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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)

ANNOUNCEMENT

- (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;**
- (2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF
THE H SHARES OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.*
ON THE STOCK EXCHANGE OF HONG KONG LIMITED; AND**
- (3) RESUMPTION OF TRADING**

Financial Adviser to the Company



Elstone Capital Limited

Independent Financial Adviser to the Independent H Shareholders

**VEDA | CAPITAL
智略資本**

INTRODUCTION

Reference is made to the announcements dated 17 December 2021, 13 January 2022, 11 February 2022, 11 March 2022 and 11 April 2022 made pursuant to Rule 3.7 of the Takeovers Code 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 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 repurchased 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Offer becomes unconditional in all respects, the Company will make an application for the listing of the H Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules.

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.

TERMS OF THE SHARE BUY-BACK OFFER

The Offer Shares

As at the date of this announcement, 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.

Offer Price

Elstone Securities, on behalf of the Company, will make the Share Buy-back Offer 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.

Value of the Share Buy-back Offer

As at the date of this announcement, 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 to the Company

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.

Irrevocable Undertakings

As at the date of this announcement, other than the Irrevocable Undertakings given by each of the IU Shareholders as described in the section headed “Irrevocable Undertakings”, neither the Company nor any of its concert parties has received any irrevocable commitment in relation to the acceptance of the Share Buy-back Offer and the voting at the H Shareholders Class Meeting, the A Shareholders Class Meeting and/or the EGM.

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 dairy farming business and 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.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has appointed Veda Capital Limited 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.

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.

DESPATCH OF THE OFFER DOCUMENT

The Offer Document (accompanied with the form of acceptance), containing, among other things, (i) the terms and conditions of the Share Buy-back Offer and the Voluntary Withdrawal of Listing; (ii) the expected timetable of the Share Buy-back Offer and the Voluntary Withdrawal of Listing; and (iii) a letter of advice from the Independent Financial Adviser to the Independent H Shareholders in connection with the Share Buy-back Offer and the Voluntary Withdrawal of Listing, will be despatched to the Shareholders within twenty-one (21) days of the date of this announcement or such later date as the Executive may approve.

Further announcement(s) regarding the despatch of the Offer Document will be made by the Company as and when appropriate.

RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 25 April 2022 pending the release of this announcement. Application has been made for the resumption of trading in the H Shares with effect from 9:00 a.m. on 26 April 2022.

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 make no recommendation as to the fairness or reasonableness of the Share Buy-back Offer and the Voluntary Withdrawal of Listing or as to the acceptance of the Share Buy-back Offer in this announcement, and 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 the letter from the Independent Financial Adviser containing its advice to the Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, which will be included in the Offer Document to be despatched to the Shareholders.

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.

INTRODUCTION

Reference is made to the announcements dated 17 December 2021, 13 January 2022, 11 February 2022, 11 March 2022 and 11 April 2022 made pursuant to Rule 3.7 of the Takeovers Code 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 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 repurchased 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 of the Listing Rules.

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.

TERMS OF THE SHARE BUY-BACK OFFER

The Offer Shares

As at the date of this announcement, 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). For details of the shareholding structure of the Company, please see the section headed “Shareholding structure of the Company” in this announcement.

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

Under the terms of the Share Buy-back Offer, 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.

As disclosed in the annual results announcement of the Company dated 30 March 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 date of this announcement, 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.

Offer Price

Elstone Securities, on behalf of the Company, will make the Share Buy-back Offer 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.

Comparison of value

The Offer Price of HK\$10.89 represents:

- (a) 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 this announcement;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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; and
- (h) 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 date of this announcement; and (iii) the Exchange Rate).

Highest and lowest H Share prices

During the six-month period immediately preceding 17 December 2021 (being the commencement date of the Offer Period under the Takeovers Code) up to and including the last trading day prior to publication of this announcement, the highest and lowest closing prices of the H Shares as quoted on the Stock Exchange was HK\$10.06 per H Share on 11 March 2022 and HK\$5.94 per H Share on 27 July 2021, respectively.

Value of the Share Buy-back Offer

As at the date of this announcement, 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 to the Company

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;

- (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 more than 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 more than 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 date of this announcement, 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 date of this announcement, to the exception of Condition (f) above to the extent that such registration has been completed, none of the other Conditions has been fulfilled.

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 at 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 posting of the 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.

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.

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 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 date of this announcement, 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.

Effect of accepting the Share Buy-back Offer

Subject to the Share Buy-back Offer becoming unconditional, 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 and together with all rights and benefits attaching thereto as at the closing date of the Share Buy-back Offer or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof 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 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.

The Directors make no recommendation as to the fairness or reasonableness of the Share Buy-back Offer and the Voluntary Withdrawal of Listing or as to the acceptance of the Share Buy-back Offer in this announcement, and 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 the letter from the Independent Financial Adviser containing its advice to the Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, which will be included in the Offer Document to be despatched to the Shareholders.

Closing date of the Share Buy-back Offer

The Share Buy-back Offer will initially be open for acceptances for forty-five (45) days from the date of the 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.

Settlement

Subject to the Share Buy-back Offer having become, or having been declared, unconditional in all respects, payment in cash in respect of acceptances of the Share Buy-back Offer will be made as soon as possible but in any event, within seven (7) business days (being a day on which the Stock Exchange is open for the transaction of business) following the later of the date on which (i) the Share Buy-back Offer becomes, or are declared unconditional in all respects, and (ii) the duly completed acceptances of the Share Buy-back Offer and the relevant documents of title of the Offer Shares in respect of such acceptances are received by or for the Company to render each such acceptance complete and valid.

No fractions of a cent (HK\$) will be payable, and the amount of the consideration payable to a H Shareholder who accepts the Share Buy-back Offer will be rounded up to the nearest cent (HK\$).

