limited (3663)	28 February 2021	n/a	17.60	25.00
15.	Sichuan Languang Justbon Services Group Co., Ltd (2606) <i>(note 5)</i>	25 February 2021	39.41	3.36	46.76
16.	Zhejiang Cangnan Instrument Group Company Limited (1743)	05 February 2021	15.18	10.89	12.01
17.	Zhuhai Holdings Investment Group Limited (908)	22 January 2021	n/a	37.84	52.39
18.	Polytec Asset Holdings Limited (208)	21 January 2021	n/a	61.29	72.55
19.	Zhejiang New Century Hotel Management Co., Ltd. (1158)	20 January 2021	n/a	24.70	20.80
20.	HKC (Holdings) Limited (190)	17 January 2021	n/a	120.39	119.78
21.	China Machinery Engineering Corporation (1829)	13 January 2021	n/a	45.10	118.9
22.	Huifu Payment Limited (1806)	22 December 2020	n/a	26.81	47.04
23.	SHK Hong Kong Industries Limited (666)	18 December 2020	n/a	50.00	56.70
24.	Rivera (Holdings) Limited (281)	17 December 2020	62.50	12.07	26.34
25.	Creative Enterprise Holdings Ltd (3992)	14 December 2020	(23.40)	(5.50)	3.30
26.	I.T Limited (999)	6 December 2020	n/a	54.60	135.50

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No.	Company (stock code)	Initial announcement date of their respective transactions <i>(note 1)</i>	Premium/(discount) of the offer/cancellation price over/to		
			closing price per share on last trading day before the publication of the respective announcement (if applicable) <i>approx. % (note 2)</i>	closing price per share on last trading day before the publication of the respective announcement <i>approx. % (note 3)</i>	average closing prices per share on last 30 trading days before the publication of the respective announcement <i>approx. % (note 4)</i>
27.	CAR Inc. (699)	13 November 2020	n/a	17.99	52.17
28.	Tonly Electronics Holdings Limited (1249)	30 October 2020	n/a	19.00	28.00
29.	Powerleader Science & Technology Group Limited (8236)	19 October 2020	n/a	14.60	10.10
30.	CIMC-TianDa Holdings Company Limited (445)	4 October 2020	n/a	20.36	18.22
31.	China ZhongDi Dairy Holdings Company Limited (1492)	27 September 2020	n/a	11.00	22.80
32.	AMIVG Holdings Limited (2300)	24 September 2020	n/a	51.39	56.83
33.	TEM Holdings Limited (8346)	22 September 2020	n/a	50.00	59.50
34.	Changshouhua Food Company Limited (1006)	7 September 2020	n/a	16.40	43.20
35.	Leyou Technologies Holdings Limited (1089)	7 August 2020	30.27	4.46	8.32
36.	Xinghua Port Holdings Ltd. (1990)	29 July 2020	n/a	23.67	58.35
37.	O-Net Technologies (Group) Limited (877)	8 July 2020	n/a	23.57	24.56
38.	Vantage International (Holdings) Limited (15)	2 July 2020	n/a	80.00	119.50
39.	China Baofeng (International) Limited (3966)	21 June 2020	n/a	27.50	52.00
40.	Golden Meditech Holdings Limited (801)	17 June 2020	n/a	41.94	60.00
		<b>Maximum</b>	<b>62.50</b>	<b>120.39</b>	<b>135.50</b>
		<b>Minimum</b>	<b>(23.40)</b>	<b>(5.50)</b>	<b>3.30</b>
		<b>Average</b>	<b>29.96</b>	<b>35.71</b>	<b>56.01</b>
		<b>Median</b>	<b>34.84</b>	<b>28.57</b>	<b>52.09</b>
	<b>The Company</b>		<b>25.17</b>	<b>11.69</b>	<b>14.42</b>

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## LETTER FROM VEDA CAPITAL

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*Notes:*

1. The date of Takeovers Code Rule 3.5 announcement or Rule 3.7 announcement, whichever earlier.
2. The premium/(discount) of offer/cancellation price over/to closing price per share on last trading day prior to the publication of the Rule 3.7 announcement (if applicable) in relation to the respective transaction.
3. The premium/(discount) of offer/cancellation price over/to closing price per share on last trading day prior to the publication of the Rule 3.5 announcement in relation to the respective transaction.
4. The premium/(discount) of offer/cancellation price over/to average closing price per share on the 30 trading days prior to the publication of the Rule 3.5 announcement (unless otherwise specified) in relation to the respective transaction.
5. For this Price Comparable, the enhanced share offer price of HK\$54.30 per H share, which is higher than the base share offer price of HK\$51.0571 per H share, has been applied. The comparison between the enhanced share offer price of this Price Comparable and the average closing prices of its H share for the last 30 consecutive full trading days prior to its Rule 3.7 announcement has been made.

As illustrated in the above:

- (i) the premium/(discount) of the offer/cancellation price over/to closing price per share on last trading day before the publication of the respective Rule 3.7 announcement (if applicable) of the Price Comparables ranged from a discount of approximately 23.40% to a premium of approximately 62.50% (the “**R3.7 Range**”) with an average of a premium of approximately 29.96% (the “**R3.7 Average**”) and a median of a premium of approximately 34.84% (the “**R3.7 Median**”), and the premium of the Offer Price over the closing price of H Share on the Last Trading Day of approximately 25.17% is within the R3.7 Range, close to the R3.7 Average and below the R3.7 Median;
- (ii) the premium/(discount) of the offer/cancellation price over/to closing price per share on last trading day before the publication of the respective Rule 3.5 announcement of the Price Comparables ranged from a discount of approximately 5.50% to a premium of approximately 120.39% (the “**R3.5 Range**”) with an average of a premium of approximately 35.71% (the “**R3.5 Average**”) and a median of a premium of approximately 28.57% (the “**R3.5 Median**”), and the premium of the Offer Price over the closing price of H Share on the last trading day prior to the publication of the Rule 3.5 Announcement of approximately 11.69% is within the R3.5 Range and below the R3.5 Average and the R3.5 Median; and

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- (iii) the premium of the offer/cancellation price over average closing prices per share on last 30 trading days before the publication of the respective Rule 3.5 announcement of the Price Comparables ranged from approximately 3.30% to approximately 135.50% (the “**R3.5 30-Day Range**”) with an average of approximately 56.01% (the “**R3.5 30-Day Average**”) and a median of approximately 52.09% (the “**R3.5 30-Day Median**”), and the premium of the Offer Price over the average closing prices of H Share on the 30 consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.5 Announcement of approximately 14.42% is within the R3.5 30-Day Range and below the R3.5 30-Day Average and the R3.5 30-Day Median. In addition, we noted that the premium of the Offer Price over the average closing prices of H Share on the 30 consecutive trading days up to and including the Last Trading Day was approximately 43.48%, which is within the R3.5 30-Day Range and closer to the R3.5 30-Day Average and the R3.5 30-Day Median. The discrepancy is mainly due to change in the closing price of the H Shares after the publication of the Rule 3.7 Announcement as discussed in the sub-section headed “Historical price performance of the H Shares”.

Having considered the above factors, we are of the view that the Offer Price is fair and reasonable so far as the Independent H Shareholders are concerned.

### RECOMMENDATION

In relation to the Share Buy-back Offer and the Voluntary Withdrawal of Listing, taking into account the factors as discussed above, in particular:

- (i) the profitability of the Group had been noticeably affected by the outbreak of COVID-19 in the PRC during the year ended 31 December 2020 and the impact of the outbreak of COVID-19 in the PRC is uncertain and has not been resolved clearly;
- (ii) given the low trading liquidity of the H Shares during the Review Period, any disposal of a large number of the Shares by the Shareholders in the open market may have adverse impact on the price of the Shares;
- (iii) in response to the growing dairy and related products industry in the PRC, the PRC government and consumers are also gaining more attention to the healthy, quality and nutritional value of dairy products and the growing focus on food health and quality of dairy products calls for more stringent quality control over raw milk procurement and production, and we are of the view that the development of the dairy and related products industry in the PRC will be uncertain;



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- (iv) the equity market in Hong Kong has been volatile during the HSI Review Period and formed a general downward trend from February 2021 up to the date of the Rule 3.5 Announcement, while the Share Buy-back Offer represents an opportunity to realise Independent H Shareholders' investments in the Company at a cash consideration which represents premiums over recent closing prices of H Share, it also allows the Independent H Shareholders to redeploy capital from accepting the Share Buy-back Offer into other investment opportunities that they may consider more attractive in the current market environment; and
- (v) as concluded in the sub-section headed "5. The Offer Price" above, the Offer Price is fair and reasonable so far as the Independent H Shareholders are concerned taking into account the following factors:
  - (a) The Offer Price represents premiums over the recent closing price of the H Shares;
  - (b) The Offer Price remained higher than the closing price of the H Shares in all trading days during the Review Period;
  - (c) the Implied PER is above the PER Range;
  - (d) the Implied PBR is within the PBR Range, below the PBR Average and above the PBR Median;
  - (e) the premium of the Offer Price over the closing price of H Share on 17 December 2021 (being the Last Trading Day) of approximately 25.17% is within the R3.7 Range, close to the R3.7 Average and below the R3.7 Median;
  - (f) the premium of the Offer Price over the closing price of H Share on the last trading day prior to the publication of the Rule 3.5 Announcement of approximately 11.69% is within the R3.5 Range and below the R3.5 Average and the R3.5 Median; and
  - (g) the premium of the Offer Price over the average closing prices of H Share on the 30 consecutive trading days up to and including the last trading day prior to the publication of the Rule 3.5 Announcement of approximately 14.42% is within the R3.5 30-Day Range and below the R3.5 30-Day Average and the R3.5 30-Day Median. In addition, we noted that the premium of the Offer Price over the average closing prices of H Share on the 30 consecutive trading days up to and including the Last Trading Day was approximately 43.48%, which is within the R3.5 30-Day Range and closer to the R3.5 30-Day Average and the R3.5 30-Day Median. The discrepancy is mainly due to change in the closing price of the H Shares after the publication of the Rule 3.7 Announcement as discussed in the sub-section headed "Historical price performance of the H Shares",

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we consider that the Share Buy-back Offer and the Voluntary Withdrawal of Listing are fair and reasonable and in the interest of the Independent H Shareholders. Accordingly, we recommend the Independent H Shareholders to accept the Share Buy-back Offer and vote in favour of the Share Buy-back Offer and the Voluntary Withdrawal of Listing resolution at the EGM and the H Shareholders Class Meeting.

**The Company has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the Share Buy-back Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the Share Buy-back Offer, and if the Share Buy-back Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code (depending on whether it remains as a public company in Hong Kong under the Takeovers Code) after the completion of the Share Buyback Offer, and the rights of Independent H Shareholders to certain information of the Company will be reduced.**

Shareholders should also note that if they do not agree to the terms of the Share Buy-back Offer, they can vote against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, A Shareholders Class Meeting and/or the EGM (as the case may be). If more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders are voted against the Share Buy-back Offer and the Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the Share Buy-back Offer would lapse and the H Shares would remain listed on the Stock Exchange.

Yours Faithfully,  
For and on behalf of  
**Veda Capital Limited**  
**Julisa Fong**  
*Managing Director*

*Ms. Julisa Fong is a licensed person registered with the SFC and a responsible officer of Veda Capital Limited which is licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity and has over 25 years of experience in corporate finance industry.*

**1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE SHARE BUY-BACK OFFER****The Share Buy-Back Offer**

To accept the Share Buy-back Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Share Buy-back Offer.

1. If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Share(s) is/are in your name, and you wish to accept the Share Buy-back Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the Share Registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong in an envelope marked "**Lanzhou Zhuangyuan Pasture Co., Ltd. – Share Buy-back Offer**" to be received by the Share Registrar no later than 4:00 p.m. on the First Closing Date and/or the Final Closing Date (as the case may be) or such later time and/or date as the Company may determine and the Company may announce with the consent of the Executive in accordance with the Takeovers Code.
2. If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Buy-back Offer in respect of your H Shares, you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Share Buy-back Offer on your behalf and requesting it to deliver the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Share Registrar; or

- (ii) arrange for the H Shares to be registered in your name by the Company through the Share Registrar, and send the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Share Registrar; or
  - (iii) if your H Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Buy-back Offer on your behalf on or before the deadline set by HKSCC Nominees Limited (which is normally one Business Day before the latest date on which acceptances of the Share Buy-back Offer must be received by the Share Registrar). In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
  - (iv) if your H Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited (which is normally one Business Day before the latest date on which acceptances of the Share Buy-back Offer must be received by the Share Registrar).
3. If the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Shares is/are not readily available and/or is/are lost and you wish to accept the Share Buy-back Offer in respect of your H Shares, the Form of Acceptance should nevertheless be completed and delivered to the Share Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Share Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Share Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Share Registrar.

4. If you lodged transfer(s) of any of your H Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Share Buy-back Offer in respect of your H Shares, you should nevertheless complete the Form of Acceptance and deliver it to the Share Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to Elstone Securities and/or the Company or their respective agent(s) to collect from the Share Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Share Registrar as if it was/they were delivered to the Share Registrar with the Form of Acceptance.
  
5. Acceptance of the Share Buy-back Offer will be treated as valid only if the completed Form of Acceptance is received by the Share Registrar no later than 4:00 p.m. on the First Closing Date and/or the Final Closing Date (as the case may be) or such later time and/or date as the Company may determine and announce with the consent of the Executive in accordance with the Takeovers Code and the Share Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
  - (i) accompanies by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if the share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant H Shares; or
  - (ii) from a registered H Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to H Shares which are not taken into account under another sub-paragraph of this paragraph 5); or
  - (iii) certified by the Share Registrar or the Stock Exchange.
  
6. If the Form of Acceptance is executed by a person other than the registered H Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Share Registrar must be produced.

7. Seller's ad Hong Kong valorem stamp duty for transfer of H Shares registered in the seller's name by the Company through the Share Registrar arising in connection with acceptance of the Share Buy-back Offer payable by the relevant Independent H Shareholders at a rate of 0.13% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Company in respect of the relevant acceptances of the Share Buy-back Offer, whichever is higher, will be deducted from the amount payable by the Company to such Independent H Shareholders on acceptance of the Share Buy-back Offer. The Company will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent H Shareholders accepting the Share Buy-back Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Share Buy-back Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
8. No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

## **2. ACCEPTANCE PERIOD AND REVISIONS**

- (a) Unless the Share Buy-back Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form of Acceptance must be received by the Share Registrar by 4:00 p.m. on the First Closing Date and/or the Final Closing Date (as the case may be) in accordance with the instructions printed on the relevant Form of Acceptance, and the Share Buy-back Offer will be closed on the First Closing Date and/or the Final Closing Date (as the case may be).
- (b) The Company will issue an announcement in accordance with the Takeovers Code through the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.lzzhuangyuan.com>) no later than 7:00 p.m. on the First Closing Date and/or the Final Closing Date (as the case may be) stating whether the Share Buy-back Offer has been extended, revised or has expired.
- (c) In the event that the Company decides to extend the Share Buy-back Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Share Buy-back Offer, to those Independent H Shareholders who have not accepted the Share Buy-back Offer.

