
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, 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 circular and the accompanying form of proxy and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSAL IN RELATION TO THE APPROVAL OF
REPORT OF BOARD OF DIRECTORS FOR 2018,
PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT
OF INDEPENDENT DIRECTORS FOR 2018,
PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF
THE SUPERVISORY COMMITTEE FOR 2018,
PROPOSAL IN RELATION TO THE APPROVAL OF THE ANNUAL REPORT
AND ITS HIGHLIGHTS FOR 2018,
PROPOSAL IN RELATION TO THE PROFIT DISTRIBUTION PLAN FOR 2018,
PROPOSAL IN RELATION TO THE APPROVAL ON THE SPECIAL REPORT OF THE
OCCUPATION OF NON-OPERATING CAPITAL AND THE TRANSACTION OF OTHER
RELATED FUNDS FOR 2018 OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.
PROPOSAL IN RELATION TO THE CONFIRMATION OF
RELATED PARTIES TRANSACTIONS IN 2018 AND THE FORECAST ON
RELATED PARTIES TRANSACTIONS IN 2019,
PROPOSAL IN RELATION TO THE APPROVAL ON THE FINAL FINANCIAL REPORT
FOR 2018 OF THE COMPANY,
PROPOSAL IN RELATION TO THE APPROVAL ON THE FINANCIAL BUDGET
FOR 2019 OF THE COMPANY,
PROPOSAL IN RELATION TO THE APPROVAL ON THE APPLICATION
TO BANKS OF THE LIMITS OF COMPOSITE CREDIT FACILITIES FOR 2019,
PROPOSAL IN RELATION TO THE APPOINTMENT OF RUIHUA CERTIFIED PUBLIC
ACCOUNTANTS (SPECIAL GENERAL PARTNERSHIP)
AS THE AUDITOR OF THE COMPANY FOR 2019
PROPOSAL IN RELATION TO THE REMUNERATION OF
THE DIRECTORS AND SUPERVISORS FOR 2019,
NOTICE OF AGM
NOTICE OF A SHAREHOLDERS' CLASS MEETING AND
NOTICE OF H SHAREHOLDERS' CLASS MEETING**

The Company will convene the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting at 2:00 p.m. on Thursday, 27 June 2019 at 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC. Notice of AGM, Notice of A Shareholders' Class Meeting and Notice of H Shareholders' Class Meeting are set out in this circular.

If you intend to appoint a proxy to attend the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to Union Registrars Limited and for holders of A Shares, the form of proxy should be returned to the Company's head office in the PRC not less than 24 hours before the time fixed for holding the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting or at any other adjourned meeting should you so wish.

If you intend to attend the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting in person or by proxy, you are required to complete and return the accompanying reply slip to (for holders of H Shares) Union Registrars Limited or to (for holders of A Shares) the Company's head office in the PRC on or before Friday, 7 June 2019.

* For identification purpose only

30 April 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting for 2018 or any adjourned meeting to be held by the Company at 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC at 2:00 p.m. on Thursday, 27 June 2019
“Articles” or “Articles of Association”	the articles of association of the Company (as amended, modified or otherwise supplemented from time to time)
“A Shares”	Renminbi-denominated ordinary share(s) of the Company of RMB1.00 each, all of which are issued in the PRC, subscribed in Renminbi and listed on the Shenzhen Stock Exchange (stock code: 002910)
“A Shareholders’ Class Meeting”	the class meeting of A Shareholders or any adjourned meeting to be held at 2:30 p.m. on Thursday, 27 June, 2019 at 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC or immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later)
“A Share Offering”	the Company’s initial public offering of 46,840,000 A Shares listed on the Shenzhen Stock Exchange, which has completed on 31 October 2017
“Board of Directors” or “Board”	the board of directors of the Company
“Company”	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 PRC and its H Shares are listed on the Hong Kong Stock Exchange
“Director(s)”	director(s) of the Company
“Executive Director(s)”	executive director(s) of the Company

* For identification purpose only

DEFINITIONS

“H Shareholders’ Class Meeting”	the class meeting of H Shareholders or any adjourned meeting to be held at 3:00 p.m. on Thursday, 27 June, 2019 at 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC or immediately after the conclusion of the A Shareholders’ Class Meeting or any adjournment thereof (whichever is the later)
“H Shares”	overseas listed foreign shares in the Company’s share capital with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director(s)” or “Independent Director(s)”	independent non-executive director(s) of the Company
“Latest Practicable Date”	26 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Non-executive Director(s)”	non-executive director(s) of the Company
“Notice of AGM”	the notice convening the AGM
“Notice of A Shareholders’ Class Meeting”	the notice convening the A Shareholders’ Class Meeting
“Notice of H Shareholders’ Class Meeting”	the notice convening the H Shareholders’ Class Meeting
“PRC” or “China”	the People’s Republic of China
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Shares
“Shares”	shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Company’s A Shares and H Shares
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the board of supervisors of the Company

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Ma Hongfu
Mr. Wang Guofu
Mr. Chen Yuhai
Ms. Zhang Qianyu

Non-executive Directors:

Mr. Yap Kean Chong
Mr. Song Xiaopeng

Independent Non-executive Directors:

Ms. Liu Zhijun
Mr. Zhao Xinmin
Mr. Wong Cho Hang Stanley

Registered office in the PRC:

Sanjiaocheng Village
Sanjiaocheng Town
Yuzhong County
Lanzhou, Gansu
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:

Units 3306-12, 33/F
Shui On Centre
Nos. 6-8 Harbour Road
Wanchai, Hong Kong

30 April 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSAL IN RELATION TO THE APPROVAL OF
REPORT OF BOARD OF DIRECTORS FOR 2018,
PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT
OF INDEPENDENT DIRECTORS FOR 2018,
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LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to give you the Notice of AGM and provide you with relevant information to enable you to make informed decision on whether to vote for or against the resolutions (among others) to be proposed at the meeting for the following issues, to be approved by way of ordinary resolutions:

Ordinary Resolutions

1. Proposal in relation to the approval of the report of Board of Directors for 2018
2. Proposal in relation to the Approval of the Report of Independent Directors for 2018
3. Proposal in relation to the Approval of the Report of the Supervisory Committee for 2018
4. Proposal in relation to the Approval of the Annual Report and its Highlights for 2018
5. Proposal in relation to the profit distribution plan for 2018
6. Proposal in relation to the Approval on the Special Report of the Occupation of Non-operating Capital and the Transaction of Other Related Funds for 2018 of Lanzhou Zhuangyuan Pasture Co., Ltd.
7. Proposal in relation to the confirmation of related parties transactions in 2018 and the forecast on related parties transactions in 2019
8. Proposal in relation to the approval on the final financial report for 2018 of the Company
9. Proposal in relation to the approval on the financial budget for 2019 of the Company
10. Proposal in relation to the approval on the application to banks of the limits of composite credit facilities for 2019
11. Proposal in relation to the appointment of Ruihua Certified Public Accountants (Special General Partnership) as the auditor of the Company for 2019
12. Proposal in relation to the remuneration of the Directors and Supervisors for 2019

(1) PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF BOARD OF DIRECTORS FOR 2018

An ordinary resolution on the Proposal in relation to the approval of the report of Board of Directors for 2018 will be proposed at the AGM. The full text of such proposal is set out in Appendix I in this circular.

LETTER FROM THE BOARD

(2) PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF INDEPENDENT DIRECTORS FOR 2018

An ordinary resolution on Proposal in relation to the Approval of the Report of Independent Directors for 2018 will be proposed at the AGM. The full text of such proposal is set out in Appendix II in this circular.

(3) PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF THE SUPERVISORY COMMITTEE FOR 2018

An ordinary resolution on Proposal in relation to the Approval of the Report of the Supervisory Committee for 2018 will be proposed at the AGM. The full text of such proposal is set out in Appendix III in this circular.

(4) PROPOSAL IN RELATION TO THE APPROVAL OF THE ANNUAL REPORT AND ITS HIGHLIGHTS FOR 2018

An ordinary resolution on Proposal in relation to the Approval of the Annual Report and its Highlights for 2018 will be proposed at the AGM, details of which is set out in the Company's annual report despatched with this circular on the same day.

(5) PROPOSAL IN RELATION TO THE PROFIT DISTRIBUTION PLAN FOR 2018

An ordinary resolution on the Proposal in relation to the profit distribution plan for 2018 will be proposed at the AGM. The full text of such proposal is set out in Appendix IV in this circular.

According to the Articles, an ordinary resolution will be proposed at the AGM to approve the Company's profit distribution plan. The Board proposed the distribution of a final dividend of RMB0.68 per ten shares (tax inclusive) in cash in an aggregate amount of approximately RMB12,739,120 for the year ended 31 December 2018. Such dividend will be paid to holders of A Shares and domestic investors investing in H shares through Shenzhen—Hong Kong Stock Connect in Renminbi and to holders of H Shares in Hong Kong dollars. The actual amount of H Share dividend attributable to holders of H Shares to be distributed and paid in Hong Kong dollars is calculated according to the average benchmark exchange rate of Renminbi against Hong Kong dollars as published by the People's Bank of China for the five business days preceding the date of AGM. If the proposed profit distribution plan is approved at the AGM, the final dividend of H shares will be paid to the Shareholders whose names are registered in the Company's register of members on Wednesday, 10 July 2019. The Company expected to pay the dividend before 30 August 2019. The Proposal in relation to the profit distribution plan for 2018 is subject to approval by the A Shareholders and the H Shareholders at the A Shareholders' Class Meeting and H Shareholders' Class Meeting by way of ordinary resolutions.

In order to determine the holders of Shares who are entitled to receive the above-mentioned final dividend, the register of members of the Company will be closed from Friday, 5 July 2019 to Wednesday, 10 July 2019, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2018 (subject to the approval of the Shareholders), unregistered holders of H Shares of the Company shall lodge share transfer documents with the Company's H Share registrar and transfer office 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 registration not later than 4:00 p.m. on Thursday, 4 July 2019.

LETTER FROM THE BOARD

We hereby recommend Shareholders to authorize the Board to implement the above profit distribution plan, and recommend the Board to further grant its authority to the Company's management for implementing all relevant matters relating to the above profit distribution plan, having obtained the above authority.

In accordance with the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) and its implementation regulations which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H Shares when distributing the cash dividends. Any H Shares not registered under the name of an individual shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organisations or groups, will be deemed as shares held by non-resident enterprise shareholders. Therefore, enterprise income tax will be withheld from dividends payable to such shareholders. If holders of H Shares intend to change its shareholder status, please enquire about the relevant procedures with your agents or trustees. The Company will strictly comply with the law or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant shareholders based on the register of members for H Shares as at the record date of the proposed final dividend.

In accordance with the "Circular on Certain Issues Concerning the Policies of Individual Income Tax" (Cai Shui Zi [1994] No.020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994] 020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, temporarily, exempted from the PRC individual income tax for dividend or bonuses received from foreign invested enterprises. In accordance with the "Letter of the State Administration of Taxation concerning Taxation Issues of Dividends Received by Foreign Individuals Holding Shares of Companies Listed in China" (Guo Shui Han Fa [1994] No. 440) (《外籍個人持有中國境內上市公司股票所取得的股息有關稅收問題的函》(國稅函發[1994] 440號)) as promulgated by the State Administration of Taxation on 26 July 1994, dividends (capital bonuses) received by foreign individuals holding B shares or overseas shares (including H Shares) from Chinese enterprises issuing such B shares or overseas shares are temporarily exempted from individual income tax. Accordingly, in the payment of final dividend, the Company will not withhold and pay the individual income tax on behalf of individual Shareholders when the Company distributes the final dividend to individual Shareholders whose names appear on the register of members of H Shares of the Company.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Share Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Share Shareholders or any disputes over the withholding mechanism or arrangements.

(6) PROPOSAL IN RELATION TO THE APPROVAL ON THE SPECIAL REPORT OF THE OCCUPATION OF NON-OPERATING CAPITAL AND THE TRANSACTION OF OTHER RELATED FUNDS FOR 2018 OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.

An ordinary resolution on Proposal in relation to the Approval on the Special Report of the Occupation of Non-operating Capital and the Transaction of Other Related Funds for 2018 of Lanzhou Zhuangyuan Pasture Co., Ltd. will be proposed at the annual general meeting. The full text of such proposal is set out in Appendix V in this circular.

