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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)**

**SUPPLEMENTAL ANNOUNCEMENT**

**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;**

**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. REPORTING ON PROFIT FORECAST OF**

**ESTIMATED FINANCIAL RESULTS**

**FOR THE SIX MONTHS ENDED 30 JUNE 2022**

**UNDER RULE 10 OF THE TAKEOVERS CODE**

**Financial Adviser to the Company**



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

**VEDA | CAPITAL**  
**智略資本**

References are made to (i) the offer document of the Company dated 6 June 2022 (the “**Offer Document**”); (ii) the update announcement of the Company dated 7 June 2022 (the “**Update Announcement**”); (iii) the voluntary announcements of the Company dated 27 June 2022 and 4 July 2022; (iv) the poll results announcement of the Company dated 29 June 2022 in relation to, among other things, the Share Buy-back Offer and the Voluntary Withdrawal of Listing; and (v) the overseas regulatory announcement of the Company dated 14 July 2022 (the “**Profit Warning Announcement**”) in relation to the estimated financial results of the Company for the six months ended 30 June 2022 (the “**Profit Forecast**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Offer Document and the Update Announcement.

## **PROFIT FORECAST UNDER RULE 10 OF THE TAKEOVERS CODE**

Pursuant to Rule 10 of the Takeovers Code, the estimated financial results of the Company for the six months ended 30 June 2022 as disclosed in the Profit Warning Announcement constitutes a profit forecast and is required to be reported on by the Company’s financial advisers and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. As stated in the Profit Warning Announcement, in view of the requirement of timely disclosure of the estimated financial results of the Company under the listing rules of the Shenzhen Stock Exchange and the requirement to timely announce any overseas regulatory information released to other stock exchange under Rule 13.10B of the Listing Rules, the Company is required to issue the Profit Warning Announcement within 15 days following the end of the six months ended 30 June 2022 and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code. Accordingly, this announcement is issued with the report from WUYIGE Certified Public Accountants LLP (“**WUYIGE**”) and the report from Veda Capital in relation to the Profit Forecast in accordance with Rule 10 of the Takeovers Code.

The reports issued by WUYIGE and Veda Capital in relation to the Profit Forecast are set out in Appendices I and II to this announcement, respectively.

Each of WUYIGE and Veda Capital has given and has not withdrawn its consent to the issue of this announcement with the inclusion of its report and references to its name and logo in the form and context in which they respectively appear.

## **LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

Veda Capital has confirmed that, having taken into account the Profit Forecast, its conclusion and recommendation in respect of the Share Buy-back Offer and the Voluntary Withdrawal of Listing as set out in the Letter from Veda Capital, the text of which is set out in the Offer Document, remain unchanged as at the date of this announcement.

## **NO MATERIAL CHANGE IN INFORMATION PREVIOUSLY PUBLISHED DURING THE OFFER PERIOD**

In accordance with Rule 8.5 of the Takeovers Code, as at the date of this announcement:

- (a) there has been no material change in the information set out under the section headed “11. Material Contracts” in Appendix V to the Offer Document;
- (b) there has been no material change in the information set out under the section headed “7. Shareholding and Dealings in Securities of the Company” in Appendix V to the Offer Document;
- (c) there has been no material change in the information set out under the paragraph headed “Letter from the Board – Other Arrangements” in the Offer Document; and
- (d) there has been no material change in the information set out under the section headed “6. Service Contracts” in Appendix V to the Offer Document.

The copy of this announcement will be posted to the Independent H Shareholders.

### **WARNING**

**This announcement is supplemental to and should be read in conjunction with the Offer Document.**

**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 is included in the Offer Document despatched to the Shareholders on 6 June 2022.**

**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.**

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*

Lanzhou, the PRC, 20 July 2022

*As at the date of this announcement, 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.*

*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 identification purposes only*

## APPENDIX I – LETTER FROM WUYIGE ON THE PROFIT FORECAST



WUYIGE Certified Public Accountants.LLP  
22/F, Xueyuan International Tower  
No. 1 Zhichun Road, Haidian Dist.  
Beijing, China, 100083

Telephone: +86 (10) 82330558  
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Lanzhou Zhuangyuan Pasture Co., Ltd.\*:

We refer to the estimated financial results of the Lanzhou Zhuangyuan Pasture Co., Ltd.\* (the “**Company**”) for the six months ended 30 June 2022 (i.e. the net profit attributable to shareholders of the Company and the net loss after non-recurring profit or loss (the “**Profit Forecast**”)) as set out in the announcement of the Company dated 14 July 2022 (the “**Profit Warning Announcement**”).

