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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 company incorporated in the People's Republic of China with limited liability)

(Stock code: 1533)

PRELIMINARY PRICE CONSULTATION PERIOD OF A SHARE OFFERING AND SUMMARY OF PRINCIPAL PROVISIONS OF A SHARE PROSPECTUS

This announcement is made by Lanzhou Zhuangyuan Pasture Co., Ltd.* (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 10 December 2015, 6 June 2016, 1 August 2016, 26 August 2016, 14 September 2016, 30 September 2016, 9 December 2016, 27 April 2017, 3 August 2017, 20 September 2017 and 29 September 2017 and the circulars dated 12 August 2016, 26 August 2016, 14 September 2016 and 11 September 2017 in relation to, among others, the proposed A Share Offering by the Company (the “**A Share Offering**” or “**Offering**”) and relevant matters. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 11 September 2017.

(I) PRELIMINARY PRICE CONSULTATION PERIOD OF THE A SHARE OFFERING

As disclosed in the announcement of the Company dated 29 September 2017, the CSRC has officially approved the A Share Offering in a written notice on 29 September 2017. The A Share Offering with a valid period of 12 months from the date of approval will issue not more than 46,840,000 A Shares. As required by the applicable PRC laws and regulations, the Company and the sponsor (lead underwriter) of the A Share Offering will conduct preliminary price consultations among qualified participants who meet the requirements of the PRC laws and regulations on 12 October 2017 from 9:30 a.m. to 3:00 p.m. in the PRC to determine the issue price. The Company will make further announcement(s) once the final size and issue price of the A Share Offering have been determined.

(II) PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS

The full text of the prospectus in relation to the A Share Offering (the “**A Share Prospectus**”), a summary of the A Share Prospectus and the relevant appendices were published on the website of the Shenzhen Stock Exchange (www.szse.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) in Chinese only on 10 October 2017. A summary of the A Share Prospectus was also published on various PRC newspapers including the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on the same date.

A summary of the principal provisions of the A Share Prospectus is as follows:

1. Summary of the A Share Offering

Class of shares:	Ordinary shares in RMB(A Shares)
Nominal value per A Share:	RMB1.00
Number of A Shares to be issued:	Up to 46,840,000 new A Shares, representing not less than 25% of the total share capital of the Company after the Offering
Issue price per A Share:	RMB[•••]
Price earnings ratio of the A Share Offering:	[•••] times (calculated by dividing the audited net profit attributable to the shareholders of the parent company for 2016 before or after deduction of non-recurring profit or loss (whichever is lower) by the total share capital of the Company after the Offering)
Net asset value per A Share before the Offering:	RMB5.61 (calculated by dividing the audited equity attributable to the shareholders of the parent company as at 30 June 2017 by the total share capital of the Company before the Offering)
Net asset value per A Share after the Offering:	RMB[•••] (calculated by dividing the sum of audited equity attributable to the shareholders of Company as at 30 June 2017 and the net proceeds raised from the Offering by the total share capital of the Company after the Offering)

Price-to-book ratio:	[•••] times (calculated by dividing the issue price per A Share by the net asset value per A Share after the Offering)
Issuing method:	By a combination of placing of shares to participants through offline price consultation and public offering of shares through online subscription or other offering methods approved by the CSRC
Target persons of the Offering:	The qualified participants (who meet the requirements of the PRC laws and regulations and requirements from regulatory authorities) in the price consultation process and natural persons, legal persons and other investors within the PRC which have established A Share accounts with the Shenzhen Stock Exchange (except those prohibited by the PRC laws and regulations)
Underwriting method:	Standby underwriting by the lead underwriter
Gross and net proceeds raised:	RMB[•••] and RMB[•••]
Estimated Offering expenses:	Total Offering expenses are RMB39.92 million (each expense excluding tax), of which, underwriting and sponsor fees are RMB28.30 million; auditing and capital verification fees are RMB2.30 million; legal expenses are RMB3.30 million; issuing fees are RMB0.42 million; and information disclosure expenses are RMB5.60 million
The stock exchange for the listing:	The Shenzhen Stock Exchange

2. Use of proceeds

It is expected that the net proceeds to be raised from the A Share Offering, after deduction of relevant issuance expenses, will be utilised mainly in the following investment projects (the “**Investment Projects**”):

Investment Projects	Investment amount <i>(million RMB)</i>	Amount of proceeds to be utilised <i>(million RMB)</i>
1. Cattle breeding project of 10,000 imported improved dairy cows	476.31	260.19
2. Construction project of self-service milk machine and ancillary facilities	<u>170.91</u>	<u>49.31</u>

To the extent that the proceeds received from the A Share Offering cannot satisfy the investment needs of the Investments Projects, the Company will fund the shortfall through internal working capital.