LETTER FROM THE BOARD

(7) PROPOSAL IN RELATION TO THE CONFIRMATION OF RELATED PARTIES TRANSACTIONS IN 2018 AND THE FORECAST ON RELATED PARTIES TRANSACTIONS IN 2019

An ordinary resolution on the Proposal in relation to the confirmation of related parties transactions in 2018 and the forecast on related parties transactions in 2019 will be proposed at the AGM. In accordance with the Stock Listing Rules of the Shenzhen Stock Exchange (hereinafter referred to as “the Shenzhen Listing Rules”) and the Listing Rules, the Company makes a forecast on the transaction to be entered into with related parties/connected parties during the ordinary course of business in the year of 2019.

Type of related parties transaction	Related parties	Expected amount of transaction in 2019 (ten thousands (RMB))	Amount of transaction in 2018 (ten thousands (RMB))	Balance as at 31 December 2018 (ten thousands (RMB))
Sale of products to related parties	Xi'an Dongfang Dairy Co., Ltd.* (Note 1)	0	83.88	0

Note 1: On 1 January 2018, the Company held 18.00% equity interest in Xi'an Dongfang Dairy Co., Ltd., which is a participating stock company (参股公司) of the Company. In early November 2018, the Company completed the acquisition of 82% equity interest in Xi'an Dongfang Dairy Co., Ltd., and completed the procedures for the change of registration with relevant industrial and commercial department, and thus became its sole shareholder.

The full text of such proposal is set out in Appendix VI in this circular.

(8) PROPOSAL IN RELATION TO THE APPROVAL ON THE FINAL FINANCIAL REPORT FOR 2018 OF THE COMPANY

An ordinary resolution on the Proposal in relation to the approval on the final financial report for 2018 of the Company will be proposed at the AGM. For details of the financial reports for the year ended 31 December 2018, please refer to the Appendix VII in this circular and financial statements set out in the Company's annual report despatched with this circular on the same day.

LETTER FROM THE BOARD

The Report on Final Accounts of the Company for the year ended 31 December 2018 was considered and approved by the Board on 30 January 2019 and is hereby proposed as ordinary resolution at the AGM for consideration and approval.

(9) PROPOSAL IN RELATION TO THE APPROVAL ON THE FINANCIAL BUDGET FOR 2019 OF THE COMPANY

An ordinary resolution on the Proposal in relation to the approval on the financial budget for 2019 of the Company will be proposed at the AGM. The management of the Company expected that the operating income and net profit of the Company for 2019 will increase by 10% and 5% respectively compared with last year. The said financial forecast represents the Company's internal management and control indicators for the operation plan in 2019, and does not represent the Company's profit forecast or commitment for 2019. The achievement of the indicators is conditional upon factors including actual operating conditions and market conditions of the dairy industry, and are subject to great uncertainty. Investors are advised to exercise caution.

The full text of such proposal is set out in Appendix VIII in this circular.

(10) PROPOSAL IN RELATION TO THE APPROVAL ON THE APPLICATION TO BANKS OF THE LIMITS OF COMPOSITE CREDIT FACILITIES FOR 2019

An ordinary resolution on the Proposal in relation to the approval on the application to banks of the Limits of Composite Credit Facilities for 2019 of the Company will be proposed at the AGM.

The full text of such proposal is set out in Appendix IX in this circular.

In order to fulfill the manufacturing and operating requirements of the Company, the Company proposed to apply to a bank for a RMB1.5 billion composite credit facility after considering the capital arrangement of the Company. The types of credit facilities mainly include: investment loans for liquidity and fixed assets, domestic letter of credit, banker's acceptance, bills discounting, non-financing letters of credit and factoring guarantee of buyers. The amount of composite credit facility set out above is subject to final actual amount approved by the bank. The specific financing amount will be determined in accordance with the actual operation needs of the Company. During the credit period, the amount of credit facility can be used on a revolving basis.

The Company authorized the Chairman of the Company or authorized agent appointed by the Chairman, with full power to execute various legal documents in relation to the aforesaid composite credit facility, including but not limited to application forms, contracts or agreement in relation to credit facility, loans and financing on behalf of the Company.

LETTER FROM THE BOARD

(11) PROPOSAL IN RELATION TO THE APPOINTMENT OF RUIHUA CERTIFIED PUBLIC ACCOUNTANTS (SPECIAL GENERAL PARTNERSHIP) AS THE AUDITOR OF THE COMPANY FOR 2019

An ordinary resolution on the Proposal in relation to the appointment of Ruihua Certified Public Accountants (Special General Partnership) as the auditor of the Company for 2019 will be proposed at the AGM and the grant of authority to the Board, then the Board will grant the authority to the management of the Company to determine the remuneration of the auditor for 2019 according to actual conditions.

(12) PROPOSAL IN RELATION TO THE REMUNERATION OF THE DIRECTORS AND SUPERVISORS FOR 2019

An ordinary resolution will be proposed at the AGM to approve the remuneration plan for Directors and Supervisors for the year ending 31 December 2019, which is formulated with reference to the remuneration level in 2018 and according to the Company's internal policies as follows:

1 Remuneration plan for Directors

- (i) Executive Directors holding offices in the Company will receive their remuneration from the Company. The remuneration of an Executive Director will be determined based on the senior management position concurrently held by such Executive Director, in accordance with rules relating to the management of remuneration of the Company;
- (ii) Non-executive Directors without holding offices in the Company will not receive any remuneration from the Company;
- (iii) Independent Directors will receive their remuneration from the Company. The Company will pay each domestic Independent Directors RMB30,000 per year (after tax, paid on a monthly basis). The Company will pay each overseas Independent Directors HK\$120,000 per year (after tax, paid on a monthly basis).

2 Remuneration plan for Supervisors

- (i) Staff representative Supervisors will receive their remuneration from the Company. Its remuneration will be determined with reference to rules relating to the management of remuneration of the Company;
- (ii) The chairman of the Supervisory Committee will receive their remuneration from the Company. The Company will pay the chairman of the Supervisory Committee RMB30,000 per year (after tax, paid on a monthly basis);
- (iii) Supervisors without holding offices in the Company will not receive any remuneration from the Company.

LETTER FROM THE BOARD

AGM AND CLASS MEETINGS

The Company will convene the AGM on Thursday, 27 June 2019 at the Company's head office in the PRC at 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC, to consider and, if thought fit, approve, inter alia, the matters as set out in the notice convening the AGM set out in pages N-1 to N-4 of this circular. The A Shareholders' Class Meeting will be held immediately after the conclusion of the AGM, at the same place, and the H Shareholders' Class Meeting will be held immediately after the conclusion of the A Shareholders' Class Meeting, at the same place, to consider and, if thought fit, approve the proposed Dividends. Notice of AGM, Notice of A Shareholders' Class Meeting and Notice of H Shareholders' Class Meeting are set out in this circular.

In order to determine the holders of Shares who are eligible to attend and vote at the AGM and H Shareholders' Class Meeting, the register of members of the Company will be closed from Tuesday, 28 May 2019 to Thursday, 27 June 2019, both days inclusive. To be eligible to attend and vote at the AGM and H Shareholders' Class Meeting, unregistered holders of H Shares of the Company shall lodge relevant share transfer documents with the Company's H Share registrar and transfer office 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 registration not later than 4:00 p.m. on Monday, 27 May 2019.

Shareholders who intend to appoint a proxy to attend the AGM and H Shareholders' Class Meeting shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to Union Registrars Limited and for holders of A Shares, the form of proxy should be returned to the Company's head office in the PRC in person or by post not less than 24 hours before the time fixed for holding the AGM or any adjourned meeting thereof.

Shareholders who intend to attend the AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting in person or by proxy shall complete and return the accompanying AGM or A Shareholders' Class Meeting reply slip to the Company's head office in the PRC by hand, by post or by fax (fax number: (86) 931 875 3001) (for holders of A Shares), or return the AGM or H Shareholders' Class Meeting reply slip to the Company's H Share registrar and transfer office 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 hand or by post (for holders of H Shares) on or before Friday, 7 June 2019.

VOTING BY POLL AT AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders of a listed issuer at the issuer's general meeting 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 AGM, A shareholders' Class Meeting and H Shareholders' Class Meeting will therefore demand a poll for every resolution put to the vote at the AGM pursuant to Article 86 of the Articles.

LETTER FROM THE BOARD

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/its uses in the same manner.

RECOMMENDATION

The Board considers that all resolutions set out in the Notice of AGM, Notice of A Shareholders' Class Meeting and Notice of H Shareholders' Class Meeting for Shareholders' consideration and approval are in the best interests of the Company and its Shareholders. As such, the Board recommends the Shareholders to vote in favour of the said resolutions set out in the Notice of AGM, Notice of A Shareholders' Class Meeting and Notice of H Shareholders' Class Meeting which are to be proposed at the AGM.

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

* For identification purpose only

APPENDIX I PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF BOARD OF DIRECTORS FOR 2018

LANZHOU ZHUANGYUAN PASTURE CO., LTD. THE REPORT OF BOARD OF DIRECTORS FOR 2018

The board of directors (hereinafter referred to as the “Board”) of Lanzhou Zhuangyuan Pasture Co., Ltd. (hereinafter referred to as the “Company” or “Lanzhou Zhuangyuan”) consists of 9 directors. The Board of the Company strictly follows relevant laws and regulations, such as the Company Law, the Securities Law, the Stock Listing Rules of the Shenzhen Stock Exchange, the Guidelines for the Standardized Operation of Companies Listed on the Small and Medium-Sized Enterprise Board issued by the Shenzhen Stock Exchange and the Company’s systems and provisions such as the Articles of Association, the General Meeting’s Rules of Procedure, Board Meeting’s Rules of Procedure to effectively fulfill the duties of the Board conferred by the general meeting, strictly implements various resolutions passed at the general meeting, diligently carry out various tasks, actively promote the implementation of various resolutions of the Board and constantly standardize the corporate governance structure of the Company in order to ensure scientific decision-making and standard operation of the Board. The Company’s business and operation in 2018 is detailed as follows:

I. MAJOR BUSINESS OPERATIONS IN 2018

As of 31 December 2018, total assets of the Company were RMB2.048 billion, and the asset-liability ratio was 42.17%. In 2018, the sales amounted to RMB658 million, an increase of 4.67% over the same period of last year. The total profit amounted to RMB65 million, decreased by 8.26% as compared with the same period of last year. The net profit was RMB64 million, decreased by 7.05% as compared with the same period of last year.

There was no major change in the operating environment of the dairy industry during 2018.

In 2018, the Company took the initiative to adapt to the market environment and adopted proactive response strategy. On the basis of continuing to intensively cultivate the existing sales market, consolidate market position and regional competitive advantage, the Company expanded new sales regions by strengthening marketing effort and improving overall marketing level, as well as implemented conscientiously the annual business plan. During the reporting period, the Company focused on the following tasks:

1. Actively implemented the equity distribution for 2017. In return for the investment and support of all shareholders for the Company’s development, based on the total number of shares in the share capital of 187,340,000 shares as of 31 December 2017 (including 152,210,000 A Shares and 35,130,000 H Shares), total cash distribution of RMB13,675,820, RMB0.73 (tax included) per ten shares, out from distributable profit realized in 2017, was distributed to all shareholders. This profit distribution has no bonus shares rewarding or reserves capitalization. The distribution was completed by 30 August 2018.

APPENDIX I PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF BOARD OF DIRECTORS FOR 2018

2. Successfully completed the acquisition of 82% equity of Xi'an Dongfang Dairy Co., Ltd., which is a subsidiary of the Company and obtained the Business License issued by Xi'an Administration for Industry and Commerce on 1 November 2018. Upon the acquisition, the Company became the sole shareholder and owns 100% equity of Xi'an Dongfang Dairy Co., Ltd..
3. Further established and improved the long-term incentives mechanism of the Company, fully motivate the Directors, senior and middle management and core technical (business) personnel of the Company, effectively combined the interests of the shareholders, the Company and members of core teams and promoted the sustainable, stable and rapid development of the Company, the Board of the Company reviewed and approved the "Proposal in relation to the 2018 Restricted Share Incentive Scheme of Lanzhou Zhuangyuan Pasture Co., Ltd. 2018 (Draft) and its Summary" on 28 September 2018.