The Profit Forecast as disclosed in the Profit Warning Announcement have been prepared by the directors of the Company and constitute a profit forecast under Rule 10 of the Takeovers Code.

### 1. Directors’ Responsibilities

The Profit Forecast have been prepared by the directors of the Company based on the unaudited consolidated management accounts of the Company for the six months ended 30 June 2022.

The directors of the Company are solely responsible for the Profit Forecast.

### 2. 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.

### **3. Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Forecast based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Forecast in accordance with the bases adopted by the directors and as to whether the Profit Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Company. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

### **4. Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast is prepared and presented on a basis consistent in all material respects with the accounting policies normally adopted by the Company as set out in the audited financial statements of the Company for the year ended 31 December 2021.

**WUYIGE Certified Public Accountants LLP**

*PRC Certified Public Accountants*

Beijing, the PRC, 20 July 2022

## APPENDIX II – LETTER FROM VEDA CAPITAL ON THE PROFIT FORECAST

20 July 2022

### **The Board of Directors**

Lanzhou Zhuangyuan Pasture Co., Ltd.\*  
25th-26th Floors, Block B  
Shanghai Building of Gansu Province  
No. 601, Yanyuan Road, Chengguan District  
Lanzhou City, Gansu Province, the PRC.

Dear Sirs,

We refer to the profit warning statement made by Lanzhou Zhuangyuan Pasture Co., Ltd.\* (the “**Company**”) dated 14 July 2022 (the “**Profit Warning Announcement**”) for which the directors of the Company (the “**Directors**”) are solely responsible for. Capitalised terms used herein shall have the same meanings as defined in the offer document issued by the Company dated 6 June 2022, unless otherwise stated.

As noted from the Profit Warning Announcement, based on the latest available information including the unaudited management accounts of the Group for the six months ended 30 June 2022, the Group is expected to record a net profit attributable to the Shareholders for the six months ended 30 June 2022 between RMB8 million and RMB11 million (the “**Profit Estimate**”). Such profit was mainly attributable to (i) the exchange gains on deposits dominated in Hong Kong dollars due to fluctuations in the exchange rate of Hong Kong dollars against RMB; (ii) the significant increase in the operating costs of the Company as compared with the corresponding period of previous years resulted from the ongoing international and domestic pandemic and repeated outbreak of pandemic in major sales markets of the Company’s products; and (iii) a continuous and significant rise in the major raw materials used by the Company as impacted by the international environment.

As noted from the Profit Warning Announcement, based on the latest available information including the unaudited management accounts of the Group for the six months ended 30 June 2022, the Group is expected to record a net loss for the six months ended 30 June 2022 after non-recurring profit or loss between RMB11 million and RMB8 million (the “**Loss Estimate**”). Such loss was mainly attributable to (i) the significant increase in the operating costs of the Company as compared with the corresponding period of previous years resulted from the ongoing international and domestic pandemic and repeated outbreak of pandemic in major sales markets of the Company’s products; and (ii) a continuous and significant rise in the major raw materials used by the Company as impacted by the international environment.

We note that the Profit Estimate and the Loss Estimate are regarded as a profit forecasts for the purpose of Rule 10 of the Takeovers Code.

We have discussed with the Directors and senior management of the Company the bases and assumptions upon which the Profit Estimate and the Loss Estimate have been made and reviewed the unaudited management accounts for the six months ended 30 June 2022 and other relevant information and documents. In addition, we have considered, the report on the Profit Estimate and the Loss Estimate by WUYIGE Certified Public Accountants LLP, the independent auditors of the Company addressed to the Directors regarding the accounting policies adopted and the arithmetical accuracy of the calculations upon which the Profit Estimate and the Loss Estimate have been made.

Based on the above, we are satisfied that the Loss Estimate and the Profit Estimate have been made with due care and consideration.

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