If the Company has already satisfied part of the investment needs by internal working capital based on the actual payment schedule of the Investment Projects prior to receiving the proceeds from the A Share Offering, such amounts shall be repaid to the Company upon receipt of the proceeds from the A Share Offering.

The Investment Projects are closely related to the existing business and development strategies of the Company. The Investment Projects will enable the Company to consolidate its competitive strengths, enhance its core competitiveness, improve the profitability of its business and promote the implementation of its development strategies. As such, it is expected that the use of proceeds will have a positive effect on the financial positions and operating results of the Company.

3. Share capital before and after the A Share Offering

Prior to the A Share Offering, the total number of Shares of the Company is 140,500,000 Shares. If 46,840,000 A Shares are issued under the A Share Offering, the total number of Shares of the Company after the A Share Offering will be 187,340,000 Shares. The shareholding structure before the A Share Offering is based on the information as at the signing date of the A Share Prospectus. The following is the shareholding structure of the Company before and after the A Share Offering (assuming the A Share Offering consists of 46,840,000 newly issued A Shares):

Name of shareholder	Before the A Share Offering			After the A Share Offering		
	Number of Shares	Percentage of shareholding	Class of Share	Number of Shares	Percentage of shareholding	Class of Share
Ma Hongfu	32,197,400	22.92%	Domestic shares	32,197,400	17.19%	A Shares
Lanzhou Zhuangyuan Investment Co., Ltd.	30,894,700	21.99%	Domestic shares	30,894,700	16.49%	A Shares
Gansu Lucky Cow Investment Co., Ltd.	15,000,000	10.68%	Domestic shares	15,000,000	8.01%	A Shares
Chongqing Fukun Venture Investment Centre LLP	6,990,000	4.98%	Domestic shares	6,990,000	3.73%	A Shares
Tianjin Chuang Dongfang Fuhong Equity Investment Fund Partnership Enterprise LLP	2,847,500	2.03%	Domestic shares	2,847,500	1.52%	A Shares
Shenzhen City Chuang Dongfang Fukai Investment Enterprise LLP	2,847,500	2.03%	Domestic shares	2,847,500	1.52%	A Shares
Shanghai Rongyin Investment Co., Ltd.	2,821,750	2.01%	Domestic shares	2,821,750	1.51%	A Shares
Gansu Caiding Investment Co., Ltd.	2,796,000	1.99%	Domestic shares	2,796,000	1.49%	A Shares
Hu Kaisheng	1,907,900	1.36%	Domestic shares	1,907,900	1.02%	A Shares
Tianjin Jiufeng Equity Investment Fund Partnership Enterprise LLP	1,423,750	1.01%	Domestic shares	1,423,750	0.76%	A Shares

Name of shareholder	Before the A Share Offering			After the A Share Offering		
	Number of Shares	Percentage of shareholding	Class of Share	Number of Shares	Percentage of shareholding	Class of Share
Huaren Chuangxin Group Co., Ltd.	1,423,750	1.01%	Domestic shares	1,423,750	0.76%	A Shares
Taiyangyu Holding Group Co., Ltd.	1,423,750	1.01%	Domestic shares	1,423,750	0.76%	A Shares
Zhang Jian	1,398,000	1.00%	Domestic shares	1,398,000	0.75%	A Shares
Zheng Jiaming	1,398,000	1.00%	Domestic shares	1,398,000	0.75%	A Shares
Holders of A Shares	–	–	Domestic listed shares	46,840,000	25.00%	A Shares
Holders of H Shares	35,130,000	25.00%	Overseas listed foreign shares	35,130,000	18.75%	H Shares
Total	<u>140,500,000</u>	<u>100.00%</u>		<u>187,340,000</u>	<u>100.00%</u>	

The above English version of the summary of the principal provisions of the A Share Prospectus is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

The Company will keep the Shareholders and potential investors informed of any further development in relation to the A Share Offering in accordance with the Listing Rules and applicable laws and regulations.

By Order of the Board
Lanzhou Zhuangyuan Pasture Co., Ltd.*
蘭州莊園牧場股份有限公司
Ma Hongfu
Chairman of the Board

Lanzhou, the PRC, 10 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. Ma Hongfu, Mr. Wang Guofu, Mr. Chen Yuhai and Mr. Yan Bin; the non-executive directors of the Company are Mr. Yap Kean Chong and Mr. Song Xiaopeng; and the independent nonexecutive directors of the Company are Ms. Liu Zhijun, Ms. Xin Shihua and Mr. Wong Cho Hang Stanley.

* For identification purpose only