II. DAILY WORK OF THE BOARD

1. Work and performance of the Board

In 2018, the Company held 14 Board meetings. The convening, proposal, attendance, consideration, voting, resolutions and meeting minutes of the Board meeting were strictly in accordance with the relevant provisions of the Company Law, the Articles of Association and the Board Meeting's Rules of Procedure. All directors of the Company attended the meeting in person or through other communication means. Details are as follows:

Time	Name of the meeting	Resolution considered and approved
5 February 2018	The first Board meeting in 2018	<ol style="list-style-type: none">1. Resolution on Amendments to the Articles of Association2. Resolution on Alignment in the Preparation of Financial Statements in Accordance with China Accounting Standards3. Resolution on Changes in the Accounting Standards4. Resolution on Appointment of KPMG Huazhen LLP as the Company's Auditor for 20175. Resolution on Convening of the 2018 First Extraordinary General Meeting
5 March 2018	The second Board meeting in 2018	<ol style="list-style-type: none">1. Resolution on Election of Non-Independent Directors for New Session of the Board2. Resolution on Election of Independent Directors for New Session of the Board

**APPENDIX I PROPOSAL IN RELATION TO THE APPROVAL OF THE
REPORT OF BOARD OF DIRECTORS FOR 2018**

Time	Name of the meeting	Resolution considered and approved
26 March 2018	The 1st meeting of the 3rd session of the Board	<ol style="list-style-type: none"> 1. Resolution on Election of Chairman of the Board 2. Resolution on Election of Deputy Chairman of the Board 3. Resolution on Election of Members of the Special Committees of the Third Session of the Board 4. Resolution on Appointment of General Manager for the Company 5. Resolution on Appointment of Deputy General Manager for the Company 6. Resolution on Appointment of the Financial Controller 7. Resolution on Appointment of Secretary to the Board 8. Resolution on Engagement of Securities Affairs Representative 9. Resolution on Engagement of Chief Financial Officer 10. Resolution on Appointment of Joint Company Secretary
28 March 2018	The 2nd meeting of the 3rd session of the Board	<ol style="list-style-type: none"> 1. Resolution on Approval of the Report of the Board for 2017 2. Resolution on Approval of the Report of the General Manager for 2017 3. Resolution on Approval of the Work Report of Independent Directors for 2017 4. Resolution on Approval of 2017 Annual Report and its Highlights 5. Resolution on Approval of the Evaluation Report on Internal Control for 2017 and Implementation Inspection on Internal Control Rules 6. Resolution on Approval of Profit Distribution for 2017 7. Resolution on Approval of Special Report on the Deposit and Use of Proceeds Raised for 2017 8. Resolution on Approval of the Auditing Report for 2017 9. Resolution on Approval of the Special Report for Occupation of Non-Operating Capital and other Related Funds for 2017 of Lanzhou Zhuangyuan Pasture Co., Ltd. 10. Resolution on Changes in the Accounting Standards 11. Resolution on Approval of the Announcement of Final Results for the Year Ended 31 December 2017 12. Resolution on Confirmation of the Related Parties Transactions in 2017 and the Forecast on Related Parties Transactions in 2018 13. Resolution on Approval of the Final Financial Report for 2017 of the Company

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REPORT OF BOARD OF DIRECTORS FOR 2018**

Time	Name of the meeting	Resolution considered and approved
		14. Resolution on Approval of the Financial Budget for 2018 of the Company 15. Resolution on the Application to Banks for the Limits of Composite Credit Facilities for 2018 16. Resolution on Insider Registration and Management System
19 April 2018	The 3rd meeting of the 3rd session of the Board	1. Resolution on Appointment of Ruihua Certified Public Accountants (Special General Partnership) as the Auditor of the Company for 2018 2. Resolution on the Remuneration of the Directors, Supervisors and Senior Management for 2018 3. Resolution on Approval of Full and Main Text of the First Quarterly Report of the Company for 2018 4. Resolution on Adoption of the New Articles of Association of Lanzhou Zhuangyuan Pasture Co., Ltd. 5. Resolution on the Amendments and Supplement to the Related Corporate Governance Policy 6. Resolution on Convening the General Meeting of the Company for 2017
15 May 2018	The 4th meeting of the 3rd session of the Board	Resolution on Setting up Three Internal Management Agencies - Engineering Supervision Department, Brand Management Department and Safety Production and Environmental Protection Office
26 June 2018	The 5th meeting of the 3rd session of the Board	Resolution on Reconstruction and Expansion Project to Daily Processing of 600 Tons of Liquid Milk of Lanzhou Zhuangyuan Pasture Co., Ltd.
26 July 2018	The 6th meeting of the 3rd session of the Board	1. Resolution on the Acquisition of Equity Interests in An Affiliated Company Xi'an Dongfang Dairy Co., Ltd. 2. Resolution on the Change of Partial Use of Proceeds for the Acquisition of the Equity Interests in Xi'an Dongfang Dairy Co., Ltd. 3. Resolution on the Use of Partial Idle Proceeds as Temporary Liquid Funds 4. Resolution on Re-enactment of Management Measures on Holding Subsidiary of Lanzhou Zhuangyuan Pasture Co., Ltd.
9 August 2018	The 7th meeting of the 3rd session of the Board	Considered the Resolution on Convening the 2nd Extraordinary General Meeting of the Company for 2018
17 August 2018	The 8th meeting of the 3rd session of the Board	1. Resolution on Approval of 2018 Semi-Annual Report and its Highlights 2. Resolution on Announcement of Interim Results for the six months ended 30 June 2018 of the Company
20 September 2018	The 9th meeting of the 3rd session of the Board	Resolution on Establishment of Assets Pool with the China Zheshang Bank Co.,Ltd.

**APPENDIX I PROPOSAL IN RELATION TO THE APPROVAL OF THE
REPORT OF BOARD OF DIRECTORS FOR 2018**

Time	Name of the meeting	Resolution considered and approved
28 September 2018	The 10th meeting of the 3rd session of the Board	<ol style="list-style-type: none"> 1. Resolution on 2018 Restricted Share Incentive Scheme of Lanzhou Zhuangyuan Pasture Co., Ltd. 2018 (Draft) and its Summary 2. Resolution on Implementation, Assessment and Management Measures for 2018 Restricted Share Incentive Scheme of Lanzhou Zhuangyuan Pasture Co., Ltd. 3. Resolution on Proposal at General Meeting for Authorizing the Board to Handle Matters Relating to Share Incentive Scheme 4. Resolution on Convening the Third Extraordinary General Meeting in 2018 of the Company
25 October 2018	The 11th meeting of the 3rd session of the Board	<ol style="list-style-type: none"> 1. Resolution on Approval of Full and Main Text of the Third Quarterly Report of the Company for 2018 2. Resolution on Announcement of the Quarterly Results for the Nine months ended 30 September 2018 of the Company
12 November 2018	The 12th meeting of the 3rd session of the Board	Consider the Resolution on Cancellation of the Third Extraordinary General Meeting in 2018

**APPENDIX I PROPOSAL IN RELATION TO THE APPROVAL OF THE
REPORT OF BOARD OF DIRECTORS FOR 2018**

2. General meeting convened and implementation of resolutions approved by the Board

In 2018, the Company held 3 general meeting, all of which were convened by the Board. The resolutions passed at the general meetings had been implemented by the Board in strict accordance with the resolutions and authorizations of the general meeting, in order to safeguard the interests of all shareholders, and make sure that shareholders can exercise their legal functions, thereby promoting the Company's long-term, stable and sustainable development. Details are as follows:

Time	Name of the meeting	Percentage of attendance by investors	Resolution considered and approved
26 March 2018	The 1st Extraordinary General Meeting in 2018	50.0433%	<ol style="list-style-type: none"> 1. Resolution on Amendments to the Articles of Association 2. Resolution on Alignment in the Preparation of Financial Statements in Accordance with China Accounting Standards 3. Resolution on Appointment of KPMG Huazhen LLP as the Company's Auditor for 2017 4. Resolution on Election of Non-Independent Directors for New Session of the Board 5. Resolution on Election of Independent Directors for New Session of the Board 6. Resolution on Election of Non-Employee Representative Supervisors for New Session of the Supervisory Committee
20 June 2018	2017 Annual General Meeting	59.7878%	<ol style="list-style-type: none"> 1. Resolution on Approval of the Report of the Board for 2017 2. Resolution on Approval of the Work Report of Independent Directors for 2017 3. Resolution on Approval of 2017 Annual Report and its Highlights 4. Resolution on Approval of the Evaluation Report on Internal Control for 2017 and Implementation Inspection on Internal Control Rules 5. Resolution on Approval of Profit Distribution for 2017 6. Resolution on Approval of Special Report on the Deposit and Use of Proceeds Raised for 2017

**APPENDIX I PROPOSAL IN RELATION TO THE APPROVAL OF THE
REPORT OF BOARD OF DIRECTORS FOR 2018**

Time	Name of the meeting	Percentage of attendance by investors	Resolution considered and approved
			7. Resolution on Approval of the Special Report for Occupation of Non-Operating Capital and other Related Funds for 2017 of Lanzhou Zhuangyuan Pasture Co., Ltd. 8. Resolution on Confirmation of the Related Parties Transactions in 2017 and the Forecast on Related Parties Transactions in 2018 9. Resolution on Approval of the Final Financial Report for 2017 of the Company 10. Resolution on Approval of the Financial Budget for 2018 of the Company 11. Resolution on the Application to Banks for the Limits of Composite Credit Facilities for 2018 12. Resolution on Appointment of Ruihua Certified Public Accountants (Special General Partnership) as the Auditor of the Company for 2018 13. Resolution on the Remuneration of the Directors and Supervisors for 2018 14. Resolution on Adoption of the New Articles of Association of Lanzhou Zhuangyuan Pasture Co., Ltd 15. Resolution on the Amendments and Supplement to the Related Corporate Governance Policy
26 September 2018	The 2nd Extraordinary General Meeting in 2018	44.7170%	1. Resolution on the Acquisition of Equity Interests in An Affiliated Company Xi'an Dongfang Dairy Co., Ltd. 2. Resolution on the Change of Partial Use of Proceeds for the Acquisition of the Equity Interests in Xi'an Dongfang Dairy Co., Ltd.

3. Performance of the special committees of the Board

(1) The Strategic Committee

The Strategy Committee actively performs its duties in accordance with the Company Law, the Articles of Association, the Working Rules of the Strategy Committee and other relevant regulations. During the reporting period, members of the Strategy Committee made reasonable recommendations on major issues of the Company based on the deployment of the Company's development strategy. During the reporting period, special meetings were held to study and make recommendations on the Company's significant matters such as operational strategy, development and operation and asset management, which played an important role in enhancing core competitiveness, strengthening scientific, efficiency and quality of decision-making of the Company.

APPENDIX I PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF BOARD OF DIRECTORS FOR 2018

(2) The Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee actively performs its duties in accordance with the Company Law, the Articles of Association, the Working Rules of the Remuneration and Appraisal Committee and other relevant regulations. During the reporting period, members of the Remuneration and Appraisal Committee reviewed the performance and remuneration of directors and senior management of the Company.

(3) The Nomination Committee

The Nomination Committee actively performs its duties in accordance with the Company Law, the Articles of Association, the Working Rules of the Nomination Committee and other relevant regulations. During the reporting period, the Nomination Committee conducted cautious inspections of the qualifications and capabilities of relevant directors and senior management through various aspects and channels, made assessments on the independence of the independent non-executive directors of the Company, and held special meeting to review the structure, number and composition of the Board, thereby further promoting the stability of the Company's management team.

(4) The Audit Committee

The Audit Committee actively performs its duties in accordance with the Company Law, the Articles of Association, the Working Rules of the Audit Committee and other relevant regulations. During the reporting period, Audit Committee diligently and fully fulfilled its professional functions and supervision role to communicate with the external auditors on the auditing of Annual Financial Statements for 2017, supervise the auditing progress and ensure the independence and the scheduled work of the audit. The Audit Committee reviewed and audited the 2017 Annual Report, the First and Third Quarterly Reports in 2018 and the Semi-annual Reports. Special meetings had been held to consider major issues and matters such as corporate risk management and internal control, management, procedures, implementation and effectiveness of financial and risk control as well as corporate governance, which further enhance the effectiveness of internal control and operations of the Company.