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- (d) If the Company revises the terms of the Share Buy-back Offer, all Independent H Shareholders, whether or not they have already accepted the Share Buy-back Offer will be entitled to the revised terms. The revised Share Buy-back Offer must be kept open for at least 14 days following the date on which the revised offer document is posted.
- (e) If the Final Closing Date of the Share Buy-back Offer is extended, any reference in this Offer Document and in the Form of Acceptance to the latest date of acceptance shall, except where the context otherwise requires, be deemed to refer to the latest date of acceptance of the Share Buy-back Offer so extended.

**3. ANNOUNCEMENT**

- (a) As required under Rule 19.1 of the Takeovers Code, by 6:00 p.m. on the latest date of acceptance (or such later time and/or date as the Executive may in exceptional circumstances permit), the Company must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Share Buy-back Offer. The Company must publish an announcement in accordance with the requirements of the Takeovers Code by 7:00 p.m. on the latest date of acceptance stating whether the Share Buy-back Offer has been extended, revised or has expired. Such announcement must state the following:
  - (i) the total number of H Shares for which acceptances of the Share Buy-back Offer have been received;
  - (ii) the total number of H Shares held, controlled or directed by the Company, the Directors and parties acting in concert with any of them before the Offer Period;
  - (iii) the total number of H Shares acquired or agreed to be acquired by the Company, the Directors and parties acting in concert with any of them during the Offer Period;
  - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Company, the Directors and parties acting in concert with any of them have borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and
  - (v) the percentages of the relevant classes of issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

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- (b) In computing the total number of H Shares represented by acceptances, only valid acceptances in complete and good order and which have been received by the Share Registrar no later than 4:00 p.m. on the First Closing Date and/or the Final Closing Date (as the case may be), being the latest time and date for acceptance of the Share Buy-back Offer, shall be included.
  
- (c) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Share Buy-back Offer will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<http://www.lzzhuangyuan.com>).

#### **4. NOMINEE REGISTRATION**

To ensure equality of treatment to all Independent H Shareholders, those registered Independent H Shareholders who hold the H Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the H Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Buy-back Offer.

#### **5. RIGHT OF WITHDRAWAL**

The Share Buy-back Offer is conditional upon fulfillment of the Conditions. Acceptance of the Share Buy-back Offer will be irrevocable and will not be capable of being withdrawn, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Share Buy-back Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from the First Closing Date, if the Share Buy-back Offer has not by then become unconditional as to acceptances.

Furthermore, if the Company is unable to comply with the requirements set out in paragraph 3 of this appendix headed “Announcement” above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent H Shareholders who have tendered acceptance of the Share Buy-back Offer, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Independent H Shareholders withdraw their acceptance(s), the Company shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Independent H Shareholder(s) at his/her/its own risk.



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**6. SETTLEMENT OF THE SHARE BUY-BACK OFFER**

Assuming the Share Buy-back Offer has become unconditional in all respects and provided that the accompanying Form of Acceptance for the H Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Share Registrar no later than 4:00 p.m. on the First Closing Date or the Final Closing Date (as the case may be), a cheque for the amount due to each of the accepting Independent H Shareholders in respect of the H Shares tendered under the Share Buy-back Offer (less seller's Hong Kong ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent H Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following the later of the date of receipt of all relevant documents to render such acceptance complete and valid by the Share Registrar in accordance with the Takeovers Code, or on the date the Share Buy-back Offer and Voluntary Withdrawal of Listing become or are declared unconditional. If the Share Buy-back Offer lapses, the share certificate(s) will be returned to the Independent H Shareholders within ten (10) days of the lapse of the Share Buy-back Offer by ordinary post at that Independent H Shareholder's own risk.

Settlement of the consideration to which any accepting Independent H Shareholder is entitled under the Share Buy-back Offer will be paid by the Company in full in accordance with the terms of the Share Buy-back Offer (save in respect of the payment of seller's Hong Kong ad valorem stamp duty, as the case may be) set out in this Offer Document (including this appendix) and the accompanying Form of Acceptance, without regard to any lien, right of set-off, counter claim or other analogous right to which the Company may otherwise be, or claim to be, entitled against such Independent H Shareholder.

**7. OVERSEAS H SHAREHOLDERS**

The availability of the Share Buy-back Offer to persons who are not residents in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Share Buy-back Offer to the Independent H Shareholders whose registered addresses are in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Such Independent H Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the individual Independent H Shareholders who wish to accept the Share Buy-back Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Buy-back Offer (including the obtaining of any regulatory or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). As at the Latest Practicable Date, there was no Overseas H Shareholders with registered addresses outside Hong Kong.

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## **APPENDIX I** **FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE SHARE BUY-BACK OFFER**

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### **8. HONG KONG STAMP DUTY AND TAX IMPLICATIONS**

In Hong Kong, the seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Share Buy-back Offer will be payable by relevant H Shareholders at a rate of 0.13% of the higher of: (i) the market value of the Offer Shares; or (ii) the consideration payable by the Company in respect of the relevant acceptances of the Share Buy-back Offer, whichever is higher, and will be deducted from the amount payable by the Company to the relevant H Shareholder on acceptance of the Share Buy-back Offer. The Company will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant H Shareholders accepting the Share Buy-back Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Share Buy-back Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **9. GENERAL**

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to or from the Independent H Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, Elstone Capital, Elstone Securities, Veda Capital, the Share Registrar, any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Share Buy-back Offer accepts any liability for any loss in postage or any other liabilities whatsoever which may arise as a result thereof.
- (b) Acceptance of the Share Buy-back Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Company and Elstone Securities that the H Shares tendered under the Share Buy-back Offer are sold by such person or persons free from any Encumbrance and together with all rights and entitlements attached or accrued, including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Share Buy-back Offer is made (i.e. the date of the despatch of this Offer Document). For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.
- (c) Acceptance of the Share Buy-back Offer by any nominee will be deemed to constitute a warranty by such nominee to the Company that the number of H Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of H Shares held by such nominee for such beneficial owners who accept the Share Buy-back Offer.
- (d) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Share Buy-back Offer.

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- (e) The accidental omission to despatch this Offer Document and/or the accompanying Form of Acceptance or either of them to any person to whom the Share Buy-back Offer is made shall not invalidate the Share Buy-back Offer in any way.
- (f) The Share Buy-back Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (g) Due execution of the Form of Acceptance will constitute an authority to the Company, Elstone Securities and/or such person or persons as any of them may direct to complete and execute any document on behalf of the person accepting the Share Buy-back Offer, and to do any other act that may be necessary or expedient for the purpose of vesting in the Company, or such person or persons as it may direct the H Shares in respect of which such person has accepted the Share Buy-back Offer.
- (h) The Share Buy-back Offer is made in accordance with the Takeovers Code.
- (i) References to the Share Buy-back Offer in this Offer Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (j) In making their decision, the Independent H Shareholders must rely on their own examination of the Group and the terms of the Share Buy-back Offer, including the merits and risks involved. The contents of this Offer Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Company, the Directors and parties acting in concert with any of them, Elstone Capital, Elstone Securities, Veda Capital, the Share Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Share Buy-back Offer. The Independent H Shareholders should consult their own professional advisers for professional advice.
- (k) Unless otherwise expressly stated in this Offer Document and/or the Form of Acceptance, no person other than the Company and the accepting Independent H Shareholders may enforce any terms of the Share Buy-back Offer that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance, Chapter 623 of the Laws of Hong Kong.
- (l) The English text of this Offer Document and of the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited consolidated financial results of the Group for the years ended 31 December 2019, 2020 and 2021 and the unaudited consolidated financial results of the Group for the three months ended 31 March 2021 and 31 March 2022, respectively, as extracted from the relevant published financial statements of the Company for the relevant years/period.

	For the three months ended		For the year ended 31 December		
	31 March		2021	2020	2019
	2022	2021	(audited)	(audited)	(audited)
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating income</b>	<b>243,875</b>	<b>234,144</b>	<b>1,021,432</b>	<b>739,821</b>	<b>813,554</b>
Operating cost	(189,097)	(156,667)	(778,504)	(532,944)	(559,656)
<b>Gross profit</b>	<b>54,778</b>	<b>77,477</b>	<b>242,928</b>	<b>206,877</b>	<b>253,898</b>
Selling expenses	(14,692)	(20,789)	(60,732)	(73,121)	(81,584)
Administrative expenses	(22,635)	(25,797)	(101,257)	(68,815)	(77,390)
Research and development expenses	(1,557)	(1,964)	(9,247)	(9,103)	(9,462)
Other income	3,081	958	7,082	6,503	7,372
Finance expenses	(8,480)	(4,674)	(12,607)	(23,891)	(22,201)
<b>Operating profit</b>	<b>14,716</b>	<b>21,365</b>	<b>62,345</b>	<b>15,005</b>	<b>43,843</b>
Non-operating income	492	489	3,623	9,006	24,828
Non-operating expenses	(1,024)	(509)	(10,841)	(11,650)	(3,693)
<b>Profit before income tax</b>	<b>14,184</b>	<b>21,346</b>	<b>55,128</b>	<b>12,361</b>	<b>64,979</b>
Income tax expenses	(2,866)	(579)	(1,594)	(1,907)	(13,657)
<b>Profit for the year</b>	<b>11,317</b>	<b>20,767</b>	<b>53,533</b>	<b>10,453</b>	<b>51,321</b>
<b>Attributable to:</b>					
Equity holders of the Company	11,317	20,767	53,533	10,453	51,321
Non-controlling interests	–	–	–	–	–
<b>Earnings per Share for profit</b>					
<b>attributable to equity holders</b>					
<b>of the Company</b>					
Basic and diluted earnings per Share					
(expressed in RMB per Share)	0.05	0.09	0.23	0.05	0.27
<b>Profit for the year</b>	<b>11,317</b>	<b>20,767</b>	<b>53,533</b>	<b>10,453</b>	<b>51,321</b>
Other comprehensive income	–	–	–	–	–
<b>Total comprehensive income for</b>					
<b>the year Attributable to:</b>	<b>11,317</b>	<b>20,767</b>	<b>53,533</b>	<b>10,453</b>	<b>51,321</b>
Equity holders of the Company	11,317	20,767	53,533	10,453	51,321
Non-controlling interests	11,317	20,767	53,533	10,453	51,321
Earning per Share					
(expressed in RMB per Share)	0.05	0.09	0.23	0.05	0.27
Dividend	–	–	10,922	4,674	10,478
Dividend per Share					
(expressed in RMB per Share)	–	–	0.047	0.02	0.055

## 2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Offer Document the consolidated statements of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Financial Statements**”), 31 December 2020 (the “**2020 Financial Statements**”) and 31 December 2019 (the “**2019 Financial Statements**”) and unaudited consolidated financial statements of the Group for the three months ended 31 March 2021 (the “**2021 Q1 Financial Statements**”) and 31 March 2022 (the “**2022 Q1 Financial Statements**”), together with the significant accounting policies and the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2022 Q1 Financial Statements are set out from page 11 to page 19 in the 2022 first quarterly report, which was published on 29 April 2022 (the “**2022 Q1 Report**”). The 2022 Q1 Report is posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.lzzhuangyuan.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042902724.pdf>

The 2021 Q1 Financial Statements are set out from page 21 to page 37 in the 2021 first quarterly report, which was published on 28 April 2021 (the “**2021 Q1 Report**”). The 2021 Q1 Report is posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.lzzhuangyuan.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042802732.pdf>

The 2021 Financial Statements are set out from page 94 to page 242 in the 2021 annual report (the “**2021 Annual Report**”) of the Company, which was published on 29 April 2022. The 2021 Annual Report is posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.lzzhuangyuan.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042902042.pdf>

The 2020 Financial Statements are set out from page 76 to page 230 in the 2020 annual report, which was published on 27 April 2021 (the “**2020 Annual Report**”). The 2020 Annual Report is posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.lzzhuangyuan.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042701201.pdf>

The 2019 Financial Statements are set out from page 85 to page 248 in the 2019 annual report, which was published on 24 April 2020 (the “**2019 Annual Report**”). The 2019 Annual Report is posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.lzzhuangyuan.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0424/2020042400015.pdf>

The auditor of the Company for the years ended 31 December 2019, 2020 and 2021, Certified Public Accountants LLP (“**WUYIGE**”), did not issue any qualified or modified opinion (including emphasis of matter, adverse opinion and disclaimer of opinion) on the consolidated financial statements of the Group for each of the years ended 31 December 2019, 2020 and 2021.

The 2022 Q1 Financial Statements, 2021 Financial Statements, 2020 Financial Statements, 2019 Financial Statements and (but not any other parts of the 2022 Q1 Report, 2021 Annual Results, 2020 Annual Report or 2019 Annual report in which they respectively appear) are incorporated by reference into this Offer Document and form part of this Offer Document.

### **3. INDEBTEDNESS**

As at 31 March 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Offer Document, the total debt of the Company is approximately RMB1,308,922,400 which includes (i) bank borrowing (including short-term and long-term loans) of approximately RMB964,820,600; (ii) lease liabilities of approximately RMB44,910,500, including lease liabilities due within one year of approximately RMB4,432,300; and (iii) other liabilities of approximately RMB299,191,300.

#### **(i) Bank Loan**

As at 31 March 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Offer Document, the Group had bank borrowings of approximately RMB964,820,600 of which approximately RMB476,000,000 was short-term loan and approximately RMB2,020,600 was accrued interests. As at 31 March 2022, the outstanding long-term bank loans of the Group amounted to approximately RMB486,800,000 in which approximately RMB138,800,000 was pledged with the Group’s intangible assets with worth of approximately RMB24,526,000 and credit loans of approximately RMB348,000,000, including long-term loans due within one year of approximately RMB99,000,000.

#### **(ii) Lease liabilities**

As at 31 March 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Offer Document, the Group had lease liabilities of approximately RMB44,910,500 including lease liabilities due within one year, amounted to approximately RMB4,432,300.

**(iii) Contingent liabilities**

As at 31 March 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Offer Document, the Group did not have any contingent liabilities.

**(iv) Pledged Assets**

As at 31 March 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Offer Document, the Group pledged certain assets to obtain certain loans with a bank as the beneficiary. The total value of the pledged company assets were approximately RMB24,526,000.

As at 31 March 2022, other than the aforesaid intra-group liabilities and trade payables in the ordinary course of the Group's business, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, finance lease, liabilities under acceptances (other than general trade bills), or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

**4. MATERIAL CHANGE**

The Directors confirm that there was no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

**5. PROPERTY INTERESTS**

The valuation of property interests of the Group as at 31 March 2022 have been conducted by Vincorn Consulting and Appraisal Limited, the independent professional valuer appointed by the Company. The fair value of the property interests attributable to the Group as at 31 March 2022 was approximately RMB1,424.0 million, comprising of the market value of approximately RMB240.0 million (equivalent to approximately HK\$292.8 million based on the Exchange Rate) and the reference value of approximately RMB1,184.0 million (equivalent to approximately HK\$1,444.5 million). Further details of the aforementioned property interests and the corresponding property valuation report set out in "Appendix IV – Property Valuation Report" to this Offer Document.