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.

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 and 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.

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). 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.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding table below sets forth the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Share Buy-back Offer, based on public information available to the Company as at the date of this announcement and assuming that the Share Buy-back Offer is accepted in full and there will be no other change to the shareholding of the Company from the date of this announcement up to the completion of the Share Buy-back Offer:

	As at the date of this announcement			Upon completion of the Share Buy-back Offer		
	Class of Shares	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 (%)
Independent H Shareholders						
Substantial Shareholders of the H Shares						
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	–	–
Ms. Zhang Fenmei	H Shares	3,419,000	9.73	1.47	–	–
Other Independent H Shareholders						
	H Shares	19,414,500	55.27	8.36	–	–
Sub-total	H Shares	35,130,000	100.00	15.12	–	–
Directors, supervisor of the Company and other parties acting in concert with the Company						
Directors						
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
Supervisor of the Company						
Mr. Wang Xuefeng	A Shares	18,900	0.01	0.01	18,900	0.01
Other parties acting in concert with the Company						
Gansu Nongken Group (Note 4)	A Shares	68,826,365	34.89	29.62	68,826,365	34.89
		116,118,265	58.87	49.97	116,118,265	58.87
Other A Shareholders	A Shares	81,132,767	41.13	34.91	81,132,767	41.13
Sub-total	A Shares	197,251,032	100.00	84.88	197,251,032	100.00
Total		232,381,032	N/A	100.00	197,251,032	100.00

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.

As at the date of this announcement, save as disclosed in the shareholding table above, 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).

Interest in the Company of the Concert Parties

As shown in the shareholding table above, as at the date of this announcement, (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).

REASONS FOR THE SHARE BUY-BACK OFFER

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 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.

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 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 of the Listing Rules.

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.

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.

The Company has applied to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code.

INFORMATION ON THE COMPANY

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 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	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
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

Other Arrangements

The Company confirms that, as at the date of this announcement:

- (i) save as disclosed in the paragraph headed “Shareholding structure of the Company” in this announcement, 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;
- (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.

DISCLOSURE OF DEALINGS

Associates (as defined under the Takeovers Code) of the Company are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code during the Offer Period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities 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 of an offeror or the offeree company and other persons under Rule 22 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 relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities 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.”

Dealing and interest in the Company's securities

The Company, the Directors and parties acting in concert with any of them had not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the six-month period immediately prior to the commencement of the Offer Period.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has appointed Veda Capital Limited 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.

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.

DESPATCH OF THE OFFER DOCUMENT

The Offer Document (accompanied with the form of acceptance), containing, among other things, (i) the terms and conditions of the Share Buy-back Offer and the Voluntary Withdrawal of Listing; (ii) the expected timetable of the Share Buy-back Offer and the Voluntary Withdrawal of Listing; and (iii) a letter of advice from the Independent Financial Adviser to the Independent H Shareholders in connection with the Share Buy-back Offer and the Voluntary Withdrawal of Listing, will be despatched to the Shareholders within twenty-one (21) days of the date of this announcement or such later date as the Executive may approve.

Further announcement(s) regarding the despatch of the Offer Document will be made by the Company as and when appropriate.

RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 25 April 2022 pending the release of this announcement. Application has been made for the resumption of trading in the H Shares with effect from 9:00 a.m. on 26 April 2022.

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 make no recommendation as to the fairness or reasonableness of the Share Buy-back Offer and the Voluntary Withdrawal of Listing or as to the acceptance of the Share Buy-back Offer in this announcement, and 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 the letter from the Independent Financial Adviser containing its advice to the Independent H Shareholders in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing, which will be included in the Offer Document to be despatched to the Shareholders.

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.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“A Share(s)”	the ordinary 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 special general meeting of the A Shareholders to be convened, and any adjournment thereof, for the purpose of approving the Share Buy-back Offer and 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
“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 subparagraph headed “Conditions of the Share Buy-back Offer and the Voluntary Withdrawal of Listing” of this announcement
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened 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
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“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”	the date to be stated in the Offer Document as the first closing date of the Share Buy-back Offer, being the 45th day after the date of the despatch of the 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
“H Shareholders Class Meeting”	the special general meeting of the H Shareholders to be convened, and any adjournment thereof, for the purpose of approving the Share Buy-back Offer and 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”	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 H Shareholders (as stipulated under Rule 3.2 of the Share Buy-backs Code)
“Irrevocable Undertakings”	the deeds of irrevocable undertaking given by each of the IU Shareholders in favour of the Company and entered into on 22 April 2022 or 23 April 2022
“IU Shareholder(s)”	Mr. Hu Keliang, Mr. Wang Wei and Venko Limited
“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 prior to the commencement of the Offer Period
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Offer Document”	the offer document to be despatched by the Company to the Shareholders in accordance with the Takeovers Code and the Share Buy-back Code in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing
“Offer Period”	has the meaning ascribed to it under the Takeovers Code and has commenced from 17 December 2021, being the date of the first announcement made pursuant to Rule 3.7 of the Takeovers Code
“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, the Directors and their respective concert parties
“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 announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“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.* (上海福菡商務諮詢有限公司), 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-backs Code”	the Code on Share Buy-backs
“Share Buy-back Offer”	the share buy-back offer to be 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, the Directors and their respective concert parties in accordance with the Takeovers Code

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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.

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

Lanzhou, the PRC, 25 April 2022

As at the date of this announcement, 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.

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

For the purpose of this announcement, conversion of RMB into HK\$ is based on the Exchange Rate. The Exchange Rate is used for illustration purposes only and should not be taken as a representation that the HK\$ amount could actually be converted into RMB at that rate, or at all.

* *For identification purpose only*