4. Performance of the independent directors

In 2018, the independent directors of the Company performed their duties carefully and diligently according to the Working System of Independent Directors, actively participated in board meetings, and carefully considered various proposals. The independent directors conducted sufficient communication with senior management in respect of production and operation, financial management, related parties transactions, significant guarantees, project investment, etc., and expressed independent opinions on major matters of the Company based on their professional knowledge and capabilities. They maintained their complete independence during daily work and safeguarded the interests of the Company and minority shareholders effectively. Taking the opportunity of participation in the Board meeting and general meeting and during other period and at other time, the independent directors got themselves fully known and understood the Company's

APPENDIX I PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF BOARD OF DIRECTORS FOR 2018

production and operation through communication with senior management. During the preparation of annual report of the Company, they communicated with the certified public accountant who conducts the annual audit working to supervise the auditing and facilitated the auditing report to be prepared in time.

5. Information disclosure

The Board of the Company shall faithfully fulfill the obligation of information disclosure to disclose real, accurate and complete information in a timely manner in accordance with the laws, administrative regulations, departmental rules, regulatory documents, the Stock Listing Rules of the Shenzhen Stock Exchange and the relevant rules, guidelines and notices issued by Shenzhen Stock Exchange and in combination with the actual situation of the Company, in order to improve the standard operation and transparency of the Company and protect the interests of investors to the greatest extent.

6. Investor relations management

The Board of the Company attached great importance to the management of investor relations, strengthened contact and communication between the Company and investors through various channels such as investor calls and investor interaction platforms. By promptly responding to investors' questions on interactive platforms, the Board made investors more convenient and timely known about the Company and established a good and positive image for the Company in the capital market.

III. MAIN TASKS AND WORKING OF THE BOARD IN 2019

1. The Board will address the weak aspects in corporate governance of the Company, standardize the corporate governance structure, enhance all kinds of the Company's systems, implement various rectification measures, strengthen the collection and processing of decision-making information, optimize decision-making programs, and gradually improve the scientific decision-making mechanism, so as to improve work efficiency and quality of the Board.
2. The Board of the Company will strengthen the training of directors, supervisors and senior management, actively organize and participate in the training and study of relevant laws and regulations and rules, in order to facilitate all directors, supervisors and senior management to have higher self-discipline awareness and standardization and more scientific and efficient decision-making. Also, the Board will improve the risk prevention mechanism on continuous basis to facilitate the healthy, stable and sustainable development of the Company.

**APPENDIX I PROPOSAL IN RELATION TO THE APPROVAL OF THE
REPORT OF BOARD OF DIRECTORS FOR 2018**

3. The Board of the Company will continually fulfill the information disclosure obligations in strictly compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Stock Listing Rules of the Shenzhen Stock Exchange and the Guidelines for the Standardized Operation of Companies Listed on the Small and Medium-Sized Enterprise Board issued by the Shenzhen Stock Exchange and other laws and regulations and the provisions of the Articles of Association.

The Board of
Lanzhou Zhuangyuan Pasture Co., Ltd.
30 January 2019

**Lanzhou Zhuangyuan Pasture Co., Ltd.
Work Report of Independent Directors for 2018**

As independent directors of Lanzhou Zhuangyuan Pasture Co., Ltd. (hereinafter referred to as the “Company” or “Zhuangyuan Pasture”), in 2018, we performed our duties carefully and diligently according to applicable laws, regulations and normative documents, such as the Company Law, the Guiding Opinions on Establishing Independent Director System for Listed Companies (《關於在上市公司建立獨立董事的指導意見》), the Code of Corporate Governance for Listed Companies, the Guidelines for the Standardized Operation of Companies Listed on the Small and Medium-Sized Enterprise Board issued by the Shenzhen Stock Exchange, as well as the Articles of Association and the Working System of Independent Directors of Lanzhou Zhuangyuan Pasture Co., Ltd., actively participated in board meetings, and carefully considered various proposals. We conducted sufficient communication with senior management in respect of production and operation, financial management, related parties transactions, significant guarantees, project investment, etc., and expressed independent opinions on major matters of the Company based on our professional knowledge and capabilities. We maintained our complete independence during daily work and safeguarded the interests of the Company and minority shareholders effectively. Taking the opportunity of participation in the Board meetings and general meetings and during other period and at other time, we got ourselves fully known and understood the Company’s production and operation through communication with senior management. During the preparation of annual reports of the Company, we communicated with the certified public accountant who conducts the annual audit to supervise the auditing and facilitated the auditing report to be prepared in time. Performance of our duties as independent directors in 2018 is as follows:

I. ATTENDANCE AT THE BOARD MEETINGS AND GENERAL MEETINGS IN 2018

In 2018, the Company held and we have participated in all of 14 board meetings and 3 general meetings. We delivered affirmative vote for relevant proposals considered at each board meeting and earnestly fulfilled our duties as independent directors. In addition, we got ourselves known and understood production and operation details of the Company in a timely manner and paid great attention to comprehensive development and growth of the Company.

Name	Number of board meetings should be attended this year	Number of attendances	Number of attendance by proxy	Number of absence	Number of attendances in general meeting
Liu Zhijun	14	14	0	0	3
Wong Cho Hang Stanley	14	14	0	0	3
Zhao Xinmin	12	12	0	0	2
Xin Shihua	2	2	0	0	1

APPENDIX II PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF INDEPENDENT DIRECTORS FOR 2018

II. EXPRESS INDEPENDENT OPINIONS

As independent directors of the Company, we have jointly expressed independent opinions on relevant matters of the Company:

On 5 February 2018, we issued independent opinions for approval on the Resolution on Changes in the Accounting Standards and the Resolution on Appointment of KPMG Huazhen LLP as the Company's Auditor for 2017 considered at the first Board Meeting in 2018.

On 5 March 2018, we issued independent opinions for approval on the Resolution on Election of Non-Independent Directors for New Session of the Board and the Resolution on Election of Independent Directors for New Session of the Board considered at the second Board Meeting in 2018.

On 26 March 2018, we issued independent opinions for approval on the Resolution on Election of Chairman of the Board, the Resolution on Election of Deputy Chairman of the Board, the Resolution on Appointment of General Manager for the Company, the Resolution on Appointment of Deputy General Manager for the Company, the Resolution on Appointment of the Financial Controller, the Resolution on Appointment of Secretary to the Board, the Resolution on Engagement of Securities Affairs Representative, the Resolution on Engagement of Chief Financial Officer and Resolution on Appointment of Joint Company Secretary considered at the first meeting of the third session of the Board.

On 28 March 2018, we issued independent opinions for approval on the Resolution on Approval of 2017 Annual Report and its Highlights, the Resolution on Approval of the Evaluation Report on Internal Control for 2017 and Implementation Inspection on Internal Control Rules, the Resolution on Approval of Profit Distribution for 2017, the Resolution on Approval of Special Report on the Deposit and Use of Proceeds Raised for 2017, the Resolution on Approval of the Special Report for Occupation of Non-Operating Capital and other Related Funds for 2017 of Lanzhou Zhuangyuan Pasture Co., Ltd., the Resolution on Changes in the Accounting Standards, the Resolution on Confirmation of the Related Parties Transactions in 2017 and the Forecast on Related Parties Transactions in 2018, the Resolution on Approval of the Final Financial Report for 2017 of the Company, the Resolution on Approval of the Financial Budget for 2018 of the Company and the Resolution on the Application to Banks for the Limits of Composite Credit Facilities for 2018 considered at the second meeting of the third session of the Board. And we have carefully reviewed and verified external guarantees provided by the Company as of 31 December 2017, prepared special statements and issued independent opinions.

On 19 April 2018, we issued independent opinions for approval on the Resolution on Appointment of Ruihua Certified Public Accountants (Special General Partnership) as the Auditor of the Company for 2018 and the Resolution on the Remuneration of the Directors, Supervisors and Senior Management for 2018 considered at the third meeting of the third session of the Board.

On 26 July 2018, we issued independent opinions for approval on the Resolution on the Acquisition of Equity Interests in An Affiliated Company Xi'an Dongfang Dairy Co., Ltd., the Resolution on the Change of Partial Use of Proceeds for the Acquisition of the Equity Interests in Xi'an Dongfang Dairy Co., Ltd. And the Resolution on the Use of Partial Idle Proceeds as Temporary Liquid Funds considered at the sixth meeting of the third session of the Board.

On 20 September 2018, we issued independent opinions for approval on the Resolution on Establishment of Assets Pool with the China Zheshang Bank Co.,Ltd. considered at the ninth meeting of the third session of the Board.

On 28 September 2018, we issued independent opinions for approval on the Resolution on 2018 Restricted Share Incentive Scheme of Lanzhou Zhuangyuan Pasture Co., Ltd. 2018 (Draft) and its Summary and the Resolution on Implementation, Assessment and Management Measures for 2018 Restricted Share Incentive Scheme of Lanzhou Zhuangyuan Pasture Co., Ltd. considered at the tenth meeting of the third session of the Board.

III. PERFORMANCE OF THE SPECIAL COMMITTEES

As independent directors, we are members of various special committees. During the reporting period, the Strategy Committee fulfilled the duties of the Strategy Committee in accordance with the Working Rules of the Strategy Committee and other relevant regulations. In accordance with the relevant provisions of the Working Rules of the Audit Committee and other relevant systems, the Audit Committee fully fulfilled its duties and functions. It reviewed the report of external auditors on the Audit Plan and other matters before auditing of the annual report. During the preparation of 2017 annual report of the Company, it communicated with the certified public accountant who conducts the annual audit to supervise the auditing and facilitated the auditing report to be prepared in time. The Remuneration and Appraisal Committee actively performs its duties in accordance with the Working Rules of the Remuneration and Appraisal Committee and other relevant regulations and reviewed the remuneration of directors and senior management of the Company. The Nomination Committee actively performs its duties in accordance with the Working Rules of the Nomination Committee and other relevant regulations and conducted cautious inspections of the qualifications and capabilities of personnel to be appointed by the Board.

IV. ON-SITE INSPECTION TO THE COMPANY

In 2018, we took the opportunity to participate the Board meetings, general meetings and other time and periods to conduct on-site inspections to the Company to familiar with the production, operation and financial positions of the Company. We actively communicated with other directors and senior management to know about their views and suggestions on business, internal control and standard operation. Based on our concern and understanding of the macro policy environment, we actively provided suggestions and recommendation in respect of business operations, finance and auditing.

V. WORK DONE TO PROTECT THE LEGITIMATE RIGHTS AND INTERESTS OF INVESTORS**1. Supervision on information disclosure of the Company**

We continually focused on information disclosure work of the Company, and urged the Company be in strict compliance with the Stock Listing Rules of the Shenzhen Stock Exchange, the Guidelines for the Standardized Operation of Companies Listed on the Small and Medium-Sized Enterprise Board issued by the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and other applicable laws, regulations and other regulatory documents, in order to ensure the truthfulness, accuracy, timeliness and integrity of information disclosed by the Company both in mainland China and Hong Kong.

2. Supervision on operation and management of the Company

We carefully and effectively fulfilled our duties and functions, actively participated in board meetings, and carefully considered various proposals. We conducted sufficient communication with senior management in respect of production and operation, financial management, related parties transactions, project investment and internal control, etc., and expressed independent opinions on major matters of the Company based on our professional knowledge and capabilities. We maintained our complete independence during daily work and safeguarded the interests of the Company and minority shareholders effectively.

VI. OTHER WORK AND PERFORMANCE**1. Proposal in relation to election of accounting firm**

After investigation on the qualifications to audit securities business and quality of service provided to other listed companies of Ruihua Certified Public Accountants (Special General Partnership), it was confirmed that Ruihua Certified Public Accountants (Special General Partnership) has the qualifications and rich and wide experience and professionalism to conduct auditing for listed companies, which satisfied the requirements to audit the financial statements and internal control of the Company, and was competent to audit the Company's financial position and operating results independently. Therefore, we proposed the Board to appoint Ruihua Certified Public Accountants (Special General Partnership) as the Company's audit for 2018.

2. No proposal on convene any Board Meeting;

3. No appointment of external auditor or consultant institution independently.

VII. CONTACT INFORMATION

1. Liu Zhijun: liuzhj2007@163.com
2. Wong Cho Hang Stanley: stanley@chuanchiong.com.hk
3. Zhao Xinmin: 18919995599@189.cn

The afore-mentioned is our report on duties performance for 2018. In 2019, we will continue to fulfill the duties of independent directors in accordance with the requirements of applicable laws and regulations to exercise the authority and functions of independent directors to the greatest extent.