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**APPENDIX II FINANCIAL INFORMATION OF THE GROUP**

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The following table sets out the calculation of the adjusted unaudited consolidated net asset value per Share as at 31 March 2022:

	<i>(RMB)</i>
Net asset value as at 31 March 2022	1,652,010,436
<b>Adjustments:</b>	
Add: Revaluation surplus arising from the valuation of the properties attributable to the Company as at 31 March 2022 <i>(Note 1)</i>	<u>191,000,794</u>
<b>Adjusted consolidated net asset value</b>	<u><u>1,843,011,230</u></u>
<b>Adjusted net asset value per Share (HK\$) <i>(Note 2)</i></b>	9.68
<b>Offer Price (HK\$)</b>	10.89
<b>Premium represented by the Offer Price to adjusted unaudited consolidated net asset value per Share</b>	<b>12.50%</b>

*Notes:*

1. This represents a revaluation surplus calculated by reference to the fair value of the properties held by the Group as at 31 March 2022 disclosed as sum of the market value and reference values in the property valuation report set out in Appendix IV, and the net book value of such properties held by the Group as at 31 March 2022.
2. Based on 232,381,032 Shares in issue as at the Latest Practicable Date and the Exchange Rate.



**A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

*For illustrative purposes, the financial information prepared in accordance with Rule 4.29 of the Listing Rules is set out here to provide further information about how the financial information of the Group might be affected by the assumption of the completion of the Share Buy-back Offer as if the Share Buy-back Offer had been completed as at 31 December 2021, 1 January 2021 or at any future date.*



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The following are illustrative and unaudited pro forma statements of adjusted consolidated net assets per Share and adjusted earnings per Share (the “**Unaudited Pro Forma Financial Information**”) of the Group attributable to equity holders of the Company which have been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Share Buy-back Offer as if it had taken place on 31 December 2021 for the unaudited pro forma adjusted consolidated net assets per Share attributable to equity holders of the Company after completion of the Share Buy-back Offer or 1 January 2021 for the pro forma adjusted earnings per Share attributable to equity holders of the Company after completion of the Share Buy-back Offer. This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position or financial results of the Group had the Share Buy-back Offer been completed as at 31 December 2021, 1 January 2021 or at any future date.

## Unaudited pro forma statement of adjusted consolidated net assets per Share

	Audited consolidated net assets to equity holders of the Company as at 31 December 2021 <i>(Note 1)</i> <i>RMB'000</i>	Estimated costs to be incurred under the Share Buy-back Offer <i>(Note 2)</i> <i>RMB'000</i>	Unaudited pro forma adjusted consolidated net assets attributable to equity holders of the Company as at 31 December 2021 <i>RMB'000</i>
Non-current assets	2,176,941	–	2,176,941
Current assets*	633,438	(317,730)	315,708
Current liabilities <i>(Note 3)</i>	(732,998)	–	(732,998)
Net current liabilities <i>(Note 3)</i>	(99,560)	(317,730)	(417,290)
Non-current liabilities <i>(Note 3)</i>	(436,689)	–	(436,689)
Net assets	1,640,693	(317,730)	1,322,963
<b>Net assets attributable to equity holders of the Company</b>	<b>1,640,693</b>	<b>(317,730)</b>	<b>1,322,963</b>
*Including:			
– Cash and cash equivalents	362,907	(317,730)	45,177
Net assets per Share attributable to equity holders of the Company <i>(RMB)</i>	7.06 <i>(Note 4)</i>		6.71 <i>(Note 5)</i>

## Unaudited pro forma statement of adjusted earnings per Share

	<b>Audited consolidated profit attributable to equity holders of the Company for the year ended 31 December 2021 <i>(Note 1)</i> RMB'000</b>	<b>Earnings per Share attributable to equity holders of the Company for the year ended 31 December 2021 <i>(Note 4)</i> RMB'000</b>	<b>Unaudited pro forma adjusted earnings per Share attributable to equity holders of the Company after completion of the Share Buy-back Offer <i>(Note 6)</i> RMB'000</b>
Share Buy-back of 35,130,000 H Shares at HK\$10.89 per Share	<u>53,533</u>	<u>0.23</u>	<u>0.27</u>

*Notes:*

- (1) The audited consolidated net assets of the Group attributable to equity holders of the Company as at 31 December 2021 and audited consolidated profit attributable to equity holders of the Company for the year ended 31 December 2021 are extracted from the published annual report of the Group for the year ended 31 December 2021.
- (2) The estimated costs to be incurred under the Share Buy-back Offer of RMB317,730,000 include the Share buy-back costs of approximately RMB313,578,443, which is calculated based on 35,130,000 H Shares to be bought back at the offer price of HK\$10.89 per H Share and the related transaction costs of approximately RMB4,151,557.
- (3) The estimated costs to be incurred under the Share Buy-back Offer will be settled by cash and therefore the Offer will not have any effect on the liabilities of the Group, and the net current liabilities as at 31 December 2021 would increase by approximately RMB317,730,000 from approximately RMB99,560,000 to approximately RMB417,290,000.

- (4) The consolidated net assets per Share attributable to equity holders of the Company as at 31 December 2021 and the earnings per Share attributable to equity holders of the Company for the year ended 31 December 2021 were approximately RMB7.06 and approximately RMB0.23 respectively, which was based on the audited consolidated net assets of the Group attributable to equity holders of the Company as at 31 December 2021 of approximately RMB1,640,693,000 and the audited consolidated profit attributable to equity holders of the Company for the year ended 31 December 2021 of approximately RMB53,533,000 respectively, and on the basis that 232,381,032 Shares were in issue as at 31 December 2021 and throughout the year ended 31 December 2021.
- (5) The unaudited pro forma adjusted consolidated net assets per Share attributable to equity holders of the Company after completion of the Share Buy-back Offer is arrived at after taking into account of the following (i) the audited consolidated net assets of the Group attributable to equity holders of the Company as at 31 December 2021 of approximately RMB1,640,693,000 (Note 1) deducted by the estimated costs to be incurred under the Share Buy-back Offer of approximately RMB317,730,000 (Note 2) and (ii) on the basis that 232,381,032 Shares were in issue as at 31 December 2021 and 35,130,000 H Shares were bought-back under the Share Buy-back Offer, resulting in 197,251,032 Shares, assuming the Share Buy-back Offer had been completed on 31 December 2021.
- (6) The unaudited pro forma adjusted earnings per Share attributable to equity holders of the Company after completion of the Share Buy-back Offer is arrived at after taking into account of the audited consolidated profit attributable to equity holders of the Company for the year ended 31 December 2021 of approximately RMB53,533,000 and on the basis that 232,381,032 Shares were in issue as at 1 January 2021 and 35,130,000 H Shares were bought back under the Share Buy-back Offer, resulting in 197,251,032 Shares throughout the year ended 31 December 2021, assuming the Share Buy-back Offer had been completed on 1 January 2021. The Directors confirm that the related transaction costs of approximately RMB4,151,557 will be debited in full to equity in accordance with the Company's accounting policies.
- (7) For the purposes of the consideration payable from the Share Buy-back Offer, the amount denominated in HK\$ has been converted into RMB at an exchange rate of RMB1.00 to HK\$1.22. No representation is made that the HK\$ amounts have been, could have been or may be converted to RMB, at that rate or at all; and
- (8) No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2021.

**B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

*The following is the text of a report received from WUYIGE Certified Public Accountants LLP, for the purpose of incorporation in this document.*



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We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Lanzhou Zhuangyuan Pasture Co., Ltd. (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net assets per share attributable to equity holders of the Company as at 31 December 2021, the unaudited pro forma statement of adjusted earnings per Share attributable to equity holders of the Company for the year ended 31 December 2021 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages III-1 to III-4 of the Company’s Offer Document dated 6 June 2022 (the “**Offer Document**”), in connection with the proposed conditional cash offer by Elstone Securities Limited on behalf of the Company to buy-back the issued H Shares at the offer price of HK\$10.89 per H Share (the “**Offer**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-4 of the Offer Document.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Offer on the Group’s financial position as at 31 December 2021 and the Group’s financial results for the year ended 31 December 2021 as if the Offer had taken place at 31 December 2021 and 1 January 2021 respectively. As part of this process, information about the Group’s financial position and financial results have been extracted by the Directors from the Group’s financial statements for the year ended 31 December 2021, on which an audit report has been published.

**Directors’ Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7, Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars, (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the China Code of Ethics for Certified Public Accountant, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies China Standards on Quality Control No.5101 (CSQC5101) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Standards for Other Assurance Engagements for Chinese Certified Public Accountants No. 3101 – Assurance Engagements Other Than Auditing or Reviewing Historical Financial Information issued by the Chinese Institute of Certified Public Accountants. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in an Offer Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Offer at 31 December 2021 or 1 January 2021 respectively would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

We believe:

- (1) The Unaudited pro forma financial information has been properly prepared by the directors of your company on the basis described;
- (2) such basis is consistent with the accounting policies of the Group; and
- (3) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**WUYIGE Certified Public Accountants LLP**

*Certified Public Accountants*

The PRC, 6 June 2022

*The following is the text of a letter, a valuation summary and valuation certificates prepared for the purpose of incorporation in this Offer Document received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests held by the Group. Terms defined in this appendix applies to this appendix only.*

**Vincorn Consulting and Appraisal Limited**  
Units 1602-4, 16/F  
FWD Financial Centre  
No. 308 Des Voeux Road Central  
Hong Kong

**The Board of Directors**

Lanzhou Zhuangyuan Pasture Company Limited  
No. 398 Sanjiaocheng Commune,  
Sanjiaocheng Village,  
Chengguan Town, Yuzhong County,  
Lanzhou, Gansu Province  
The People's Republic of China

6 June 2022

Dear Sirs,

**INSTRUCTION AND VALUATION DATE**

We refer to your instructions for us to assess the Market Values of the property interests located in The People's Republic of China ("**The PRC**") held by Lanzhou Zhuangyuan Pasture Company Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Values of the property interests as at 31 March 2022 (the "**Valuation Date**").

**VALUATION STANDARDS**

The valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors effective from 31 December 2020 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2022; and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited, and Rule 11 of the Hong Kong Code on Takeovers and Mergers published by the Securities and Futures Commission.



**VALUATION BASIS**

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the values of the property interests.

For the property interests held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the land use rights.

**POTENTIAL TAX LIABILITIES**

As advised by the Group, the potential tax liabilities which may arise from the sale of the property interests located in The PRC include:

- (i) Value added tax on the consideration at a rate of 9% (plus a surcharge)
- (ii) Corporate income tax on the profit from the sale of property at a rate of 25%; and
- (iii) Land value appreciation tax on appreciated land value at progressive tax rates as follows:

<b>Appreciated land value</b>	<b>Progressive tax rate</b>
Not more than 50%	30%
More than 50% but not more than 100%	40%
More than 100% but not more than 200%	50%
More than 200%	60%

For the property interests held by the Group, they are continued to be held by the Group and with no intention for disposal. Hence, the likelihood of any potential tax liabilities of these property interests being crystallized is remote.

#### **VALUATION METHODOLOGY**

When valuing the property interests held by the Group, we have adopted Market Approach and Cost Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

Cost Approach is subject to an assumption of adequate potential profitability of the business (or to service potential of the entity from the use of assets as a whole) paying due regard to the total assets employed. This technique is based on an estimate of the value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation. In arriving at the value of the land, reference has been made to the land sale transactions as available in the locality. It generally provides the most reliable indication of value for a property in the absence of a known market based on comparable sales.

The property interests held by the Group comprise land parcels leased from third parties, and we have attributed no commercial value to such leased land parcels due either to the prohibition against assignment or sub-letting, or the lack of profit rents.

#### **LAND TENURE AND TITLE INVESTIGATION**

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Group.

We have relied on the advices given by The PRC legal adviser of the Group, SGLA Law Firm, regarding the titles of the property interests in The PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter, the valuation summary and the valuation certificates are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter, the valuation summary and the valuation certificates.

#### **INFORMATION SOURCES**

We have relied to a considerable extent on the information provided by the Group and the legal adviser, in respect of the titles of the property interests in The PRC. We have also accepted advice given to us on matters such as identification of the properties, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation.

#### **INSPECTION AND INVESTIGATIONS**

The properties were inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the properties. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the properties and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the properties and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

**CURRENCY**

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“**RMB**”).

The valuation summary and the valuation certificates are attached hereto.

**Yours faithfully,**

For and on behalf of

**Vincorn Consulting and Appraisal Limited**

**Vincent Cheung**

*BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS*

*Registered Valuer*

*Registered Real Estate Appraiser & Agent PRC*

**Managing Director**

*Note:*

*Vincent Cheung is a fellow of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People’s Republic of China. He is suitably qualified to carry out the valuation and has over 24 years of experience in the valuation of properties of this magnitude and nature in the subject region.*

## VALUATION SUMMARY

## Property Interests Held by the Group for Occupation in The PRC

No.	Property	Market Value as at 31 March 2022	Interest Attributable to the Group	Market Value as at 31 March 2022 Attributable to the Group
1	Lanzhou Zhuangyuan Pasture, Sanjiaocheng Village, Chengguan Town, Yuzhong County, Lanzhou, Gansu Province, The PRC	RMB88,400,000	100%	RMB88,400,000
2	Level 25 to Level 26, Block B, Shanghui Building of Gansu Province, No. 601 Yanyuan Road, Chengguan District, Lanzhou, Gansu Province, The PRC	RMB62,400,000	100%	RMB62,400,000
3	Qinghaihu Dairy Pasture, No. 16 Dongxin Road, Chengdong Economic Development Zone, Xining, Qinghai Province, The PRC	RMB27,300,000	100%	RMB27,300,000
4	Units 1013, 1021-1024 and 1031-1034, Unit 1, Block 2, No. 56 Kunlun East Road, Chengdong District, Xining, Qinghai Province, The PRC	RMB6,600,000	100%	RMB6,600,000
5	32 Residential Units on Level 22 to Level 23, Block 5, Fengcheng 9th Road, Economic and Technological Development Zone, Weiyang District, Xi'an, Shaanxi Province, The PRC	RMB17,600,000	100%	RMB17,600,000
6	Dongfang Dairy Pasture, Dangjia Village, Xinhe Street, Baqiao District, Xi'an, Shaanxi Province, The PRC	No Commercial Value	100%	No Commercial Value
7	Ruifeng Pasture, Shuangdianzi Village & Jiejiazui Village, Sanjiaocheng Town, Yuzhong County, Lanzhou, Gansu Province, The PRC	No Commercial Value	100%	No Commercial Value
8	Ruixing Pasture, Liujiawan Village, Shuping Town, Yongdeng County, Lanzhou, Gansu Province, The PRC	RMB17,600,000	100%	RMB17,600,000

**APPENDIX IV****PROPERTY VALUATION REPORT**

<b>No.</b>	<b>Property</b>	<b>Market Value as at 31 March 2022</b>	<b>Interest Attributable to the Group</b>	<b>Market Value as at 31 March 2022 Attributable to the Group</b>
9	Rui'an Pasture, Shilou Village, Anjiapuo Dongxiangzu Town and Zhaoguan Village, Xianfeng Town, Linxia County, Gansu Province, The PRC	No Commercial Value	100%	No Commercial Value
10	Ruida Pasture, Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei, Gansu Province, The PRC	No Commercial Value	100%	No Commercial Value
11	Ruiyuan Pasture, Puzi Village and Zhupan Village, Beiyuan Town, Linxia County, Gansu Province, The PRC	No Commercial Value	100%	No Commercial Value
12	Ruijia Pasture, Gucheng Village, Shuangwan County, Jinchuan District, Jinchang, Gansu Province, The PRC	RMB20,100,000	100%	RMB20,100,000
13	Duoxian Pasture, Sanyuan County, Xianyang, Shaanxi Province, The PRC	No Commercial Value	100%	No Commercial Value
14	Shengya Pasture, Xin Village and Hewan Village, Tianjiazhai, Huangzhong County, Xining, Qinghai Province, The PRC	No Commercial Value	100%	No Commercial Value
15	Shengyuan Pasture, Huangyuan County, Xining, Qinghai Province, The PRC	No Commercial Value	100%	No Commercial Value
16	Ningxia Zhuangyuan Pasture, Jinyintan Town, Litong District, Wuzhong, Ningxia Hui Autonomous Region, The PRC	No Commercial Value	100%	No Commercial Value
<b>Sub-total:</b>		<b><u>RMB240,000,000</u></b>		<b><u>RMB240,000,000</u></b>