Independent directors:

Liu Zhijun

Wong Cho Hang Stanley

Zhao Xinmin

30 January 2019

APPENDIX III PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF THE SUPERVISORY COMMITTEE FOR 2018

LANZHOU ZHUANGYUAN PASTURE CO., LTD. THE REPORT OF SUPERVISORY COMMITTEE FOR 2018

The Supervisory Committee of Lanzhou Zhuangyuan Pasture Co., Ltd. (hereinafter referred to as the “Company” or “Lanzhou Zhuangyuan”) strictly follows relevant laws and regulations, such as the Company Law, the Company’s Articles of Association, the Rules of Procedure for Meetings of Supervisory Committee and the laws and regulations as well as the company’s systems and procedures to effectively fulfill the duties of the Supervisory Committee and exercise its authority and rights, supervise and inspect the production and operating activities, significant events, financial position of the Company and performance of directors and senior management of the Company, ensure the implementation of the resolutions passed at general meetings, and safeguard the legitimate rights and interests of shareholders. The work and performance of Supervisory Committee in 2018 is detailed as follows:

I. MEETINGS AND RESOLUTIONS OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

In 2018, the Company held 9 meetings of the Supervisory Committee. The convening by the board of directors, proposal, attendance, consideration, voting, resolutions and meeting minutes of meetings of the Supervisory Committee were strictly in accordance with the relevant provisions of the Company Law, the Articles of Association and the Rules of Procedure for Meetings of Supervisory Committee. All supervisors of the Company attended the meetings in person or through other communication means. Details are as follows:

Time	Name of the meeting	Resolutions considered and approved
5 February 2018	The 7th meeting of the 2nd session of the Supervisory Committee	1. Resolution on Alignment in the Preparation of Financial Statements in Accordance with China Accounting Standards 2. Resolution on Changes in the Accounting Standards 3. Resolution on Appointment of KPMG Huazhen LLP as the Company’s Auditor for 2017
5 March 2018	The 8th meeting of the 2nd session of the Supervisory Committee	Resolution on Election of Non-Employee Representative Supervisors for New Session of the Supervisory Committee
26 March 2018	The 1st meeting of the 3rd session of the Supervisory Committee	1. Resolution on Election of Chairman of the Supervisory Committee
28 March 2018	The 2nd meeting of the 3rd session of the Supervisory Committee	1. Resolution on Approval of the Report of the Supervisory Committee for 2017 2. Resolution on Approval of 2017 Annual Report and its Highlights 3. Resolution on Approval of the Evaluation Report on Internal Control for 2017 and Implementation Inspection on Internal Control Rules of the Company

**APPENDIX III PROPOSAL IN RELATION TO THE APPROVAL OF THE
REPORT OF THE SUPERVISORY COMMITTEE FOR 2018**

Time	Name of the meeting	Resolution considered and approved
		4. Resolution on Approval of Profit Distribution for 2017 5. Resolution on Approval of Special Report on the Deposit and Use of Proceeds Raised for 2017 6. Resolution on Approval of the Audited Report for 2017 7. Resolution on Changes in the Accounting Standards 8. Resolution on Approval of the Announcement of Final Results for the Year Ended 31 December 2017 9. Resolution on Confirmation of the Related Parties Transactions in 2017 and the Forecast on Related Parties Transactions in 2018 10. Resolution on Approval of the Final Financial Report for 2017 of the Company 11. Resolution on Approval of the Financial Budget for 2018 of the Company 12. Resolution on Approval of the Special Report for Occupation of Non-Operating Capital and other Related Funds for 2017 of Lanzhou Zhuangyuan Pasture Co., Ltd. 13. Resultion on Approval of the Application to the Bank on General Credit Limited for 2018
19 April 2018	The 3rd meeting of the 3rd session of the Supervisory Committee	1. Resolution on Appointment of Ruihua Certified Public Accountants (Special General Partnership) as the Auditor of the Company for 2018 2. Resolution on Approval of Full and Main Text of the First Quarterly Report of the Company for 2018 3. Resolution on the Remuneration of the Directors, Supervisors and Senior Management of the Company for 2018
26 July 2018	The 4th meeting of the 3rd session of the Supervisory Committee	1. Resolution on the Acquisition of Equity Interests in an Affiliated Company, Xi'an Dongfang Dairy Co., Ltd. 2. Resolution on the Change of Partial Use of Proceeds for the Acquisition of the Equity Interests in Xi'an Dongfang Dairy Co., Ltd. 3. Resolution on the Use of Partial Idle Proceeds as Temporary Liquid Funds
17 August 2018	The 5th meeting of the 3rd session of the Supervisory Committee	Resolution on Approval of 2018 Interim Report and its Highlights

APPENDIX III PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF THE SUPERVISORY COMMITTEE FOR 2018

Time	Name of the meeting	Resolution considered and approved
28 September 2018	The 6th meeting of the 3rd session of the Supervisory Committee	<ol style="list-style-type: none"> Resolution on 2018 Restricted Share Incentive Scheme of Lanzhou Zhuangyuan Pasture Co., Ltd. 2018 (Draft) and its Summary Resolution on Implementation, Assessment and Management Measures for 2018 Restricted Share Incentive Scheme of Lanzhou Zhuangyuan Pasture Co., Ltd. Resolution on Examining the List of Participants of 2018 Restricted Share Incentive Scheme of the Company
25 October 2018	The 7th meeting of the 3rd session of the Supervisory Committee	<ol style="list-style-type: none"> Resolution on Approval of Full and Main Text of the Third Quarterly Report of the Company for 2018 Resolution on Announcement of the Quarterly Results for the nine months ended 30 September 2018 of the Company

II. WORK AND PERFORMANCE OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

In 2018, the Supervisory Committee of the Company earnestly performed its supervisory functions to supervise and inspect the production and operating activities, significant events, financial position of the Company, implementation of resolutions passed at general meetings, management's business decisions and corporate operation rules by the Board as well as duties performance of the directors and senior management of the Company, and is of the view that:

- The Company has sustained standard, regulated and orderly financial management and gained positive financial position and operating results. Annual report for 2017, quarterly financial reports and interim financial report for 2018 give a true and fair reflection of the Company's financial position and operating results.
- There is no violation of the Company Law, the Articles of Association, the Accounting Standards and national laws and regulations in the business activities in 2018 of the Company and its holding subsidiaries.
- The Supervisory Committee has reviewed the Evaluation Report on Internal Control for 2018 of the Company, and verified the establishment and implementation of internal control rules. It is of the view that the Company has established a relatively complete corporate governance structure, internal control system and internal control rules for standard operation. The establishment of the internal control system provides better risk prevention and control in all aspects of the Company's operation and management, ensuring the legality, compliance of business management and asset security, and the truthfulness and completeness of financial reports and related information. Therefore, the efficiency and effectiveness of the operation have been promoted and the Company has grown and developed in line with its development strategy.

APPENDIX III PROPOSAL IN RELATION TO THE APPROVAL OF THE REPORT OF THE SUPERVISORY COMMITTEE FOR 2018

4. In 2018, the Company has disclosed the deposit and use of proceeds raised in a timely, true, accurate and complete manner in accordance with the Guidelines for the Standardized Operation of Companies Listed on the Small and Medium-Sized Enterprise Board issued by the Shenzhen Stock Exchange and the relevant regulations on the management of raised funds of the Company. No cases of non-compliance were recorded related to the deposit, use, management and disclosure of raised funds.
5. The accounting firm has issued a standard unqualified audit report. The report expresses an opinion that the financial statements give a true and fair view of the financial positions and operating results of the Company.

III. KEY WORK OF THE SUPERVISORY COMMITTEE IN 2019

In 2019, the Supervisory Committee will continue to perform its work in a serious and responsible manner, and strictly perform the relevant duties and exercise its authority and powers independently according to the law to supervise and inspect the performance of the directors and senior management of the Company, the operational management and financial positions of the Company, implementation of internal control rules and resolutions passed at general meetings and the Board meetings as well as the decision-making procedures for major matters, thereby earnestly safeguard the legitimate rights and interests of the Company and all shareholders, especially the minority shareholders.

The Supervisory Committee of
Lanzhou Zhuangyuan Pasture Co., Ltd.
30 January 2019

Stock code: 002910

Stock abbreviation: Zhuangyuan Pasture

Announcement No.: 2019-011

Lanzhou Zhuangyuan Pasture Co., Ltd.
ANNOUNCEMENT ON THE PROFIT DISTRIBUTION PLAN FOR 2018

The Company and all members of the Board guarantee that the contents of this Announcement are true, accurate and complete and there are no false records, misleading statements or major omissions.

I. BASIC INFORMATION OF THE PROFIT DISTRIBUTION PLAN

1. Details of the Profit Distribution Plan

Proposed by: The Board			
Reasons for the proposal: According to the audit report issued by the auditors and the regulations of the CSRC and the Articles of Association of the Company in relation to profit distribution as well as the Company's development plan.			
	Bonus shares (share)	Dividend (RMB)	Capitalization shares of surplus reserve (share)
Per ten shares	0	0.68	0
Total Distribution	Based on the total share capital of 187,340,000 shares as of 31 December 2018 and the cash dividends of RMB0.68 (tax included) per ten shares to all shareholders from the realized distributable profit in 2018, the total cash distributed shall be RMB12,739,120.00.		
Remarks	Where there are any changes in the share capital after the Board considered the Profit Distribution Plan, if it is not agreed, the distribution ratio shall be adjusted according to the principle that the total amount of the distribution remains unchanged.		

2. Legality and compliance of the Profit Distribution Plan

The Profit Distribution Plan is in compliance with the Company Law, Standard Corporate Accounting Practice, Notice on Further Implementing Issues concerning Cash Dividends of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) issued by the CSRC, and No.3 Guideline for the Supervision of Listed Companies — Cash Dividends of Listed Companies (《上市公司監管指引第3號—上市公司現金分紅》) issued by the CSRC and the Articles of Association and other regulations. The proposal is in line with the established profit distribution policy, profit distribution plan, long-term shareholder return plan and related commitments of the Company and is of legality, compliance, and rationality.

3. Compatibility between the Profit Distribution Plan and the Company's development

The Profit Distribution Plan of the Company has fully considered the Company's actual operation, the development characteristics and cycle of the dairy industry, competitors' competitive means and the desire of shareholders for profit distribution. The Profit Distribution Plan not only guarantees all shareholders a reasonable return allowing shareholders to share the economic results of the Company's growth, but also is conducive to management enhancement and operation standardization of the Company. Therefore, it shall be beneficial to the Company's sustainable development, fulfill the Company's obligations and responsibilities, and is in the line with the Company's operating performance, future development and development plan.

II. CHANGES IN SHAREHOLDINGS AND FUTURE SHAREHOLDING REDUCTION PLANS OF THE PROPOSER, SHAREHOLDERS HOLDING MORE THAN 5% SHAREHOLDINGS AND DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. There is no change in shareholdings of the proposer, shareholders holding more than 5% shareholdings and directors, supervisors and senior management within 6 months immediately before the disclosure of the Profit Distribution Plan.
2. There is no plan for the proposer, shareholders holding more than 5% shareholdings and directors, supervisors and senior management to reduce their shareholding in 6 month after the disclosure of the Profit Distribution Plan.

III. RISK WARNING

1. There are shares subject to trading restriction being released in the 6 months before the disclosure of the Profit Distribution Plan. Due to the initial public offering of A shares, the restricted shares held by some shareholders of the Company were released and started to be traded on 1 November 2018, details of which are as follows:

Unit: Share

No.	Name of shareholders	Number of shares held not subject to trading restrictions	Number of shares released
1	Chongqing Fukun Venture Investment Centre LLP	6,990,000	6,990,000
2	Tianjin Chuang Dongfang Fuhong Equity Investment Fund Partnership Enterprise LLP	2,847,500	2,847,500
3	Shenzhen City Chuang Dongfang Fukai Investment Enterprise LLP	2,847,500	2,847,500
4	Shanghai Rongyin Investment Co., Ltd.	2,821,750	2,821,750
5	Shanghai Ganjie Business Consulting Services Ltd.(Formerly known as Gansu Caiding Investment Co., Ltd.)	2,796,000	2,796,000
6	Hu Kaisheng	1,907,900	1,907,900
7	Huaren Chuangxin Group Co., Ltd	1,423,750	1,423,750
8	Tianjin Jiufeng Equity Investment Fund Partnership Enterprise LLP	1,423,750	1,423,750
9	Taiyangyu Holding Group Co., Ltd.	1,423,750	1,423,750
10	Zheng Jiaming	1,398,000	1,398,000
11	Zhang Jian	1,398,000	1,398,000

2. The Profit Distribution Plan is subject to review and approval at the 2018 Annual General Meeting, and therefore is subject to certain uncertainties.

IV. DOCUMENTS FOR INSPECTION

1. Resolutions of the 14th meeting of the 3rd session of Board of the Company;
2. Resolutions passed at the 9th meeting of the 3rd session of Supervisory Committee of the Company;
3. Independent opinions of independent directors on matters considered at the 14th meeting of the 3rd session of Board of the Company.

Announcement is hereby made.

By order of the Board of
Lanzhou Zhuangyuan Pasture Co., Ltd.
30 January 2019

**APPENDIX V PROPOSAL IN RELATION TO THE APPROVAL ON THE SPECIAL REPORT OF
THE OCCUPATION OF NON-OPERATING CAPITAL AND THE TRANSACTION OF
OTHER RELATED FUNDS FOR 2018 OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.**

Specific Audit Report on
Lanzhou Zhuangyuan Pasture Co., Ltd's
Summary Table of Non-operating Funds Used by
Related Parties and Other Related Balances
Rui Hua He Zi [2019] No. 62010001

Contents

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**APPENDIX V PROPOSAL IN RELATION TO THE APPROVAL ON THE SPECIAL REPORT OF
THE OCCUPATION OF NON-OPERATING CAPITAL AND THE TRANSACTION OF
OTHER RELATED FUNDS FOR 2018 OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.**



通訊地址：北京市東城區永定門西濱河路8號院7號樓中海地產廣場西塔9層

Postal Address: 9/F, West Tower of China Overseas Property Plaza, Building 7, NO. 8, Yongdingmen Xibinhe Road,
Dongcheng District, Beijing

郵政編碼 (Post Code) : 100077

電話 (Tel) : +86(10)88095588 傳真 (Fax) : +86(10)88091199

**Specific Audit Report on
Lanzhou Zhuangyuan Pasture Co., Ltd's
Summary Table of Non-operating Funds Used by
Related Parties and Other Related Balances**

Rui Hua He Zi [2019] No. 62010001

To all shareholders of Lanzhou Zhuangyuan Pasture Co., Ltd,

We have been appointed to carry out the specific audit on the accompanying Listed Company's Summary Table of Non-operating Funds Used by Related Parties and Other Related Balances for 2018 (the "Summary"), after auditing the Consolidated Balance Sheet and the Balance Sheet as at 31 December 2018, the Consolidated Income Statement, the Company Income Statement, the Consolidated Cash Flow Statement, the Company Cash Flow Statement, the Consolidated Statement of Changes in Shareholders' Equity and the Company Statement of Changes in Shareholders' Equity for 2018 and the notes to the financial statements of of Lanzhou Zhuangyuan Pasture Co.,Ltd. (the "Company"). In accordance with the requirement of the Notice on Certain Issues Concerning the Regulation of Cash Flow between Listed Companies and Connected Parties and External Guarantees of Listed Companies (Zheng Jian Fa [2003] No. 56) as issued by the China Securities Regulatory Commission and State-owned Assets Supervision and Administration Commission of the State Council, the Company's management is responsible for preparing and disclosing the summary table and providing true, legal and complete evidences for audit, while our responsibility is to express an opinion on the summary table based on our audit.

We conducted our audit in accordance with the China Certified Public Accountants' Standards on Auditing, which require us to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the summary table is free from material misstatement. During our audit, we undertook procedures considered necessary, including examination of accounting records and recalculation of the amounts of relevant project sums. We believe that our audit provides a reasonable basis for our audit opinion.

We found no inconsistencies in all material respects between the information contained in the accompanying summary table and the accounting information reviewed during our audit on the

**APPENDIX V PROPOSAL IN RELATION TO THE APPROVAL ON THE SPECIAL REPORT OF
THE OCCUPATION OF NON-OPERATING CAPITAL AND THE TRANSACTION OF
OTHER RELATED FUNDS FOR 2018 OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.**



financial statements of the Company for 2018 and relevant information set out in the audited financial statements.

The accompanying summary table should be read in conjunction with the audited financial statements to better understand the Company's funds used by its related parties during 2018.

This audit report is solely for the purpose of disclosure in the Annual Report of the Company for 2018, and shall not be used for any other purpose.

Ruihua Certified Public Accountants
(Special General Partnership)

Beijing, China

Certified Public Accountant PRC:



Certified Public Accountant PRC:



30 January 2019

APPENDIX V

**PROPOSAL IN RELATION TO THE APPROVAL ON THE SPECIAL REPORT OF
THE OCCUPATION OF NON-OPERATING CAPITAL AND THE TRANSACTION OF
OTHER RELATED FUNDS FOR 2018 OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.**

Schedule

Listed Company's Summary Table of Non-operating Funds Used by Related Parties and Other Related Balances for 2018

Prepared by: Lanzhou Zhuangyuan Pasture Co., Ltd.

Unit: RMB'0000

Non-operating funds used	Appropriator	Relation between appropriator and listed company	Accounting category	Balance as at 1 January 2018	Increase in the year of 2018 (excluding interest)	Interest accrued in 2018 (if any)	Decrease in the year of 2018	Balance as at 31 December 2018	Reason	Nature
Current substantial shareholder and its subsidiaries										
Sub-total										
Former substantial shareholder and its subsidiaries										
Sub-total										
Total										
Other related balances										
Substantial shareholder and its subsidiaries										
	Qinghai Shengyuan Plateau Pasture Co., Ltd.	Subsidiary	Other receivables	6,908.18	4,500.95		1,265.63	10,143.50	Funding balance	Non-operating balance
	Qinghai Shengyuan Plateau Pasture Co., Ltd.	Subsidiary	Other receivables	3,720.02	1,906.70		1,004.47	4,622.25	Funding balance	Non-operating balance
	Yuzhong Ruifeng Pasture Co., Ltd.	Subsidiary	Other receivables	6,897.84	4,776.47		5,845.23	5,829.08	Funding balance	Non-operating balance
	Linxia County Ruiyuan Pasture Co., Ltd.	Subsidiary	Other receivables	5,113.13	6,578.81		538.51	11,153.43	Funding balance	Non-operating balance
	Linxia County Ruian Pasture Co., Ltd.	Subsidiary	Other receivables	4,565.33	2,900.48		4,826.31	2,639.50	Funding balance	Non-operating balance
	Wuwei Rudu Pasture Co., Ltd.	Subsidiary	Other receivables	1,634.47	3,914.84		1.96	5,547.35	Funding balance	Non-operating balance
	Ningxia Zhuangyuan Pasture Co., Ltd.	Subsidiary	Other receivables	538.14	2,698.42		2,791.00	445.56	Funding balance	Non-operating balance
	Lanzhou Ruixing Pasture Co., Ltd.	Subsidiary	Other receivables	9,803.86	7,034.38		9,292.19	7,546.05	Funding balance	Non-operating balance
	Xi'an Dongfang Dairy Co., Ltd.	Subsidiary	Other receivables	65.00	1,418.84		1,483.84	—	Funding balance	Non-operating balance
	Shaanxi Duoxian Farming Co., Ltd.	Subsidiary of subsidiary	Other receivables		1,700.00		800.00	900.00	Funding balance	Non-operating balance
Related natural person and its controlled legal person										
Other related parties and their subsidiaries										
Total				39,245.97	37,429.89	—	27,849.14	48,826.72	—	—

Legal representative :

马红富



Person in charge of accounting:

陈孟印



Accounting firm principal:



**APPENDIX V PROPOSAL IN RELATION TO THE APPROVAL ON THE SPECIAL REPORT OF
THE OCCUPATION OF NON-OPERATING CAPITAL AND THE TRANSACTION OF
OTHER RELATED FUNDS FOR 2018 OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.**

No.: 105411938



Business License

(Copy) (5-1)

Unified social credit code: 9111010856949923XD

Name	Ruihua Certified Public Accountants (Special General Partnership)
Type	Special General Partnership
Principal place of business	4/F, Building 2, No. 16, Xisihuanzhong Road, Haidian District West, Beijing
Executive partner	Other shareholders (Yang Ronghua, Liu Guibin and Feng Zhong are appointed as representatives)
Established on	22 February 2011
Partnership term	From 22 February 2011 to 21 February 2061
Business scope	audit the financial statements of enterprises, issue audit reports; verify corporate capital, issue capital verification reports; handle audit matters in merger, division, and liquidation; issue relevant reports; basic construction annual financial statements audit; agency accounting; accounting consulting, tax consulting, management consulting, accounting training; other businesses as stipulated by laws and regulations. (Enterprises shall independently select operating projects and carry out business activities in accordance with the laws; projects that are subject to approval according to the laws are not allowed to conduct before being approved by relevant authority; and shall not engage in the business activities prohibited and restricted by the city's industrial policy.)



Scan the QR code online for details

Registered with:

Note: The Company shall submit the previous year's annual announcement through the Enterprise Credit Information Publicity System from 1 January to 30 June each year for publication.

13 December 2018

Website of the Enterprise Credit Information Publicity System: qyxy.baic.gov.cn

Produced by the State Administration for Industry and Commerce of the People's Republic of China

Certificate Serial number: 000417



Accounting firm
Securities and Futures Related Business License

Reviewed and approved by the Ministry of Finance and the China
Securities Regulatory Commission

**Ruihua Certified Public
Accountants
(Special General Partnership)**

Conduct securities and futures
related business

Chief partner: Liu Guibin

Certificate No.: 17

Issued on: 5 July 2018

The certificate is valid until 5 July 2020

Certificate serial number: 000146

Statements

1. The Certificate of Practice of Accounting Firm is a certificate proving that the holder has been approved by the finance department in accordance with the laws and is permitted to perform the statutory business of the certified public accountant.
2. If there is change in the items recorded in the Certificate of Practice of Accounting Firm, they shall apply to the finance department for renewal.
3. The Certificate of Practice of Accounting Firm shall not be forged, altered, leased, lent or transferred.
4. If the accounting firm terminates practice license or the practice license is cancelled, it shall return the Certificate of Practice of Accounting Firm to the finance department.

Issued by: Beijing Municipal Finance Bureau

13 June 2018

Produced by the Ministry of Finance of the People's Republic of China



Accounting firm

Practicing certificate

Name	Ruihua Certified Public Accountants (Special General Partnership)
Chief partner:	Liu Guibin
Chief accountant:	
Place of business:	4/F, Building 2, No. 16, Xisihuanzhong Road, Haidian District West, Beijing
Form of organization:	Special General Partnership
Practice certificate number:	11010130
Approved practice number:	Jing Cai Kuai Xu Ke [2011]0022
Approved date of practice:	14 February 2011

**APPENDIX V PROPOSAL IN RELATION TO THE APPROVAL ON THE SPECIAL REPORT OF
THE OCCUPATION OF NON-OPERATING CAPITAL AND THE TRANSACTION OF
OTHER RELATED FUNDS FOR 2018 OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.**



Full name	Li Zongyi
Sex	Male
Date of birth	16 March 1970
Working unit	Gansu Branch of Ruihua Certified Public Accountants
Identity card No.	620103700316301



The annual renewal for the previous year has been completed and a new certificate is issued to replace the old one.

Annual Renewal Registration

This certificate is valid for another year after this renewal.

No. of Certificate:	620100010015
Authorized Institute of CPAs:	Gansu Institute of Certified Public Accountants
Date of Issuance:	23 November 2016



**APPENDIX V PROPOSAL IN RELATION TO THE APPROVAL ON THE SPECIAL REPORT OF
THE OCCUPATION OF NON-OPERATING CAPITAL AND THE TRANSACTION OF
OTHER RELATED FUNDS FOR 2018 OF LANZHOU ZHUANGYUAN PASTURE CO., LTD.**



Full name	Zhang Youquan
Sex	Male
Date of birth	18 April 1971
Working unit	Gansu Branch of Ruihua Certified Public Accountants
Identity card No.	622223710418081

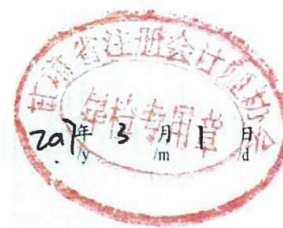


The annual renewal for the previous year has been completed and a new certificate is issued to replace the old one.