## VALUATION CERTIFICATE

## Property Interests Held by the Group for Occupation in The PRC

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
1	Lanzhou Zhuangyuan Pasture, Sanjiaocheng Village, Chengguan Town, Yuzhong County, Lanzhou, Gansu Province, The PRC	<p>The property comprises 34 buildings and various ancillary structures erected on two parcels of land. The ancillary structures include boundary walls and roads.</p> <p>As per the Real Estate Title Certificates, the property has a total site area of approximately 99,676.04 square metres (“sq.m.”). As per the information provided by the Group, the property has a total gross floor area (“GFA”) of approximately 56,150.79 sq.m., which was completed in various stages between 1998 and 2005.</p> <p>The land use rights of the property were granted for terms expiring on 10 August 2056 and on 18 June 2068 for industrial uses.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	<p>RMB88,400,000 (RENMINBI EIGHTY EIGHT MILLION AND FOUR HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB88,400,000 (RENMINBI EIGHTY EIGHT MILLION AND FOUR HUNDRED THOUSAND)</p>

## Notes:

- The property was inspected by Rong Xia ASE on 23 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to a State-owned Land Use Rights Grant Contract, Gan Rang A Yu [2018] No. 22 dated 19 June 2018 and entered into between Yuzhong County State-owned Land Resources Bureau and Lanzhou Zhuangyuan Pasture Company Limited, the land use rights of a portion of the property with a site area of 75,878.62 sq.m. were granted to Lanzhou Zhuangyuan Pasture Company Limited for industrial uses at a consideration of RMB49,511,700.
- Pursuant to two Real Estate Title Certificates, issued by Yuzhong County State-owned Land Resources Bureau, the land use rights of the property with a total site area of 99,676.04 sq.m. and the building ownership rights of 15 buildings of the property with a total GFA of 8,811.29 sq.m. were granted to Lanzhou Zhuangyuan Pasture Company Limited for various terms.

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**APPENDIX IV****PROPERTY VALUATION REPORT**

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The details of the Real Estate Title Certificates are summarized below:

Certificate No.	Permitted Use	Date of Issue	Land Use Rights		Site Area (sq.m.)	GFA (sq.m.)
			Expiry Date			
Gan (2016) Yu Bu Dong Chan Quan Di No. 001564	Industrial	19 July 2016	10 August 2056		23,797.42	8,811.29
Gan (2018) Yu Bu Dong Chan Quan Di No. 0034796	Industrial	5 September 2018	18 June 2068		75,878.62	–
			<b>Total:</b>		<b>99,676.04</b>	<b>8,811.29</b>

5. Pursuant to two Construction Project Planning Permits, issued by Yuzhong County Planning Bureau, the proposed development of the property was approved.

The details of the Construction Project Planning Permits are summarized below:

Permit No.	Date of Issue	GFA (sq.m.)
Jian Zi Di Fu No. 620123201800031	28 September 2018	36,327.10
Jian Zi Di Fu No. 620123201800037	4 September 2018	97,476.00 – 146,214.00

6. Pursuant to a Construction Project Work Commencement Permit, No. 620123201811160101 dated 16 November 2018 and issued by Yuzhong County Housing and Urban-Rural Development Bureau, the construction of the proposed development of a portion of the property with a GFA of 36,327.10 sq.m. was approved to commence.
7. Pursuant to a Construction Project Work Completion Certificate, 2020 Nian Di No. 17 dated 14 May 2020 and issued by Yuzhong County Housing and Urban-Rural Development Bureau, the completion of construction of a portion of the property with a GFA of 36,327.10 sq.m. was certified.
8. The general description and market information of the property are summarized below:

Location : The property is located at Sanjiaocheng Village, Chengguan Town, Yuzhong County, Lanzhou, Gansu Province, The PRC.

Transportation : Lanzhou Zhongchuan International Airport and Lanzhou Railway Station are located approximately 105.8 kilometres and 47.2 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately an industrial area in Yuzhong County.



9. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Lanzhou Zhuangyuan Pasture Company Limited has obtained the state-owned land use rights and building ownership rights as stated at Note 4 of the property in accordance with laws, and is the legal holder of the state-owned land use rights and building ownership rights of the property.

10. As advised by the Group, 19 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 19 buildings. The reference value of the 19 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB255,300,000.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
2	Level 25 to Level 26, Block B, Shanghui Building of Gansu Province, No. 601 Yanyuan Road, Chengguan District, Lanzhou, Gansu Province, The PRC	<p>The property comprises 44 office units located on Level 25 and Level 26 of an office building, namely Block B of Shanghui Building of Gansu Province.</p> <p>As per the Real Estate Title Certificates, the property has a site area of approximately 14,789.46 sq.m. As per the Real Estate Title Certificates, the property has a total GFA of approximately 3,281.42 sq.m., which was completed in about 2017.</p> <p>The land use rights of the property were granted for a term expiring on 3 September 2062 for business finance and office uses.</p>	<p>As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group for office uses.</p>	<p>RMB62,400,000 (RENMINBI SIXTY TWO MILLION AND FOUR HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB62,400,000 (RENMINBI SIXTY TWO MILLION AND FOUR HUNDRED THOUSAND)</p>

*Notes:*

- The property was inspected by Rong Xia ASE on 23 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC M MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to 44 Real Estate Title Certificates, issued by Lanzhou Natural Resources Bureau, the land use rights of the property with a site area of 14,789.46 sq.m. and the building ownership rights of the property with a total GFA of 3,281.42 sq.m. were granted to Lanzhou Zhuangyuan Pasture Company Limited for a term expiring on 3 September 2062 for business finance and office uses.

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**APPENDIX IV**

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**PROPERTY VALUATION REPORT**

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The details of the Real Estate Title Certificates are summarized below:–

Certificate No.	Portion	Level	Date of Issue	Apportioned	
				GFA (sq.m.)	Site area (sq.m.)
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097256	Unit 001	Level 26	10 December 2020	84.00	30.71
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0098290	Unit 002	Level 26	10 December 2020	84.00	30.71
Gan (2021) Lan Zhou Shi Bu Dong Chan Quan Di No. 0001426	Unit 003	Level 26	6 January 2021	108.96	39.84
Gan (2021) Lan Zhou Shi Bu Dong Chan Quan Di No. 0001332	Unit 004	Level 26	6 January 2021	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096970	Unit 005	Level 26	9 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097772	Unit 006	Level 26	10 December 2020	56.15	20.53
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0098296	Unit 007	Level 26	10 December 2020	56.28	20.58
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097256	Unit 008	Level 26	10 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097045	Unit 009	Level 26	10 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0100865	Unit 010	Level 26	16 December 2020	134.02	49.00
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096996	Unit 011	Level 26	10 December 2020	54.62	19.97
Gan (2021) Lan Zhou Shi Bu Dong Chan Quan Di No. 0006628	Unit 012	Level 26	18 January 2021	71.65	26.20
Gan (2021) Lan Zhou Shi Bu Dong Chan Quan Di No. 0006172	Unit 013	Level 26	15 January 2021	71.65	26.20
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097050	Unit 014	Level 26	10 December 2020	54.62	19.97
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0098281	Unit 015	Level 26	10 December 2020	134.01	49.00
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097776	Unit 016	Level 26	16 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097461	Unit 017	Level 26	10 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097262	Unit 018	Level 26	10 December 2020	56.21	20.55

**APPENDIX IV****PROPERTY VALUATION REPORT**

Certificate No.	Portion	Level	Date of Issue	Apportioned	
				GFA (sq.m.)	Site area (sq.m.)
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0098306	Unit 019	Level 26	10 December 2020	56.09	20.51
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0098285	Unit 020	Level 26	10 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097021	Unit 021	Level 26	10 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097010	Unit 022	Level 26	10 December 2020	108.96	39.84
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0093769	Unit 001	Level 25	3 December 2020	86.05	31.46
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096871	Unit 002	Level 25	9 December 2020	86.32	31.56
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096889	Unit 003	Level 25	9 December 2020	108.96	39.84
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096864	Unit 004	Level 25	9 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096914	Unit 005	Level 25	9 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096885	Unit 006	Level 25	9 December 2020	56.15	20.53
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096995	Unit 007	Level 25	10 December 2020	56.28	20.58
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096899	Unit 008	Level 25	9 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096859	Unit 009	Level 25	9 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096968	Unit 010	Level 25	9 December 2020	136.92	50.06
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096930	Unit 011	Level 25	9 December 2020	57.25	20.93
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096975	Unit 012	Level 25	9 December 2020	74.29	27.16
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096991	Unit 013	Level 25	10 December 2020	74.29	27.16
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097054	Unit 014	Level 25	10 December 2020	57.27	20.94
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097989	Unit 015	Level 25	10 December 2020	136.91	50.06

Certificate No.	Portion	Level	Date of Issue	Apportioned	
				GFA (sq.m.)	Site area (sq.m.)
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097033	Unit 016	Level 25	10 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097019	Unit 017	Level 25	10 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096989	Unit 018	Level 25	10 December 2020	56.21	20.55
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097049	Unit 019	Level 25	10 December 2020	56.09	20.51
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0097024	Unit 020	Level 25	10 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096998	Unit 021	Level 25	10 December 2020	62.39	22.81
Gan (2020) Lan Zhou Shi Bu Dong Chan Quan Di No. 0096898	Unit 022	Level 25	9 December 2020	108.97	39.84
<b>Total:</b>				<b>3,281.42</b>	<b>1,199.75</b>

4. The general description and market information of the property are summarized below:

Location : The property is located at Yanyuan Road, Chengguan District, Lanzhou, Gansu Province, The PRC.

Transportation : Lanzhou Zhongchuan International Airport and Lanzhou Railway Station are located approximately 70.1 kilometres and 6.4 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately an office area in Chengguan District.

5. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Lanzhou Zhuangyuan Pasture Company Limited has obtained the state-owned land use rights and building ownership rights of the property in accordance with laws, and is the legal holder of the state-owned land use rights and building ownership rights of the property.

## APPENDIX IV

## PROPERTY VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
3	Qinghaihu Dairy Pasture, No. 16 Dongxin Road, Chengdong Economic Development Zone, Xining, Qinghai Province, The PRC	<p>The property comprises 19 buildings and various ancillary structures erected on two parcels of land. The ancillary structures include boundary walls and roads.</p> <p>As per the State-owned Land Use Rights Certificates, the property has a total site area of approximately 19,088.05 sq.m.</p> <p>As per the information provided by the Group, the property has a total GFA of approximately 23,374.40 sq.m., which was completed in various stages between 2010 and 2021.</p> <p>The land use rights of the property were granted for a term expiring on 16 August 2055 and 23 December 2058 for industrial uses.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	<p>RMB27,300,000 (RENMINBI TWENTY SEVEN AND THREE HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB27,300,000 (RENMINBI TWENTY SEVEN AND THREE HUNDRED THOUSAND)</p>

### Notes:

- The property was inspected by Eric Liu *BCom MCom Probationer of RICS* on 28 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to two State-owned Land Use Rights Certificates, issued by The People's Government of Qinghai Province, the land use rights of the property with a total site area of 19,088.05 sq.m. were granted to Qinghai Qinghaihu Dairy Company Limited for industrial uses.

The details of the State-owned Land Use Rights Certificates are summarized below:

Certificate No.	Permitted Use	Date of Issue	Land Use Rights	
			Expiry Date	Site Area (sq.m.)
Xi Jing Kai Guo Yong (2005) Zi Di No. 057	Industrial	11 October 2005	16 August 2055	9,494.20
Xi Jing Kai Guo Yong (2009) Zi Di No. 057	Industrial	1 June 2009	23 December 2058	9,593.85
<b>Total:</b>				<b>19,088.05</b>

4. Pursuant to two Building Ownership Certificates, issued by Xining Housing Security and Real Estate Administration Bureau, the building ownership rights of two workshops of the property with a total GFA of 10,223.38 sq.m. were legally vested in Qinghai Qinghaihu Dairy Company Limited.

The details of the Building Ownership Certificates are summarized below:

<b>Building Ownership Certificate No.</b>	<b>Permitted Use</b>	<b>Date of Issue</b>	<b>GFA (sq.m.)</b>
Ning Fang Quan Zheng Dong (Gong) Zi Di No. 12007004316	Industrial	6 February 2007	4,887.07
Ning Fang Quan Zheng Jing Ji Ji Zhu Kai Fa Qu Zi Di No. 089049	Industrial	28 December 2012	5,336.31
<b>Total:</b>			<b>10,223.38</b>

5. Pursuant to a Construction Land Use Planning Permit, Ning Kai Gui Yong Zi Di No. 2005-057 Hao dated 29 May 2005 and issued by Xining Economic and Technological Development Zone Management Committee Land Planning and Construction Bureau, the proposed land use of a portion of the property with a site area of 9,494.20 sq.m. was approved.

6. Pursuant to the information provided by the Group, Qinghai Qinghaihu Dairy Company Limited is a direct wholly-owned subsidiary of the Company.

7. The general description and market information of the property are summarized below:

Location	:	The property is located at No. 16 Dongxin Road, Chengdong Economic Development Zone, Xining, Qinghai Province, The PRC.
Transportation	:	Xining Caojiabao International Airport and Xining Railway Station are located approximately 31.5 kilometres and 8.0 kilometres away from the property respectively.
Nature of Surrounding Area	:	The area is predominately an industrial area in Chengdong Economic Development Zone.

8. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Qinghai Qinghaihu Dairy Company Limited has obtained the state-owned land use rights and building ownership rights as stated at Note 3 and Note 4 of the property in accordance with laws, and is the legal holder of the state-owned land use rights and building ownership rights of the property.

9. As advised by the Group, 17 buildings of the property, which were constructed by and recognized as the assets held by the Group, and aseptic processing room are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 17 buildings. The reference value of the 17 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB32,200,000.