Annual Renewal Registration

This certificate is valid for another year after this renewal.

No. of Certificate:	620100010023
Authorized Institute of CPAs:	Gansu Institute of Certified Public Accountants
Date of Issuance:	23 November 2016



**APPENDIX VI PROPOSAL IN RELATION TO THE CONFIRMATION OF RELATED
PARTIES TRANSACTIONS IN 2018 AND THE FORECAST
ON RELATED PARTIES TRANSACTIONS IN 2019**

Stock code: 002910 Stock abbreviation: Zhuangyuan Pasture Announcement No.: 2019-012

**Lanzhou Zhuangyuan Pasture Co., Ltd.
ANNOUNCEMENT ON RELATED PARTIES TRANSACTIONS IN 2018 AND
THE FORECAST ON DAILY RELATED PARTIES TRANSACTIONS IN 2019**

<p>The Company and all members of the Board guarantee that the contents of this Announcement are true, accurate and complete and there are no false records, misleading statements or major omissions.</p>
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**I. SUMMARY OF RELATED PARTIES TRANSACTIONS IN 2018 AND THE FORECAST ON
RELATED PARTIES TRANSACTIONS IN 2019**

Lanzhou Zhuangyuan Pasture Co., Ltd. (hereinafter referred to as the “Company” or “Zhuangyuan Pasture”) has made a reasonable forecast on related parties transactions in 2019 in compliance with the Articles of Association and Systems for Decisions on Related Parties Transactions and in conjunction with the actual situation of the daily related parties transactions. Details are as follows:

1. Summary of the daily related parties transactions

The recurring transactions between the Company and its related parties mainly consist of purchasing goods from related parties, which are the daily operating activities of the Company.

On 30 January 2019, the Proposal in Relation to the Confirmation of Related Parties Transactions in 2018 and the Forecast on Related Parties Transactions in 2019 (the “Proposal”) was reviewed and approved at the 14th meeting of the 3rd session of the Board and the 9th meeting of the 3rd session of the Supervisory Committee of the Company. The Proposal has obtained prior approval from the independent directors who have issued a clearly agreed opinion. While the Proposal was under consideration, the independent directors issued their consent opinions, and then the Proposal was reviewed and approved by more than half of the non-related directors and supervisors. The resolution procedure is in compliance with relevant provisions of the Stock Listing Rules of the Shenzhen Stock Exchange, the Guidelines for the Standardized Operation of Companies Listed on the Small and Medium-Sized Enterprise Board issued by the Shenzhen Stock Exchange and the Articles of Association.

The aforesaid proposal in relation to related parties transactions is subject to consideration and approval at the 2018 Annual General Meeting of Zhuangyuan Pasture.

**APPENDIX VI PROPOSAL IN RELATION TO THE CONFIRMATION OF RELATED
PARTIES TRANSACTIONS IN 2018 AND THE FORECAST
ON RELATED PARTIES TRANSACTIONS IN 2019**

2. Categories and amounts of related parties transactions

Related parties transactions of Zhuangyuan Pasture in 2018 amounted to RMB838,800. It is estimated that the daily related parties transactions between the Company and its related parties will be zero in 2019. The transaction price shall be determined by reference to prevailing market price. The specific transaction and amount are as follows:

Unit: RMB0,000

Category of the transaction	Related parties	Estimated transaction amount in 2019	Transaction amount in 2018	Balance at 31 December 2018
Purchase goods/services from related parties	Xi'an Dongfang Dairy Co., Ltd.	0	83.88	0

3. Information on and relationship with related parties

(1) Xi'an Dongfang Dairy Co., Ltd. (hereinafter referred to as "Dongfang Dairy")

(i) Basic information

Company name: Xi'an Dongfang Dairy Co., Ltd. (西安東方乳業有限公司)

Enterprise type: Limited liability company

Legal Representative: Ding Jianping

Business Scope: Production and sales of dairy products liquid milk (pasteurized milk, sterilized milk, recombined milk, acidified milk) and beverage (protein beverage); sales of pre-packaged food; acquisition of agricultural and sideline products (except for state-controlled products); distribution and delivery service and business settlement for our own products. (For the above items subject to the administrative approval of licensing, relevant approval or licenses shall be obtained prior to operation)

(ii) Related relationship with the Company

The Company held 18.00% equity interests in Xi'an Dongfang Dairy Co., Ltd. as at 1 January 2018. At the beginning of November 2018, the Company completed the acquisition of 82% equity interests in Xi'an Dongfang Dairy Co., Ltd., and the industrial and commercial change procedures, and became its sole shareholder.

APPENDIX VI PROPOSAL IN RELATION TO THE CONFIRMATION OF RELATED PARTIES TRANSACTIONS IN 2018 AND THE FORECAST ON RELATED PARTIES TRANSACTIONS IN 2019

II. POLICY AND BASIS OF THE TRANSACTION PRICE

The business transactions between the Company and related parties are in normal course of business and in compliance with legal procedures and are on normal commercial terms as other transactions. The transaction price is determined by reference to the market price and are fair and reasonable, and there is no transfer of any interests or benefits transfer.

III. PURPOSE AND INFLUENCE OF THE TRANSACTION ON THE COMPANY

The above-mentioned related parties transactions are conducted to meet the actual needs of the Company's normal operations by following the principles of the market-oriented economy. The transactions are of equality, voluntariness and mutual benefit, which safeguard the interests of both parties, and are not detrimental to the interests of listed companies and minority shareholders. The transactions price is fair and reasonable. In addition, the amount of related parties transactions accounts for a very low proportion of the Company's total annual purchases. The Company does not significantly rely on related parties. The implementation of recurring related parties transactions shall not adversely affect the Company's independence. The Company would not rely on or be controlled by any related parties. Upon the successful acquisition of the 82% equity interest of Dongfang Dairy, the Company became its sole shareholder and incorporated it into our consolidation. The external related parties transactions with Dongfang Dairy are then eliminated.

IV. PROCESS OF THE TRANSACTIONS

1. Prior approval of the independent shareholders

Before the Proposal in relation to related parties transactions was submitted to the Board for review, the Company submitted the relevant information of the related transactions to the independent directors. The independent directors conducted the prior review and issued prior approval on the related parties transactions:

Related parties transactions in 2018 and related parties transactions forecast in 2019 mentioned in the Proposal are in normal business operations of the Company. The transaction price will be determined jointly by both parties in accordance with the market fair pricing principle. It is not detrimental to the interests of the Company and minority shareholders. When the Proposal is considered at the Board Meeting, the directors of the related parties shall abstain from voting and agree to submit the Proposal to the 14th meeting of the 3rd session of the Board for review.

2. The Board

The Related parties Transaction has been considered and approved at the 14th meeting of the 3rd session of the Board of the Company.

APPENDIX VI PROPOSAL IN RELATION TO THE CONFIRMATION OF RELATED PARTIES TRANSACTIONS IN 2018 AND THE FORECAST ON RELATED PARTIES TRANSACTIONS IN 2019

3. Independent directors express independent opinions

The independent directors of the Company issued the following independent opinions on the above related transactions:

In relation to the Proposal in Relation to the Confirmation of Related Parties Transactions in 2018 and the Forecast on Related Parties Transactions in 2019 considered at the 14th meeting of the 3rd session of the Board, after review, we are of the view that:

The above-mentioned related parties transactions are conducted with the principles of the market-oriented economy with fair and are of reasonable price and followed all the relevant legal procedures, and are not detrimental to the interests of listed companies and minority shareholders. When the Proposal is considered at the Board Meeting, the directors of the related parties shall abstain from voting. The consideration and voting is in compliance with relevant regulations of the Company Law of the People's Republic of China, the Articles of Association of Lanzhou Zhuangyuan Pasture Co., Ltd. and the Systems for Decisions on Related Parties Transactions established by the Company.

4. General meeting

The aforesaid proposal in relation to related parties transactions is subject to consideration and approval at the 2018 Annual General Meeting of Zhuangyuan Pasture.

5. Audit opinion of the sponsor

China Dragon Securities Co., Ltd., our sponsor, is of the view that: the related parties transactions in 2018 and the forecast on related parties transactions in 2019 are within the normal business scope of the Company, which is in line with the actual situation of the Company. The transaction price is determined by reference to the fair market price and are fair and reasonable. Those transactions are not detrimental to the interests and benefits of the Company and other non-related shareholders. The above-mentioned related parties transactions has been considered and approved by the Board and Supervisory Committee and have obtained prior approval from the independent directors who have issued a clearly agreed opinion. The resolution procedure is in compliance with relevant provisions of the Stock Listing Rules of the Shenzhen Stock Exchange (revised in 2014), the Guidelines for the Standardized Operation of Companies Listed on the Small and Medium-Sized Enterprise Board issued by the Shenzhen Stock Exchange (revised in 2015) and the Articles of Association. The sponsor has no objection to the related parties transactions in 2018 and the forecast on related parties transactions in 2019 of Zhuangyuan Pasture.

**APPENDIX VI PROPOSAL IN RELATION TO THE CONFIRMATION OF RELATED
PARTIES TRANSACTIONS IN 2018 AND THE FORECAST
ON RELATED PARTIES TRANSACTIONS IN 2019**

VI. DOCUMENTS FOR INSPECTION

1. Resolutions of the 14th meeting of the 3rd session of the Board of the Company
2. Prior approval of the independent directors in relation to confirmation of related parties transactions in 2018 and the forecast on related parties transactions in 2019
3. Independent opinions of independent directors on matters considered at the 14th meeting of the 3rd session of the Board of the Company.
4. Review Opinion of China Dragon Securities Co., Ltd on Related Parties Transactions in 2018 and the Forecast on Related Parties Transactions in 2019 of Lanzhou Zhuangyuan Pasture Co., Ltd

The Board of
Lanzhou Zhuangyuan Pasture Co., Ltd.
30 January 2019

**Lanzhou Zhuangyuan Pasture Co., Ltd.
Annual Financial Statements for 2018**

I. AUDITING OF THE ANNUAL FINANCIAL STATEMENTS FOR 2018

Ruihua Certified Public Accountants (Special General Partnership) has audited the Annual Financial Statements for 2018 of the Company and issued standard and unqualified audit opinion.

Auditor's opinion on audit: The Financial Statements of Zhuangyuan Pasture have been prepared in accordance with the Accounting Standards for Business Enterprises, and given a fair view of the financial position of the Company as at 31 December 2018 and the operating results and cash flows of the year 2018 in all major aspects.

II. SUMMARIES OF ASSETS, OPERATIONS AND CASH FLOWS DURING THE REPORTING PERIOD

As at 31 December 2018, the Company had total assets of RMB2,048,109,041.38, total liabilities of RMB863,702,308.26, and the owner's equity of RMB1,184,406,733.12.

The operating income for 2018 amounted to RMB657,732,097.02, the operating profit amounted to RMB64,670,222.70, and the net profit amounted to RMB 63,533,162.18.

The net cash flow from operating activities in 2018 amounted to RMB103,722,767.02, the net cash flow from investing activities amounted to RMB-399,466,983.77, the net cash flow from financing activities amounted to RMB-52,097,182.49, and the net increase in cash and cash equivalents was RMB-348,104,980.37.