## APPENDIX IV

## PROPERTY VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
4	Units 1013, 1021-1024 and 1031-1034, Unit 1, Block 2, No. 56 Kunlun East Road, Chengdong District, Xining, Qinghai Province, The PRC	<p>The property comprises nine residential units located on Level 1 to Level 3 of Unit 1, Block 2, No. 56 Kunlun East Road.</p> <p>As per the Real Estate Title Certificates, the property has a site area of approximately 10,475.47 sq.m. As per the Real Estate Title Certificates, the property has a total GFA of approximately 1,171.57 sq.m., which was completed in about 2013.</p> <p>The land use rights of the property were granted for a term expiring on 2 June 2070 for residential uses.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	<p>RMB6,600,000 (RENMINBI SIX MILLION AND SIX HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB6,600,000 (RENMINBI SIX MILLION AND SIX HUNDRED THOUSAND)</p>

*Notes:*

- The property was inspected by Eric Liu *BCom MCom Probationer of RICS* on 21 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to nine Real Estate Title Certificates, issued by Xining Economic and Technological Development Zone Dongchuan Industrial Park Real Estate Registration Center, the land use rights of the property with a site area of 10,475.47 sq.m. and the building ownership rights of the property with a total GFA of 1,171.57 sq.m. were granted to Qinghai Qinghaihu Dairy Company Limited for a term expiring on 2 June 2070 for residential uses.



## APPENDIX IV

## PROPERTY VALUATION REPORT

The details of the Real Estate Title Certificates are summarized below:

Certificate No.	Portion	Level	Date of Issue	Apportioned	
				GFA (sq.m.)	Site area (sq.m.)
Qing (2020) Dong Chuan Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0001431	1013	Level 1	9 May 2020	128.23	25.11
Qing (2020) Dong Chuan Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0001432	1021	Level 2	9 May 2020	119.90	23.48
Qing (2020) Dong Chuan Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0001433	1022	Level 2	9 May 2020	127.93	25.05
Qing (2020) Dong Chuan Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0001434	1023	Level 2	9 May 2020	128.23	25.11
Qing (2020) Dong Chuan Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0001435	1024	Level 2	9 May 2020	145.61	28.51
Qing (2020) Dong Chuan Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0001436	1031	Level 3	9 May 2020	119.90	23.48
Qing (2020) Dong Chuan Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0001437	1032	Level 3	9 May 2020	127.93	25.05
Qing (2020) Dong Chuan Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0001438	1033	Level 3	9 May 2020	128.23	25.11
Qing (2020) Dong Chuan Gong Ye Yuan Qu Bu Dong Chan Quan Di No. 0001439	1034	Level 3	9 May 2020	145.61	28.51
<b>Total:</b>				<b>1,171.57</b>	<b>229.41</b>

4. Pursuant to the information provided by the Group, Qinghai Qinghaihu Dairy Company Limited is a direct wholly-owned subsidiary of the Company.

5. The general description and market information of the property are summarized below:

Location : The property is located at No. 56 Kunlun East Road, Chengdong District, Xining, Qinghai Province, The PRC.

Transportation : Xining Caojiapao International Airport, Xining Railway Station and are located approximately 22.4 kilometres and 7.3 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately a residential area in Chengdong District.

6. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Qinghai Qinghaihu Dairy Company Limited has obtained the state-owned land use rights and building ownership rights as stated in Note 3 of the property in accordance with laws, and is the legal holder of the state-owned land use rights and building ownership rights of the property.

## APPENDIX IV

## PROPERTY VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
5	32 Residential Units on Level 22 to Level 23, Block 5, Fengcheng 9th Road, Economic and Technological Development Zone, Weiyang District, Xi'an, Shaanxi Province, The PRC	<p>The property comprises 32 residential units located on Level 22 to Level 23, Block 5, Fengcheng 9th Road.</p> <p>As per the Real Estate Title Certificates, the property has a site area of approximately 6,161.65 sq.m. and a total GFA of approximately 1,764.20 sq.m., which was completed in about 2013.</p> <p>The land use rights of the property were granted for a term expiring on 25 June 2058 for residential uses.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	<p>RMB17,600,000 (RENMINBI SEVENTEEN MILLION AND SIX HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB17,600,000 (RENMINBI SEVENTEEN MILLION AND SIX HUNDRED THOUSAND)</p>

*Notes:*

- The property was inspected by Eric Liu *BCom MCom Probationer of RICS* on 23 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHI REA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to 32 Real Estate Title Certificates, issued by Xi'an Natural Resources and Planning Bureau, the land use rights of the property with a site area of 6,161.65 sq.m. and the building ownership rights of the property with a total GFA of 1,764.20 sq.m. were granted to Xi'an Dongfang Dairy Company Limited for a term expiring on 25 June 2058 for residential uses.

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**APPENDIX IV**

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**PROPERTY VALUATION REPORT**

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The details of the Real Estate Title Certificates are summarized below:

Certificate No.	Portion	Level	Date of Issue	Apportioned	
				GFA (sq.m.)	Site area (sq.m.)
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0327736	22201	Level 22	25 September 2019	51.01	10.30
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328420	22202	Level 22	25 September 2019	78.55	15.86
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328360	22203	Level 22	25 September 2019	46.51	9.39
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328330	22204	Level 22	25 September 2019	46.51	9.39
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328321	22205	Level 22	25 September 2019	78.55	15.86
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328228	22206	Level 22	25 September 2019	51.01	10.30
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328270	22207	Level 22	25 September 2019	39.08	7.89
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328223	22208	Level 22	25 September 2019	39.08	7.89
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328216	22209	Level 22	25 September 2019	51.01	10.30
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328207	22210	Level 22	25 September 2019	78.55	15.86
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328198	22211	Level 22	25 September 2019	46.51	9.39
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328148	22212	Level 22	25 September 2019	46.51	9.39
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328124	22213	Level 22	25 September 2019	78.55	15.86
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328119	22214	Level 22	25 September 2019	51.01	10.30
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328064	22215	Level 22	25 September 2019	49.83	10.06
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0327757	22216	Level 22	25 September 2019	49.83	10.06
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0327742	22316	Level 23	25 September 2019	49.83	10.06
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0327907	22315	Level 23	25 September 2019	49.83	10.06
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328007	22314	Level 23	25 September 2019	51.01	10.30
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328122	22313	Level 23	25 September 2019	78.55	15.86
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328147	22312	Level 23	25 September 2019	46.51	9.39
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328191	22311	Level 23	25 September 2019	46.51	9.39

Certificate No.	Portion	Level	Date of Issue	Apportioned	
				GFA (sq.m.)	Site area (sq.m.)
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328199	22310	Level 23	25 September 2019	78.55	15.86
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328209	22309	Level 23	25 September 2019	51.01	10.30
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328220	22308	Level 23	25 September 2019	39.08	7.89
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328227	22307	Level 23	25 September 2019	39.08	7.89
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328287	22306	Level 23	25 September 2019	51.01	10.30
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328293	22305	Level 23	25 September 2019	78.55	15.86
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328325	22304	Level 23	25 September 2019	46.51	9.39
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328332	22303	Level 23	25 September 2019	46.51	9.39
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328362	22302	Level 23	25 September 2019	78.55	15.86
Shan (2019) Xi An Shi Bu Dong Chan Quan Di No. 0328423	22301	Level 23	25 September 2019	51.01	10.30
<b>Total:</b>				<b>1,764.20</b>	<b>356.20</b>

4. Pursuant to the information provided by the Group, Xi'an Dongfang Dairy Company Limited is a direct wholly-owned subsidiary of the Company.

5. The general description and market information of the property are summarized below:

Location : The property is located at Block 5, Fengcheng 9th Road, Economic and Technological Development Zone, Weiyang District, Xi'an, The PRC.

Transportation : Xi'an Xianyang International Airport, Xi'an North Railway Station and Sports Park Station of Metro Line No. 2 are located approximately 28.1 kilometres, 4.2 kilometres and 710 meters away from the property respectively.

Nature of Surrounding Area : The area is predominately an office area in Weiyang District.

6. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Xi'an Dongfang Dairy Company Limited has obtained the state-owned land use rights and building ownership rights of the property in accordance with laws, and is the legal holder of the state-owned land use rights and building ownership rights of the property.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
6	Dongfang Dairy Pasture, Dangjia Village, Xinhe Street, Baqiao District, Xi'an, Shaanxi Province, The PRC	The property comprises 32 buildings and various ancillary structures erected on two parcels of land. The ancillary structures include boundary walls and roads.  As per the Land Circulation Contract, the property has a total site area of approximately 93.60 Mu. As per the information provided by the Group, the buildings have a total GFA of approximately 25,481.95 sq.m., which was completed in various stages between 1991 and 2017.	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	No Commercial Value  100% Interest Attributable to the Group:  No Commercial Value

*Notes:*

1. The property was inspected by Eric Liu *BCom MCom Probationer of RICS* on 23 May 2022.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
3. Pursuant to a Land Circulation Contract, dated 4 November 2016 and entered into between Villagers' Committee of Dangjia Village Xinhe Street Baqiao District and Xi'an Dongfang Dairy Company Limited, the land of the property with a site area of 93.60 Mu was leased to Xi'an Dongfang Dairy Company Limited.
4. Pursuant to the information provided by the Group, Xi'an Dongfang Dairy Company Limited is a direct wholly-owned subsidiary of the Company.
5. The general description and market information of the property are summarized below:

Location : The property is located at Xinhe Street, Baqiao District, Xi'an, Shaanxi Province, The PRC.

Transportation : Xi'an Xianyang International Airport and Baqiao Railway Station are located approximately 47.7 kilometres and 20.6 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately an industrial area in Baqiao District.

6. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Xi'an Dongfang Dairy Company Limited has executed legally effective lease for the land of the property and has obtained the use rights of the buildings erected thereon in accordance with laws.

7. The land of the property was leased by Xi'an Dongfang Dairy Company Limited, who is holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.

8. As advised by the Group, 32 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 32 buildings. The reference value of the 32 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB26,500,000.

## APPENDIX IV

## PROPERTY VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
7	Ruifeng Pasture, Shuangdianzi Village and Jiejiazui Village, Sanjiaocheng Town, Yuzhong County, Lanzhou, Gansu Province, The PRC	The property comprises 45 buildings and various ancillary structures erected on two parcels of land. The ancillary structures include boundary walls and roads.  As per the Land Circulation Contracts, the property has a total site area of approximately 308.46 Mu. As per the information provided by the Group, the buildings have a total GFA of approximately 31,552.95 sq.m., which was completed in various stages between 2011 and 2021.	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	No Commercial Value  100% Interest Attributable to the Group:  No Commercial Value

*Notes:*

- The property was inspected by Rong Xia *ASE* on 23 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to two Land Circulation Contracts, the land of the property with a total site area of 308.46 Mu was leased to Lanzhou Zhuangyuan Dairy Company Limited (currently known as Lanzhou Zhuangyuan Pasture Company Limited) for a term of 30 years.

The details of the Land Circulation Contracts are summarized below:

Contract No.	Lessor	Lessee	Commencement		Site Area (Mu)
			Date	Expiry Date	
XMYF-10	Villagers' Committee of Shuangdianzi Village, Sanjiaocheng Town, Yuzhong County	Lanzhou Zhuangyuan Dairy Company Limited	16 March 2010	15 March 2040	303.46
XMYF-11	Villagers' Committee of Jiejiazui Village, Sanjiaocheng Town, Yuzhong County	Lanzhou Zhuangyuan Dairy Company Limited	1 September 2010	31 August 2040	5.00
				<b>Total:</b>	<b>308.46</b>

4. The general description and market information of the property are summarized below:

Location : The property is located at Shuangdianzi Village and Jiejiazui Village, Sanjiaocheng Town, Yuzhong County, Lanzhou, Gansu Province, The PRC.

Transportation : Lanzhou Zhongchuan International Airport and Yuzhong Railway Station are located approximately 110.0 kilometres and 7.8 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately an industrial area in Yuzhong County.

5. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Lanzhou Zhuangyuan Dairy Company Limited has executed legally effective lease for the land of the property and has obtained the use rights of the buildings erected thereon in accordance with laws.

6. The land of the property was leased by Lanzhou Zhuangyuan Dairy Company Limited, who is holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.

7. As advised by the Group, 45 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to 45 buildings. The reference value of 45 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB49,500,000.



No.	Property	Description and Tenure	Occupancy Particulars	Market Value at 31 March 2022
8	Ruixing Pasture, Liujiawan Village, Shuping Town, Yongdeng County, Lanzhou, Gansu Province, The PRC	<p>The property comprises 20 buildings and various ancillary structures erected on three parcels of land. The ancillary structures include boundary walls and roads.</p> <p>As per the State-owned Land Use Rights Certificate, Real Estate Title Certificate and Land Circulation Contract, the property has a total site area of approximately 641,174.33 sq.m.</p> <p>As per the information provided by the Group, the buildings have a total GFA of approximately 21,000.96 sq.m., which was completed in various stages between 2014 and 2020.</p> <p>The land use rights of a portion of the property were granted for a term expiring on 29 May 2065 for industrial uses and 12 November 2067 for warehouse uses.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	<p>RMB17,600,000 (RENMINBI SEVENTEEN MILLION AND SIX HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB17,600,000 (RENMINBI SEVENTEEN MILLION AND SIX HUNDRED THOUSAND)</p>

Notes:

- The property was inspected by Rong Xia ASE on 21 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to a State-owned Land Use Rights Certificate, Yong Guo Yong (2015) Di No. 0030 dated 28 June 2015 and issued by Yongdeng County State-owned Land Resources Bureau, the land use rights of a portion of the property with a site area of 46,361.00 sq.m. were granted to Lanzhou Ruixing Farming Company Limited for a term expiring on 29 May 2065 for industrial uses.
- Pursuant to a Real Estate Title Certificate, Gan (2018) Yong Deng Xian Bu Dong Chan Quan Di No. 0000295 dated 14 March 2018 issued by Yongdeng County State-owned Land Resources Bureau, the land use rights of a portion of the property with a site area of 35,180.00 sq.m. were granted to Lanzhou Ruixing Farming Company Limited for a term expiring on 12 November 2067 for warehouse uses.
- Pursuant to a Land Circulation Contract, dated 5 May 2021 and entered into between Yeguo Yang and Lanzhou Ruixing Farming Company Limited, a portion of land of the property with a site area of 839.45 Mu was leased to Lanzhou Ruixing Farming Company Limited for a term of 10 years commencing on 1 May 2021 and expiring on 30 April 2031 for plantation uses.

6. Pursuant to the information provided by the Group, Lanzhou Ruixing Farming Company Limited is a direct wholly-owned subsidiary of the Company.
7. The general description and market information of the property are summarized below:
- Location : The property is located at Liujiawan Village, Shuping Town, Yongdeng County, Lanzhou, Gansu Province, The PRC.
- Transportation : Lanzhou Zhongchuan International Airport and Lanzhou New District Railway Station are located approximately 13.8 kilometres and 11.1 kilometres away from the property respectively.
- Nature of Surrounding Area : The area is predominately an industrial area in Yongdeng County.
8. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:
- (a) Lanzhou Ruixing Farming Company Limited has obtained the state-owned land use rights as stated at Note 3 and Note 4 of the property in accordance with laws, and is the legal holder of the state-owned land use rights of the property; and
- (b) Lanzhou Ruixing Farming Company Limited has executed legally effective lease for a portion of land of the property and has obtained the use rights of the buildings erected thereon in accordance with laws.
9. A portion of land of the property as stated in Note 5, was leased by Lanzhou Ruixing Farming Company Limited, who is holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased portion of land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.
10. As advised by the Group, 20 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to 20 buildings. The reference value of 20 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB57,000,000.

## APPENDIX IV

## PROPERTY VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
9	Rui'an Pasture, Shilou Village, Anjiapo Dongxiangzu Town, and Zhaoguan Village, Xianfeng Town, Linxia County, Gansu Province, The PRC	The property comprises 20 buildings and various ancillary structures erected on three parcels of land. The ancillary structures include boundary walls and roads.  As per the Land Circulation Contracts, the property has a total site area of approximately 221.42 Mu. As per the information provided by the Group, the property has a total GFA of approximately 13,626.66 sq.m., which was completed in various stages between 2011 and 2012.	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	No Commercial Value  100% Interest Attributable to the Group.  No Commercial Value

*Notes:*

- The property was inspected by Rong Xia ASE on 22 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC M MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to three Land Circulation Contracts, the land of the property with a total site area of 221.42 Mu was leased for various terms.

The details of the Land Circulation Contracts are summarized below:–

No.	Lessor	Lessee	Lease Term	Commencement Date	Expiry Date	Site Area (Mu)
1.	Villagers' Committee of Shilou Village, Anjiapo Dongxiangzu Town, Linxia County	Linxia County Rui'an Pasture Company Limited	23 years	21 February 2018	31 December 2040	55.83
2.	Villagers' Committee of Shilou Village, Anjiapo Dongxiangzu Town, Linxia County	Lanzhou Zhuangyuan Dairy Company Limited (currently known as Lanzhou Zhuangyuan Pasture Company Limited)	30 years	January 2010	31 December 2040	122.00
3.	Villagers' Committee of Zhaoguan Village, Xianfeng Town, Linxia County	Linxia County Rui'an Pasture Company Limited	23 years	21 February 2018	31 December 2040	43.59
					<b>Total:</b>	<b>221.42</b>

4. Pursuant to the information provided by the Group, Linxia County Rui'an Pasture Company Limited is a direct wholly-owned subsidiary of the Company.

5. The general description and market information of the property are summarized below:

Location : The property is located at Shilou Village, Anjiapo Dongxiangzu Town, and Zhaoguan Village, Xianfeng Town, Linxia County, Gansu Province, The PRC.

Transportation : Lanzhou Zhongchuan International Airport and Linxia Motor Bus Station are located approximately 141.4 kilometres and 14.0 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately a village area in Linxia County.

6. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Linxia County Rui'an Pasture Company Limited and Lanzhou Zhuangyuan Dairy Company Limited have executed legally effective lease for the land of the property and have obtained the use rights of the buildings erected thereon in accordance with laws.

7. The land of the property was leased by Linxia County Rui'an Pasture Company Limited and Lanzhou Zhuangyuan Dairy Company Limited, who are holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.

8. As advised by the Group, 20 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 20 buildings. The reference value of the 20 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB32,300,000.

<b>No.</b>	<b>Property</b>	<b>Description and Tenure</b>	<b>Occupancy Particulars</b>	<b>Market Value as at 31 March 2022</b>
10	Ruida Pasture, Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei, Gansu Province, The PRC	<p>The property comprises 14 buildings and various ancillary structures erected on six parcels of land. The ancillary structures include boundary walls and roads.</p> <p>As per the Land Circulation Contracts, the property has a total site area of approximately 759.38 Mu. As per the information provided by the Group, the buildings have a total GFA of approximately 30,232.18 sq.m., which was completed in various stages between 2010 and 2019.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	<p>No Commercial Value</p> <p>100% Interest Attributable to the Group:</p> <p>No Commercial Value</p>

*Notes:*

1. The property was inspected by Rong Xia *ASE* on 21 May 2022.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
3. Pursuant to six Land Circulation Contracts, the land of the property with a total site area of 759.38 Mu was leased for various terms.

The details of the Land Circulation Contracts are summarized below:

No.	Lessor	Lessee	Permitted Use	Lease Term	Commencement		Site Area (Mu)
					Date	Expiry Date	
1.	Villagers' Committee of Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei	Wuwei Ruida Pasture Company Limited	Plantation; Production and Operation	19 years	20 February 2020	20 February 2039	362.49
2.	Villagers' Committee of Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei	Lanzhou Zhuangyuan Dairy Company Limited (currently known as Lanzhou Zhuangyuan Pasture Company Limited)	Dairy Farming	30 years	25 January 2011	24 January 2041	7.50
3.	Villagers' Committee of Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei	Wuwei Ruida Pasture Company Limited	Plantation; Production and Operation	20 years	1 April 2019	1 April 2039	162.19
4.	Villagers' Committee of Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei	Wuwei Ruida Pasture Company Limited	Plantation	21 years and six months	25 April 2018	24 October 2039	86.20
5.	Villagers' Committee of Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei	Wuwei Ruida Pasture Company Limited	Dairy Farming	22 years	25 October 2017	26 October 2039	1.00
6.	Villagers' Committee of Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei	Lanzhou Zhuangyuan Dairy Company Limited	Dairy Farming	30 years	26 October 2009	25 October 2039	140.00
<b>Total:</b>							<b>759.38</b>

4. Pursuant to a Land Circulation Contracts Supplementary Agreement, dated 18 July 2019 and entered into between Villagers' Committee of Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei and Wuwei Ruida Pasture Company Limited, the lease expiry date of a portion of the property with a site area of 162.19 Mu was extended to 31 October 2039.
5. Pursuant to the information provided by the Group, Wuwei Ruida Pasture Company Limited is a direct wholly-owned subsidiary of the Company.

6. The general description and market information of the property are summarized below:

Location : The property is located at Zhongzhuang Village, Heping Town, Liangzhou District, Wuwei, Gansu Province, The PRC.

Transportation : Jinchang Jinchuan Airport and Wuwei Railway Station are located approximately 87.9 kilometres and 3.8 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately a village area in Liangzhou District.

7. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Wuwei Ruida Pasture Company Limited and Lanzhou Zhuangyuan Dairy Company Limited have executed legally effective lease for the land of the property and have obtained the use rights of the buildings erected thereon in accordance with laws.

8. The land of the property was leased by Wuwei Ruida Pasture Company Limited and Lanzhou Zhuangyuan Dairy Company Limited, who are holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.

9. As advised by the Group, 14 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 14 buildings. The reference value of the 14 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB72,100,000.

## APPENDIX IV

## PROPERTY VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
11	Ruiyuan Pasture, Puzi Village and Zhupan Village, Beiyuan Town, Linxia County, Gansu Province, The PRC	The property comprises 20 buildings and various ancillary structures erected on five parcels of land. The ancillary structures include boundary walls and roads.  As per the Land Circulation Contracts, the property has a total site area of approximately 309.28 Mu. As per the information provided by the Group, the property has a total GFA of approximately 38,804.46 sq.m., which was completed in various stages between 2010 and 2019.	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	No Commercial Value  100% Interest Attributable to the Group:  No Commercial Value

### Notes:

- The property was inspected by Rong Xia ASE on 22 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHI REA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to five Land Circulation Contracts, the land of the property with a total site area of 309.28 Mu was leased for various terms.

The details of the Land Circulation Contracts are summarized below:–

No.	Lessor	Lessee	Permitted Use	Lease Term	Commencement Date	Expiry Date	Site Area (Mu)
1.	Villagers' Committee of Puzi Village, Beiyuan Town, Linxia County	Lanzhou Zhuangyuan Dairy Company Limited (currently known as Lanzhou Zhuangyuan Pasture Company Limited)	–	30 years	January 2020	31 December 2040	72.16
2.	Villagers' Committee of Puzi Village, Beiyuan Town, Linxia County	Linxia County Ruiyuan Pasture Company Limited	–	24 years	1 March 2017	31 December 2040	93.60
3.	Villagers' Committee of Zhupan Village, Beiyuan Town, Linxia County	Linxia County Ruiyuan Pasture Company Limited	Dairy Farming	25 years	1 March 2017	31 December 2040	59.41
4.	Villagers' Committee of Zhupan Village, Beiyuan Town, Linxia County	Lanzhou Zhuangyuan Dairy Company Limited	–	30 years	January 2020	31 December 2040	50.17
5.	Villagers' Committee of Zhupan Village, Beiyuan Town, Linxia County	Lanzhou Zhuangyuan Pasture Company Limited	–	25 years	January 2015	31 December 2040	33.94
						<b>Total:</b>	<b>309.28</b>



4. Pursuant to the information provided by the Group, Linxia County Ruiyuan Pasture Company Limited is a direct wholly-owned subsidiaries of the Company.

5. The general description and market information of the property are summarized below:

Location : The property is located at Puzi Village and Zhupan Village, Bei yuan Town, Linxia County, Gansu Province, The PRC.

Transportation : Lanzhou Zhongchuan Airport and Linxia Motor Bus Station are located approximately 143.6 kilometres and 10.3 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately a dairy farming area in Bei yuan Town.

6. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Linxia County Ruiyuan Pasture Company Limited, Lanzhou Zhuangyuan Dairy Company Limited and Lanzhou Zhuangyuan Pasture Company Limited have executed legally effective lease for the land of the property and have obtained the use rights of the buildings erected thereon in accordance with laws.

7. The land of the property was leased by Linxia County Ruiyuan Pasture Company Limited, Lanzhou Zhuangyuan Dairy Company Limited and Lanzhou Zhuangyuan Pasture Company Limited, who are holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.

8. As advised by the Group, 20 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 20 buildings. The reference value of the 20 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB96,000,000.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
12	Ruijia Pasture, Gucheng Village, Shuangwan County, Jinchuan District, Jinchang, Gansu Province, The PRC	<p>The property comprises 42 buildings and various ancillary structures erected on three parcels of land. The ancillary structures include boundary walls and roads.</p> <p>As per the Real Estate Title Certificates and the Land Circulation Contract, the property has a total site area of approximately 1,268,804.77 sq.m. As per the information provided by the Group, the property has a total GFA of approximately 161,457.79 sq.m., which was completed in various stages between 2020 and 2022.</p> <p>The land use rights of two parcels of land of the property with a total site area of 248,133.00 sq.m. were granted for a term expiring on 30 August 2069 for industrial uses and 30 August 2059 for commercial uses.</p>	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	<p>RMB20,100,000 (RENMINBI TWENTY MILLION AND ONE HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB20,100,000 (RENMINBI TWENTY MILLION AND ONE HUNDRED THOUSAND)</p>

## Notes:

- The property was inspected by Rong Xia ASE on 21 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to two State-owned Land Use Rights Grant Contracts, dated 31 July 2019 and entered into between Jinchang Natural Resources Bureau and Gansu Ruijia Pasture Company Limited, the land use rights of a portion of the property with a total site area of 248,133.00 sq.m. were granted to Gansu Ruijia Pasture Company Limited for various terms.

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**APPENDIX IV****PROPERTY VALUATION REPORT**

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The details of the State-owned Land Use Rights Grant Contracts are summarized below:

Contract No.	Permitted Use	Lease Term	Land Use Rights		Site Area (sq.m.)	Consideration (RMB)
			Expiry Date			
Gan Rang C (Jin [2019] No. 10)	Industrial	50 years	30 August 2069		167,742.00	7,250,000
Gan Rang C (Jin [2019] No. 11)	Commercial	40 years	30 August 2059		80,391.00	9,500,000
			<b>Total:</b>		<b>248,133.00</b>	<b>16,750,000</b>

4. Pursuant to two Real Estate Title Certificates, issued by Jianchang Jinchuan District Real Estate Registration Bureau, the land use rights of a portion of the property with a total site area of 248,133.00 sq.m. were granted to Gansu Ruijia Pasture Company Limited for various terms.

The details of the Real Estate Title Certificates are summarized below:

Certificate No.	Permitted Use	Date of Issue	Land Use Rights		Site Area (sq.m.)
			Expiry Date		
Gan (2020) Jin Chuan Qu Bu Dong Chan Quan Di No. 0000078	Industrial	2 March 2020	30 August 2069		167,742.00
Gan (2020) Jin Chuan Qu Bu Dong Chan Quan Di No. 0000079	Commercial	2 March 2020	30 August 2059		80,391.00
			<b>Total:</b>		<b>248,133.00</b>

5. Pursuant to a Land Circulation Contract, dated 13 March 2020, and the subsequent supplementary contracts and entered into between Villagers' Committee of Gucheng Village, Shuangtao Town, Jinchuan District and Gansu Ruijia Pasture Company Limited, a portion of land of the property with a site area of 1,531 Mu (1,020,671.77 sq.m.) was leased to Gansu Ruijia Pasture Company Limited for a term of 20 years expiring on 31 December 2041 for production and operation uses.
6. Pursuant to two Rural Construction Planning Permits, dated 22 January 2020 and issued by Jinchang Natural Resources Bureau Jinchuan Branch, the proposed land use of a portion of the property with a total site area of 248,133.00 sq.m. and a total GFA of 84,941.21 sq.m. was approved.

The details of the Rural Construction Planning Permits are summarized below:

Permit No.	Date of Issue	Site Area (sq.m.)	GFA (sq.m.)
Xiang Zi Di Jin Qu Gui No. 2020-001	22 January 2020	80,391.00	18,720.83
Xiang Zi Di Jin Qu Gui No. 2020-002	22 January 2020	167,742.00	66,220.38
	<b>Total:</b>	<b>248,133.00</b>	<b>84,941.21</b>

7. Pursuant to a Construction Project Work Commencement Permit, No. 620302202005210101 dated 21 May 2020 and issued by Jinchuan District Housing and Urban-Rural Development Bureau, the construction of the proposed development of a portion of the property with a GFA of 55,442.22 sq.m. was approved to commence.
8. Pursuant to the information provided by the Group, Gansu Ruijia Pasture Company Limited is a direct wholly-owned subsidiary of the Company.
9. The general description and market information of the property are summarized below:
- Location : The property is located at Gucheng Village, Shuangwan County, Jinchuan District, Jinchang, Gansu Province, The PRC.
- Transportation : Jinchang Jinchuan Airport and Jinchang Railway Station are located approximately 15.0 kilometres and 46.1 kilometres away from the property respectively.
- Nature of Surrounding Area : The area is predominately an industrial area in Shuangwan County.
10. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:
- (a) Gansu Ruijia Pasture Company Limited has obtained the state-owned land use rights as stated at Note 4 of the property in accordance with laws, and is the legal holder of the state-owned land use rights of the property; and
- (b) Gansu Ruijia Pasture Company Limited has executed legally effective lease for a portion of land of the property and has obtained the use rights of the buildings erected thereon in accordance with laws.
11. A portion of land of the property as stated in Note 5 was leased by Gansu Ruijia Pasture Company Limited, who is holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased portion of land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.
12. As advised by the Group, 42 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 42 buildings. The reference value of the 42 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB318,600,000.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
13	Duoxian Pasture, Sanyuan County, Xianyang, Shaanxi Province, The PRC	<p>The property comprises 22 buildings and various ancillary structures erected on a parcel of land. The ancillary structures include boundary walls and roads.</p> <p>As per the Land Circulation Contract, the property has a site area of 165.06 Mu. As per the information provided by the Group, the property has a total GFA of approximately 44,813.35 sq.m., which was completed in various stages between 2015 and 2018.</p>	<p>As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.</p>	<p>No Commercial Value</p> <p>100% Interest Attributable to the Group:</p> <p>No Commercial Value</p>

*Notes:*

1. The property was inspected by Eric Liu *BCom MCom Probationer of RICS* on 23 May 2022.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
3. Pursuant to a Land Circulation Contract, dated 3 November 2011 and entered into between Villagers' Committee of Zhouxiao Village Gaoqu Development Service Center Sanyuan County and Xi'an Dongfang Dairy Company Limited, the land of the property with a site area of 165.06 Mu was leased to Xi'an Dongfang Dairy Company Limited for a term of 30 years commencing on 1 October 2011 and expiring on 30 September 2041.
4. Pursuant to the information provided by the Group, Xi'an Dongfang Dairy Company Limited is a direct wholly-owned subsidiary of the Company.
5. The general description and market information of the property are summarized below:

Location : The property is located at Sanyuan County, Xianyang, Shaanxi Province, The PRC.

Transportation : Xi'an Xianyang International Airport and Sanyuan Railway Station are located approximately 37.7 kilometres and 2.9 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately an industrial area in Sanyuan County.

6. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Xi'an Dongfang Dairy Company Limited has executed legally effective lease for the land of the property and has obtained the use rights of the buildings erected thereon in accordance with laws.

7. The land of the property was leased by Xi'an Dongfang Dairy Company Limited, who is holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.

8. As advised by the Group, 22 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 22 buildings. The reference value of the 22 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB104,100,000.

## APPENDIX IV

## PROPERTY VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
14	Shengya Pasture, Xin Village and Hewan Village, Tianjiazhai, Huangzhong County, Xining, Qinghai Province	The property comprises 21 buildings and various ancillary structures erected on three parcels of land. The ancillary structures include boundary walls and roads.  As per the Land Circulation Contracts, the property has a total site area of approximately 291.39 Mu. As per the information provided by the Group, the property has a total GFA of approximately 30,368.91 sq.m., which was completed in various stages between 2010 and 2018.	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	No Commercial Value  100% Interest Attributable to the Group:  No Commercial Value

*Notes:*

- The property was inspected by Eric Liu *BCom MCom Probationer of RICS* on 30 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to three Land Circulation Contracts, the land of the property with a total site area of 291.39 Mu was leased for various terms for dairy farming use.

The details of the Land Circulation Contracts are summarized below:

Contract No.	Lessor	Lessee	Lease Term	Commencement		Site Area (Mu)
				Date	Expiry Date	
[2014] Di No. 08	Villagers' Committee of Xin Village, Tianjiazhai, Huangzhong County	Qinghai Shengya Plateau Pasture Company Limited	25 years	4 May 2014	4 May 2039	21.74
-	Villagers' Committee of Xin Village, Tianjiazhai, Huangzhong County	Qinghai Qinghaihu Dairy Company Limited	30 years	4 May 2009	4 May 2039	247.11
[2014] Di No. 09	Villagers' Committee of Hewan Village, Tianjiazhai, Huangzhong County	Qinghai Shengya Plateau Pasture Company Limited	25 years	4 May 2014	4 May 2039	22.54
<b>Total:</b>						<b>291.39</b>

- Pursuant to the information provided by the Group, Qinghai Shengya Plateau Pasture Company Limited and Qinghai Qinghaihu Dairy Company Limited are direct wholly-owned subsidiaries of the Company.

5. The general description and market information of the property are summarized below:

Location : The property is located at Xin Village and Hewan Village, Tianjiashai, Huangzhong County, Xining, Qinghai Province.

Transportation : Xining Caojiabao International Airport and Xining Railway Station are located approximately 28.0 kilometres and 25.2 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately a village area in Huangzhong County.

6. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Qinghai Shengya Plateau Pasture Company Limited and Qinghai Qinghaihu Dairy Company Limited have executed legally effective lease for the land of the property and have obtained the use rights of the buildings erected thereon in accordance with laws.

7. The land of the property was leased by Qinghai Shengya Plateau Pasture Company Limited and Qinghai Qinghaihu Dairy Company Limited, who are holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.

8. As advised by the Group, 21 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 21 buildings. The reference value of the 21 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB63,300,000.



No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
15	Shengyuan Pasture, Huangyuan County, Xining, Qinghai Province, The PRC	The property comprises 21 buildings and various ancillary structures erected on a parcel of land. The ancillary structures include boundary walls and roads.  As per the Land Lease Contract, the property has a site area of approximately 106,667.20 sq.m. As per the information provided by the Group, the property has a total GFA of approximately 15,186.88 sq.m., which was completed in various stages between 2011 and 2016.	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	No Commercial Value  100% Interest Attributable to the Group:  No Commercial Value

*Notes:*

- The property was inspected by Eric Liu *BCom MCom Probationer of RICS* on 30 May 2022.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to a Land Lease Contract, XMQ5-05 dated 1 March 2010 and entered into between Qinghai Qinghaihu Dairy Company Limited and Qinghai Shengyuan Pasture Company Limited, the land of the property with a site area of 106,667.20 sq.m. was leased to Qinghai Shengyuan Pasture Company Limited for a term of 30 years commencing on 1 March 2010 and expiring on 28 February 2040 for dairy farming uses.
- Pursuant to the information provided by the Group, Qinghai Shengyuan Pasture Company Limited is a direct wholly-owned subsidiary of the Company.
- The general description and market information of the property are summarized below:

Location : The property is located at Huangyuan County, Xining, Qinghai Province, The PRC.

Transportation : Xining Caojiabao International Airport and Huangyuan Railway Station are located approximately 122.3 kilometres and 5.6 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately an industrial area in Huangyuan County.

6. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Qinghai Shengyuan Pasture Company Limited has executed legally effective lease for the land of the property and has obtained the use rights of the buildings erected thereon in accordance with laws.

7. The land of the property was leased by Qinghai Shengyuan Pasture Company Limited, who is holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.

8. As advised by the Group, 21 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 21 buildings. The reference value of the 21 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB38,800,000.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 March 2022
16	Ningxia Zhuangyuan Pasture, Jinyintan Town, Litong District, Wuzhong, Ningxia Hui Autonomous Region, The PRC	The property comprises 14 buildings and various ancillary structures erected on a parcel of land. The ancillary structures include boundary walls and roads.  As per the Project Investment Agreement, the property has a site area of approximately 200.00 Mu. As per the information provided by the Group, the property has a total GFA of approximately 23,267.53 sq.m., which was completed in various stages between 2010 and 2019.	As per our on-site inspection and the information provided by the Group, the property is currently occupied by the Group.	No Commercial Value  100% Interest Attributable to the Group:  No Commercial Value

*Notes:*

1. The property was inspected by Eric Liu *BCom MCom Probationer of RICS* on 22 May 2022.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
3. Pursuant to a Project Investment Agreement, [2010] Di No. 008 dated 1 March 2010 and entered into between the Town Government of Jinyintan Town of Litong District of Wuzhong and Lanzhou Zhuangyuan Dairy Company Limited (currently known as Lanzhou Zhuangyuan Pasture Company Limited), the land of the property with a site area of 200.00 Mu was allocated to Lanzhou Zhuangyuan Dairy Company Limited for a term of 30 years commencing on 1 March 2010 and expiring on 28 February 2040 for dairy farming uses.
4. The general description and market information of the property are summarized below:

Location : The property is located at Jinyintan Town, Li Tong District, Wuzhong, Ningxia Hui Autonomous Region, The PRC.

Transportation : Yinchuan Hedong International Airport and Wuzhong Railway Station are located approximately 54.0 kilometres and 8.8 kilometres away from the property respectively.

Nature of Surrounding Area : The area is predominately a village area in Litong District.

5. We have been provided with a legal opinion regarding the property by SGLA Law Firm, which contains, inter alia, the following:

Lanzhou Zhuangyuan Dairy Company Limited has executed legally effective lease for the land of the property and has obtained the use rights of the buildings erected thereon in accordance with laws.

6. The land of the property was leased by Lanzhou Zhuangyuan Dairy Company Limited, who is holding the leasehold interests of the land instead of the state-owned land use rights of the land. No commercial value has been attributed to the leased land of the property due either to the prohibition against assignment or sub-letting, or the lack of profit rents.
7. As advised by the Group, 14 buildings of the property, which were constructed by and recognized as the assets held by the Group, are yet to be granted with proper title certificates of building ownership rights. In the course of our valuation, we have attributed no commercial value to the 14 buildings. The reference value of the 14 buildings, assuming that they have been granted with proper title certificates of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB38,300,000.

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## APPENDIX V                      GENERAL INFORMATION OF THE COMPANY

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### 1.      RESPONSIBILITY STATEMENT

The Directors jointly and severally accept fully responsibility for the accuracy of the information contained in this Offer Document, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement contained in this Offer Document misleading.

### 2.      SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued H Share capital of the Company were as follows:

	Number of H Shares	Amount in RMB
<b>Authorised H Share capital:</b>		
H Shares of RMB1.00 each	35,130,000 H Shares	35,130,000
<b>Issued and fully paid:</b>		
H Shares of RMB1.00 each	35,130,000 H Shares	35,130,000

All the existing issued H Shares are fully paid up or credited as fully paid and rank pari passu in all respects with each other, including all rights in respect of capital, dividends and voting.

The Company has not issued any new H Shares nor did they buy back any H Shares since 31 December 2021, being the end of the last financial year of the Company. The Company has no other outstanding securities, options, warrants or convertible derivatives that affects the H Shares.

On 22 December 2020, the Company had issued 43,000,000 A Shares at an issue price of RMB8.78 per A Share under the Company's non-public issuance of A Shares in December 2020. For further details, please refer to the announcements of the Company dated 22 December 2020.

On 16 June 2021, the Company repurchased and cancelled 1,299,568 Restricted A Shares, representing 0.56% of the Company's then total share capital of 233,680,600 shares and 0.65% of the total A share capital of 198,550,600 A Shares respectively, at a price of RMB6.84 per Share pursuant to the terms of the 2019 Restricted A Shares Incentive Scheme due to non-fulfilment of the Company's performance target and resignation of the relevant incentive participants. For further details, please refer to the circular of the Company dated 3 March 2021 and the announcement of the Company dated 16 June 2021.

Save for the aforesaid, (i) for the two financial years preceding the commencement of the Offer Period, there has been no reorganisation of capital, and (ii) the Company did not buy back any Shares for the 12 months period immediately preceding the date of this Offer Document. None of the H Shares were issued during the 2-year period immediately preceding the date of the Share Buy-back Offer.

### **3. MARKET PRICES**

The table below sets out the closing prices of the H Shares on the Stock Exchange on (i) the first date of the Relevant Period; (ii) the last day on which trading took place in each of the calendar months during the Relevant Period; (iii) the Last Trading Day; (iv) the last trading day prior to publication of the Rule 3.5 Announcement; and (v) the Latest Practicable Date:

	<b>Closing Price of the H Shares (HK\$)</b>
17 June 2021	6.17
30 June 2021	6.28
30 July 2021	6.03
31 August 2021	6.42
30 September 2021	6.45
29 October 2021	7.44
30 November 2021	7.78
17 December 2021 (the Last Trading Day)	8.70
31 December 2021	9.00
31 January 2022	9.20
28 February 2022	9.48
31 March 2022	9.50
22 April 2022 (the last trading day prior to publication of the Rule 3.5 Announcement)	9.75
29 April 2022	9.97
31 May 2022	10.00
2 June 2022 (the Latest Practicable Date)	10.06

During the Relevant Period, the highest and lowest closing prices of the H Shares as quoted on the Stock Exchange was HK\$10.08 per H Share on 4 May 2022 and 5 May 2022 and HK\$5.94 per H Share on 27 July 2021, respectively. The Offer Price is above the highest closing price of the H Share during the Relevant Period.

**4. DIVIDEND**

The frequency and amount of dividends that have been proposed or paid out by the Company to the H Shareholders during the 2 year period immediately preceding the date of this Offer Document are as follows:

	<b>For the financial year ended 2020</b>	<b>For the financial year ended 2021</b>
	<i>RMB</i>	<i>RMB</i>
Interim dividend for the six months ended 30 June	Nil	Nil
Final dividend per Share for the year ended 31 December	0.02	0.047

As disclosed in the annual report of the Company dated 29 April 2022, the Board has recommended the payment of a final cash dividend of RMB4.70 cents per Share (including tax) for the year ended 31 December 2021 to Shareholders whose names appear on the Final Dividend Record Date.

**5. DISCLOSURE OF INTERESTS****Interests and short positions of Directors in the Company**

As at the Latest Practicable Date, none of the Directors and chief executive of the Company has any interest and short position in the H Shares of the Company which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

As of the Latest Practicable Date, none of the Directors or their respective associates had an interest in a business that competed with or might compete with the business of the Company.

**Interests of substantial shareholders in the Company**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as is known to the Directors, the following persons had, or were deemed or taken to have interests or short positions in the H Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Shareholders	Capacity	Approximately	
		No. of H Shares held	% of the H Shares
Mr. Hu Keliang	Legal and beneficial owner	4,837,500	13.77%
Mr. Wang Wei ( <i>Note 1</i> )	Legal and beneficial owner/Interest held by controlled corporation	3,936,000	11.20%
Mr. Ren Qifeng ( <i>Note 2</i> )	Legal and beneficial owner	3,523,000	10.03%
Ms. Zhang Fenmei	Legal and beneficial owner	3,419,000	9.73%

*Notes:*

1. According to public information available to the Company, (i) Mr. Wang Wei directly owns 1,640,000 H Shares and (ii) Venko Limited, the entire issued share capital of which is beneficially owned by Mr. Wang Wei, directly owns 2,296,000 H Shares. Mr. Wang Wei therefore controls the exercise of the voting rights over 3,936,000 H Shares.
2. According to public information available to the Company, Technoart Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Ren Qifeng, directly owns 3,523,000 H Shares. Mr. Ren Qifeng therefore controls the exercise of the voting rights over 3,523,000 H Shares.

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the H Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.



**6. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group which (i) have been entered into or amended within 6 months before the commencement of the Offer Period (including both continuous and fixed terms contracts); (ii) are continuous contracts with a notice period of 12 months or more; and (iii) are fixed terms contracts with more than 12 months to run irrespective of the notice period.

**7. SHAREHOLDINGS AND DEALINGS IN SECURITIES OF THE COMPANY**

As at the Latest Practicable Date, (i) Mr. Ma Hongfu and Ms. Zhang Qianyu, being Directors, holds or controls the voting rights over 47,197,400 A Shares and 75,600 A Shares, respectively; (ii) Mr. Wang Xuefeng, a supervisor of the Company, holds 18,900 A Shares; and (iii) Gansu Nongken Group controls the voting rights over 68,826,365 A Shares, which aggregate to 116,118,265 A Shares, representing approximately 58.87% of the total number of A Shares in issue and approximately 49.97% of the total issued share capital of the Company. Save for the aforesaid, the Company, the Directors and parties acting in concert with any of them do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). For further information on the shareholdings of H Shares and the A Shares, please see the section headed “Letter from the Board – The Voluntary Withdrawal of Listing – Shareholding structure of the Company”.

As at the Latest Practicable Date, the Company has 35,130,000 H Shares in issue. Save for the aforesaid, the Company has no other outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of H Shares and no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date. Taking into account the fact that no Director nor any parties acting in concert with the Company or the Directors owned any H Shares, a total of 35,130,000 H Shares will be subject to the Share Buy-back Offer.

As at the Latest Practicable Date, the IU Shareholders are interested in 8,773,500 H Shares in total (representing approximately 24.97% of the total number of H Shares in issued) and do not hold any interests in A Shares, and each of them has irrevocably and unconditionally undertaken to, amongst others, (i) accept the Share Buy-back Offer in respect of all the H Shares controlled by him/it, and (ii) to vote in favour of the resolutions which are necessary to implement the Share Buy-back Offer and Voluntary Withdrawal of Listing at the H Shareholders Class Meeting, the A Shareholders Class Meeting and/or the EGM (as the case may be) in respect of all the Shares controlled by him/it.

None of the Company, the Directors and parties acting in concert with any of them, and the IU Shareholders have borrowed or lent any Shares. None of the Company, the Directors and parties acting in concert with any of them have dealt for value in the H Shares or A Shares during the Relevant Period.

None of the IU Shareholders have dealt for value in the H Shares or A Shares during the Relevant Period.

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## **APPENDIX V                      GENERAL INFORMATION OF THE COMPANY**

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### **8.      EGM AND CLASS MEETINGS COVID-19 PREVENTION AND CONTROL**

Taking into account the recent development of the pandemic caused by COVID-19, the Company will implement the following prevention and control measures at the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting to protect the Shareholders from the risk of infection:

- (a) compulsory body temperature checks will be conducted for every attending Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue, but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
- (b) every attending Shareholder or proxy is required to wear a surgical mask throughout the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting; and
- (c) no refreshments will be served at the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting.

Furthermore, the Company wishes to advise all of its Shareholders, particularly any Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting as a proxy to attend and vote on any of the resolutions, instead of attending the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting in person. The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the PRC government, and if necessary, will make further announcements in case of any update regarding the precautionary measures to be carried out at the EGM, H Shareholders Class Meeting and A Shareholders Class Meeting.

### **9.      DEALINGS DISCLOSURE OBLIGATIONS**

The Company, the Directors and parties acting in concert with any of them will observe the disclosure obligations (regardless of any value) of dealings in the securities of the Company under Rule 22 of the Takeovers Code.

On posting this Offer Document, the Company also serves a reminder note reminding of their disclosure obligations regarding their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Note 11 to Rule 22 of the Takeovers Code, stockbrokers, banks and others who deal in any securities of the Company on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any securities of the Company undertaken for a client during any 7 day period is less than HK\$1 million.

Intermediaries are expected to co-operate with the Executive in its dealing enquiries. Therefore, those who deal in the securities of the Company should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

## **10. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against either the Company or any of its subsidiaries.

## **11. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) has been entered into by the Group within the two years immediately preceding the date of the Rule 3.7 Announcement and up on the Latest Practicable Date which are or may be material:

- (a) a subscription agreement dated 24 November 2020 entered into between the Company and Gansu Nongken Asset, pursuant to which Gansu Nongken Asset agreed to subscribe for 37,931,665 A Shares of the non-public issuance of A Shares of the Company at subscription price of RMB8.78 per A Share;
- (b) a subscription agreement dated 24 November 2020 entered into between the Company and Mr. Xie Kai (謝愷), pursuant to which Mr. Xie agreed to subscribe for 2,050,113 A Shares of the non-public issuance of A Shares of the Company at subscription price of RMB8.78 per A Share;
- (c) a subscription agreement dated 27 November 2020 entered into between the Company and Ms. Gao Aiping (高愛華), pursuant to which Ms. Gao agreed to subscribe for 1,651,480 A Shares of the non-public issuance of A Shares of the Company at subscription price of RMB8.78 per A Share; and
- (d) a subscription agreement dated 27 November 2020 entered into between the Company and Ms. Su Guimin (蘇貴敏), pursuant to which Ms. Su agreed to subscribe for 1,366,742 A Shares of the non-public issuance of A Shares of the Company at subscription price of RMB8.78 per A Share.

**12. ARRANGEMENTS AFFECTING THE DIRECTORS**

As at the Latest Practicable Date,

- (a) no benefit (other than statutory compensation) had been and would be given to any Director as compensation for loss of office or otherwise in connection with the Share Buy-back Offer;
- (b) there was no agreement or arrangement between any Director or any other person which was conditional on or dependent upon the outcome of the Share Buy-back Offer or otherwise connected with the Share Buy-back Offer; and
- (c) no material contract had been entered into by the Company in which any Director has a material person interest.

**13. CONSENTS AND QUALIFICATIONS**

The following are the names and qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Offer Document.

<b>Name</b>	<b>Qualifications</b>
Elstone Capital	a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Elstone Securities	a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
Veda Capital	a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
WUYIGE	PRC Certified Public Accountant
Vincorn Consulting and Appraisal Limited	Independent property valuer

Each of the above professional advisers has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion of the text of its letter and/or report and the references to its name in the form and content in which they appear therein.

**14. DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection on (i) the website of the SFC ([www.sfc.hk](http://www.sfc.hk)) and (ii) the Company's website (<http://www.lzzhuangyuan.com>) during the period from the date of this Offer Document for so long as the Share Buy-back Offer remains opened for acceptance:

- (a) the Articles of Association of the Company;
- (b) the annual reports of the Company for each of the years ended 31 December 2019, 2020 and 2021;
- (c) the quarterly report of the Company for the three months ended 31 March 2022;
- (d) the letter from Elstone Securities, the offer agent of the Company, the text of which is set out in pages 10 to 22 of this Offer Document;
- (e) the letter from the Board, the text of which is set out in pages 23 to 40 of this Offer Document;
- (f) the letter from the Independent Financial Adviser, the text of which is set out in pages 41 to 68 of this Offer Document;
- (g) the report from WUYIGE in respect of the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III to this Offer Document;
- (h) the property valuation report from Vincorn Consulting and Appraisal Limited in respect of the property interests of the Group, the text of which is set out in Appendix IV to this Offer Document;
- (i) the Irrevocable Undertakings;
- (j) the material contracts referred to in paragraph headed "11. Material Contracts" in this Appendix; and
- (k) the letters of consent referred to in the paragraph headed "13. Consents and Qualifications" in this Appendix.

**15. MISCELLANEOUS**

- (a) As at the Latest Practicable Date, no agreements, arrangements or understandings (including any compensation arrangement) exist between the Company or any person acting in concert with it and any of the Directors of the Company, recent directors of the Company, and holders or recent holders of the H Shares which is conditional on or dependent upon the outcome of the Share Buy-back Offer and the Voluntary Withdrawal of Listing or is otherwise connected with the Share Buy-back Offer and Voluntary Withdrawal of Listing.
- (b) The joint secretaries of the Company are Ms. Zhang Qianyu and Ms. Ho Wing Yan.
- (c) The registered office of the Company in the PRC is situated at No. 398 Sanjiaocheng Commune, Sanjiaocheng Village, Chengguan Town, Yuzhong County, Lanzhou City, Gansu Province, the PRC.
- (d) The principal place of business and head office of the Company in the PRC is situated at 25th-26th Floors, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC.
- (e) The H Shares registrar and transfer office of the Company is Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.
- (f) The registered office of Elstone Capital, the financial adviser to the Offeror, is at Suite 1601-04, 16/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (g) The registered office of Elstone Securities, the offer agent of the Offeror, is at Suite 1601-04, 16/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (h) The registered office of Veda Capital, the Independent Financial Adviser, is at Suites 1001-1002, 10/F, 299 QRC, 287-299 Queen's Road Central, Hong Kong.
- (i) The English text of this Offer Document, the accompanying Form of Acceptance and proxy forms shall prevail over their respective Chinese text in case of inconsistency.



**Lanzhou Zhuangyuan Pasture Co., Ltd.\***

**蘭州莊園牧場股份有限公司**

*(a joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock Code: 1533)**

**NOTICE OF THE 2022 SECOND EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2022 second extraordinary general meeting (the “EGM”) of Lanzhou Zhuangyuan Pasture Co., Ltd.\* (the “Company”) will be held at 3:00 p.m. on 29 June 2022 at Multimedia Conference Room, 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC for the purposes of considering and, if thought fit, passing the following resolution:

Save as defined otherwise, capitalised terms defined in the offer document dated 6 June 2022 issued by the Company shall have the same meanings when used herein.

**RESOLUTION**

1. **THAT** the Share Buy-back Offer and the Voluntary Withdrawal of Listing pursuant to the Takeovers Code, the Share Buy-backs Code and the Listing Rules be approved.
2. **THAT** any director of the Company is hereby authorized to take whatever action necessary and deemed appropriate, including but without limitation to give, make, sign, execute, seal, deliver the documents and all such letters, notices, instructions and other documents with or without amendments (whether of a like nature or not), for the purpose of giving effect to, consuming, or completing or procuring the completion of the Share Buy-back Offer and the Voluntary Withdrawal of Listing.

By order of the Board

**Lanzhou Zhuangyuan Pasture Co., Ltd. \***

**Yao Gexian**

*Chairman*

Lanzhou, 6 June 2022

*Notes:*

**1. ELIGIBILITY FOR ATTENDING THE EGM**

The Shareholders whose names appear on the register of members of the Company on the close of business on 27 May 2022 and 23 June 2022 are entitled to attend and vote at the EGM for H Shareholders and A Shareholders, respectively. Shareholders of the Company who wish to attend the EGM but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the Share Registrar of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (for H Shareholders) or the head office of the Company in the PRC at 26th Floor, Block B, Shanghai Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC (for A Shareholders), by no later than 4:00 p.m. on 27 May 2022 and 3:00 p.m. on 23 June 2022 for registration for H Shareholders and A Shareholders, respectively.

**2. PROXY**

Shareholders entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in their stand. A proxy need not be a Shareholder of the Company.

The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a corporate body and appoints a person other than its legal representative, the proxy form must be either executed under its common seal or under the hand of its legal representative or duly authorised attorney(s). If the proxy form is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.

For Shareholders, the proxy form together with the power of attorney or other authorisation document (if any) or the relevant authorisation document (if any) must be lodged at the Share Registrar of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (for H Shareholders) or the head office of the Company in the PRC at 26th Floor, Block B, Shanghai Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC (for A Shareholders), in person or by post not less than 24 hours before the time fixed for holding the EGM (i.e. by no later than 3:00 p.m. on 28 June 2022) or any adjournment thereof or not less than 24 hours before the time appointed for taking the poll (as the case may be). Shareholders can still attend and vote at the EGM upon completion and return of the proxy form.



**3. ADDRESS AND TELEPHONE NUMBER OF THE CONTACT PERSON WHO HANDLES THE MEETING AFFAIRS**

Name: Ms. Pan Lai

Address: 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC

Telephone: +86-0931-8753001

Fax No.: +86-0931-8699582

**4. PROCEDURES FOR VOTING AT THE EGM**

Any vote of Shareholders at the EGM must be taken by poll.

**5. OTHER BUSINESS**

Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.

*As at the date of this notice, the Board of the Company comprises the non-independent directors of the Company are Mr. Yao Gexian, Mr. Lian Enzhong, Mr. Zhang Yu, Mr. Yang Yi, Mr. Ma Hongfu and Ms. Zhang Qianyu; and the independent directors of the Company are Mr. Wang Haipeng, Mr. Zhang Yubao and Mr. Sun Jian.*

\* For identification purposes only



**Lanzhou Zhuangyuan Pasture Co., Ltd.\***

**蘭州莊園牧場股份有限公司**

*(a joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock Code: 1533)**

**NOTICE OF THE 2022 SECOND H SHAREHOLDERS CLASS MEETING**

**NOTICE IS HEREBY GIVEN** that the 2022 second H Shareholders class meeting (the “**H Shareholders Class Meeting**”) of Lanzhou Zhuangyuan Pasture Co., Ltd.\* (the “**Company**”) will be held at 4:00 p.m. or immediately after the conclusion of the A Shareholders Class Meeting or any adjournment thereof (whichever is the later) on 29 June 2022 at Multimedia Conference Room, 26th Floor Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC for the purposes of considering and, if thought fit, passing the following resolution:

Save as defined otherwise, capitalised terms defined in the offer document dated 6 June 2022 issued by the Company shall have the same meanings when used herein.

**RESOLUTION**

1. **THAT** the Share Buy-back Offer and the Voluntary Withdrawal of Listing pursuant to the Takeovers Code, the Share Buy-backs Code and the Listing Rules be approved.
2. **THAT** any director of the Company is hereby authorized to take whatever action necessary and deemed appropriate, including but without limitation to give, make, sign, execute, seal, deliver the documents and all such letters, notices, instructions and other documents with or without amendments (whether of a like nature or not), for the purpose of giving effect to, consuming, or completing or procuring the completion of the Share Buy-back Offer and the Voluntary Withdrawal of Listing.

By order of the Board  
**Lanzhou Zhuangyuan Pasture Co., Ltd.\***  
**Yao Gexian**  
*Chairman*

Lanzhou, 6 June 2022

Notes:

**1. ELIGIBILITY FOR ATTENDING THE H SHAREHOLDERS CLASS MEETING**

The H Shareholders whose names appear on the register of members of the Company on the close of business on 27 May 2022 are entitled to attend and vote at the H Shareholders Class Meeting. H Shareholders of the Company who wish to attend the H Shareholders Class Meeting but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H Share Registrar of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by no later than 4:00 p.m. on 27 May 2022 for registration.

**2. PROXY**

Shareholders entitled to attend and vote at the H Shareholders Class Meeting may appoint one or more proxies to attend and vote in their stand. A proxy need not be a Shareholder of the Company.

The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a corporate body and appoints a person other than its legal representative, the proxy form must be either executed under its common seal or under the hand of its legal representative or duly authorised attorney(s). If the proxy form is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisations document must be notarised.

For holders of H Shares, the proxy form together with the power of attorney or other authorisation document (if any) or the relevant authorisation document (if any) must be lodged at the Share Registrar of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong in person or by post not less than 24 hours before the time fixed for holding the H Shareholders Class Meeting (i.e. by no later than 4:00 p.m. on 28 June 2022) or any adjournment thereof or not less than 24 hours before the time appointed for taking the poll (as the case may be). Shareholders can still attend and vote at the H Shareholders Class Meeting upon completion and return of the proxy form.

**3. ADDRESS AND TELEPHONE NUMBER OF THE CONTACT PERSON WHO HANDLES THE MEETING AFFAIRS**

Name: Ms. Pan Lai

Address: 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC

Telephone: +86-0931-8753001

Fax No.: +86-0931-8699582

**4. PROCEDURES FOR VOTING AT THE H SHAREHOLDERS CLASS MEETING**

In accordance with the requirements of Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting shall 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, according to Article 106 of the articles of association of the Company, a poll will be demanded by the chairman of the H Shareholders Class Meeting so that the resolution set out in this notice of H Shareholders Class Meeting will be decided on a poll. On a poll taken at the meeting, shareholders (including proxies) entitled to two or more votes are not required to cast all their vote.

**5. OTHER BUSINESS**

H Shareholders (in person or by proxy) attending the H Shareholders Class Meeting are responsible for their own transportation and accommodation expenses. H Shareholders or their proxies attending the H Shareholders Class Meeting shall produce their identity documents.

*As at the date of this notice, the Board of the Company comprises the non-independent directors of the Company are Mr. Yao Gexian, Mr. Lian Enzhong, Mr. Zhang Yu, Mr. Yang Yi, Mr. Ma Hongfu and Ms. Zhang Qianyu; and the independent directors of the Company are Mr. Wang Haipeng, Mr. Zhang Yubao and Mr. Sun Jian.*

\* *For identification purposes only*