III. ANALYSIS ON FINANCIAL POSITIONS, OPERATING RESULTS AND CASH FLOW

(I) Analysis on financial positions

Analysis on the annual financial positions in 2018 of the Company is as follows:

1. *Composition of assets*

Unit: RMB

Items	31 December 2018	31 December 2017	Percentage of increase/ decrease
Current assets:			
Cash at bank and on hand	403,091,181.37	747,642,372.75	-46.09%
Bills and accounts receivable	36,674,292.53	24,403,065.85	50.29%
Including: Bills receivable	200,000.00		
Accounts receivable	36,474,292.53	24,403,065.85	49.47%
Prepayments	13,351,970.35	6,131,850.02	117.75%
Other receivables	12,859,500.92	13,290,298.02	-3.24%
Inventories	88,920,515.66	71,078,079.91	25.10%
Contractual assets			
Assets held for sale		6,458,501.72	-100.00%
Other current assets	2,732,075.27	3,087,413.98	-11.51%
Total current assets	557,629,536.10	872,091,582.25	-36.06%
Non-current assets:			
Available-for-sale financial assets		33,720,671.00	-100.00%
Other equity investment	44,471.00		
Fixed assets	939,220,755.53	625,799,144.70	50.08%
Construction in progress	37,670,284.43	40,475,357.07	-6.93%
Bearer biological assets	270,304,000.00	175,815,804.71	53.74%
Intangible assets	74,720,414.54	20,571,548.22	263.22%
Goodwill	58,690,507.80		
Long-term deferred expenses	8,121,802.02	1,629,589.78	398.40%
Deferred tax assets	7,437,269.96	4,877,752.80	52.47%
Other non-current assets	94,270,000.00	28,736,250.06	228.05%
Total non-current assets	1,490,479,505.28	931,626,118.34	59.99%
Total assets	2,048,109,041.38	1,803,717,700.59	13.55%

At the end of the reporting period, cash at bank and on hand of the Company decreased by 46.09% compared with the beginning of the period, mainly due to cash payment for the acquisition of 82% equity of Xi'an Dongfang Dairy Co., Ltd. during the reporting period;

At the end of the reporting period, accounts receivable and bills receivable increased by 50.29% compared with the beginning of the period, mainly due to the merger of Xi'an Dongfang Dairy Co., Ltd. and the increase in sales of direct sales channels;

At the end of the reporting period, fixed assets of the Company increased by 50.08% compared with the beginning of the period, mainly due to the merger of Xi'an Dongfang Dairy Co., Ltd. and transfer the Company's office buildings to fixed assets after realizing their expected usable status;

At the end of the reporting period, bearer biological assets of the Company increased by 53.74% compared with the beginning of the period, mainly due to the merger of Xi'an Dongfang Dairy Co., Ltd. (which has a subsidiary namely Shaanxi Duoxian Farming Co., Ltd.) and cattle breeding.

2. *Composition of liabilities*

Unit: RMB

Items	31 December 2018	31 December 2017	Percentage of increase/ decrease
Current liabilities:			
Short-term loans	437,000,000.00	406,000,000.00	7.64%
Bills and accounts payable	195,492,406.72	120,877,706.97	61.73%
Advances from customers		20,565,928.77	-100.00%
Contractual liabilities	26,619,170.51		
Employee benefits payable	3,137,339.49	6,186,062.94	-49.28%
Taxes payable	43,114,591.17	12,170,961.95	254.24%
Other payables	41,599,096.36	21,251,742.31	95.74%
Including: Interest payable	367,508.92	403,694.71	-8.96%
Non-current liabilities due within one year	33,751,973.50	20,054,483.87	68.30%
Other current liabilities			
Total current liabilities	780,714,577.75	607,106,886.81	28.60%
Non-current liabilities:			
Long-term loans	39,559,300.45	26,559,671.60	48.94%
Long-term payables	2,360,888.31	1,394,555.79	69.29%
Anticipated liabilities	11,403.51		
Deferred income	34,758,573.96	40,991,391.67	-15.21%
Deferred tax liabilities	6,297,564.28		
Total non-current liabilities	82,987,730.51	68,945,619.06	20.37%
Total liabilities	863,702,308.26	676,052,505.87	27.76%

3. *Owner's equity*

Unit: RMB

Items	31 December 2018	31 December 2017	Percentage of increase/ decrease
Share capital	187,340,000.00	187,340,000.00	0.00%
Capital reserve	508,790,782.09	508,790,782.09	0.00%
Surplus reserve	37,194,404.27	32,051,090.62	16.05%
General risk provisions			
Retained earnings	451,081,546.76	399,483,322.01	12.92%
Total owner's equity attributable to the parent company	1,184,406,733.12	1,127,665,194.72	5.03%
Total Owner's equity	1,184,406,733.12	1,127,665,194.72	5.03%

(II) Analysis on operating results

Unit: RMB

Items	2018	2017	Percentage of increase/ decrease
I. Total operating income	657,732,097.02	628,374,037.21	4.67%
Including: Operating income	657,732,097.02	628,374,037.21	4.67%
I. Total operating costs	609,310,975.09	576,092,354.43	5.77%
Including: Operating costs	445,395,298.89	435,408,364.01	2.29%
Taxes and surcharges	5,008,543.37	3,578,501.45	39.96%
Selling and distribution expenses	83,983,105.31	71,556,173.52	17.37%
General and administrative expenses	48,710,725.87	54,293,072.18	-10.28%
Research and development expenses	4,371,584.52	915,737.60	377.38%
Financial expenses	21,200,766.68	11,140,062.88	90.31%
Including: Interest expense	24,136,245.80	20,786,244.03	16.12%
Interest income	3,541,023.80	2,263,128.18	56.47%
Losses on asset impairment	436,433.73	-799,557.21	-154.58%
Losses on credit impairment	204,516.72		
Plus: Other income	13,437,230.26	10,786,929.40	24.57%
Add: Gains from changes in fair value (loss is marked with "-")	174,963.30	8,001,875.88	-97.81%
Gains from asset disposals (loss is marked with "-")	2,636,907.21	-276,141.49	-1054.91%
III. Operating profit (loss is marked with "-")	64,670,222.70	70,794,346.57	-8.65%
Add: Non-operating income	3,059,242.24	548,125.75	458.13%
Less: Non-operating expenses	2,544,655.67	286,583.66	787.93%

APPENDIX VII
**PROPOSAL IN RELATION TO THE APPROVAL ON THE
FINAL FINANCIAL REPORT FOR 2018 OF THE COMPANY**

IV. Total profit (loss is marked with “-”)	65,184,809.27	71,055,888.66	-8.26%
Less: Income tax expense	1,651,647.09	2,704,003.49	-38.92%
V. Net profit (loss is marked with “-”)	63,533,162.18	68,351,885.17	-7.05%
(I) Net profit for continuing operations (loss is marked with “-”)	63,533,162.18	68,351,885.17	-7.05%
Net profit attributable to owners of the parent company	63,533,162.18	68,351,885.17	-7.05%
VII. Total comprehensive income	63,533,162.18	68,351,885.17	-7.05%
Total comprehensive income attributable to owners of the parent company	63,533,162.18	68,351,885.17	-7.05%
VIII. Earnings per share:			
(I) Basic earnings per share	0.34	0.46	-26.09%
(II) Diluted earnings per share	0.34	0.46	-26.09%

As of 31 December 2018, the Company had total assets of RMB2.048 billion, and the asset-liability ratio was 42.17%. In 2017, the sales amounted to RMB658 million, an increase of 4.67% over the same period of last year and the net profit was RMB64 million, decreased by 7.05% as compared with the same period of last year.

(III) Analysis on cash flow

Unit: RMB

Items	2018	2017	Percentage of increase/decrease
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services	708,775,617.46	724,638,501.25	-2.19%
Proceeds from other operating activities	44,760,821.46	28,575,770.61	56.64%
Sub-total of cash inflows from operating activities	753,536,438.92	753,214,271.86	0.04%
Payment for goods and services	487,287,131.67	423,462,498.87	15.07%
Payment to and for employees	56,115,392.06	49,350,895.16	13.71%
Payment of various taxes	35,012,712.36	43,823,357.44	-20.10%
Payment for other operating activities	71,398,435.81	91,403,186.32	-21.89%
Sub-total of cash outflows from operating activities	649,813,671.90	608,039,937.79	6.87%
Net cash flow from operating activities	103,722,767.02	145,174,334.07	-28.55%

APPENDIX VII
**PROPOSAL IN RELATION TO THE APPROVAL ON THE
FINAL FINANCIAL REPORT FOR 2018 OF THE COMPANY**

II. Cash flows from investing activities:			
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	14,894,076.99	28,009,688.42	-46.83%
Proceeds from other investing activities	13,377,231.82	20,510,675.32	-34.78%
Sub-total of cash inflows from investing activities	28,271,308.81	48,520,363.74	-41.73%
Payment for acquisition of fixed assets, intangible assets and other long-term assets	212,545,812.60	73,039,629.77	191.00%
Payment for investing activities	200,892,400.00		
Payment for other investing activities	14,300,079.98	24,993,838.13	-42.79%
Sub-total of cash outflows from investing activities	427,738,292.58	98,033,467.90	336.32%
Net cash flows from investing activities	-399,466,983.77	-49,513,104.16	706.79%
III. Cash flows from financing activities:			
Proceeds from investments		320,926,400.00	-100.00%
Proceeds from borrowings	460,000,000.00	431,380,000.00	6.63%
Sub-total of cash inflows from financing activities	460,000,000.00	752,306,400.00	-38.85%
Repayments of borrowings	469,488,212.43	335,199,956.07	40.06%
Payment for dividends, profit distributions or interest	37,858,722.62	31,848,372.57	18.87%
Payment for other financing activities	4,750,247.44	16,523,312.83	-71.25%
Sub-total of cash outflows for financing activities	512,097,182.49	383,571,641.47	33.51%
Net cash flows from financing activities	-52,097,182.49	368,734,758.53	-114.13%
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-263,581.13	-851,924.51	-69.06%
V. Net increase in cash and cash equivalents	-348,104,980.37	463,544,063.93	-175.10%

Add: Cash and cash equivalents at the beginning of the period	736,896,081.76	273,352,017.83	169.58%
VI. Cash and cash equivalents at the end of the period	388,791,101.39	736,896,081.76	-47.24%

- (1) Net cash flow from operating activities: Net cash flow from operating activities during the reporting period decreased by 28.55% compared with the same period of the previous year, mainly due to the increase in sales of direct sales channels.
- (2) Net cash flow from investing activities: Net cash flow from investing activities during the reporting period increased by 706.79% compared with the same period of the previous year, mainly due to cash payment for the acquisition of 82% equity of Xi'an Dongfang Dairy Co., Ltd.
- (3) Net cash flow from financing activities: Net cash flow from financing activities during the reporting period decreased by 114.13% compared with the same period of the previous year, mainly due to mainly due to proceeds from investors of the A Share in 2017.

IV. MAIN ECONOMIC INDICATORS

(I) Main financial data

	2018	2017	Percentage of year-on-year increase/decrease	2016
Operating income (RMB)	657,732,097.02	628,374,037.21	4.67%	665,823,164.22
Net profit attributable to shareholders of listed company (RMB)	63,533,162.18	68,351,885.17	-7.05%	75,910,579.42
Net profit excluding extraordinary gain and loss attributable to shareholders of listed company (RMB)	50,655,801.25	50,688,776.31	-0.07%	60,913,931.24
Net cash flow from operating activities (RMB)	103,722,767.02	145,174,334.07	-28.55%	174,187,078.89
Basic earnings per share (RMB/share)	0.34	0.46	-26.09%	0.54
Diluted earnings per share (RMB/share)	0.34	0.46	-26.09%	0.54
Weighted average return on net assets	5.46%	8.00%	-2.54%	11.00%
	At the end of 2018	At the end of 2017	Percentage of increase/decrease compared to the end of the previous year	At the end of 2016
Total assets (RMB)	2,048,109,041.38	1,811,816,754.97	13.04%	1,341,587,892.93
Net assets attributable to shareholders of listed company (RMB)	1,184,406,733.12	1,134,549,390.94	4.39%	760,234,709.55

(II) Major financial indicators

Items	2018	2017	Percentage of increase/decrease
Current ratio	0.72	1.44	-0.72
Quick ratio	0.60	1.32	-0.72
Accounts receivable turnover ratio (times)	22.41	32.69	-31.45%
Inventories turnover ratio (times)	5.72	5.96	-4.03%
Asset-liability ratio (%)	42.17%	37.48%	12.51%
Basic earnings per share	0.34	0.46	-26.09%
Return on net assets (%)	0.05	0.08	-31.75%
Net assets per share	6.32	6.02	4.98%

Lanzhou Zhuangyuan Pasture Co., Ltd.

30 January 2019

**Lanzhou Zhuangyuan Pasture Co., Ltd.
2019 Annual Financial Budget Report**

Lanzhou Zhuangyuan Pasture Co., Ltd. (hereinafter referred to as the “Company”) prepared the 2019 comprehensive budget plan actively, steadily and scientifically in accordance with the provisions of the national financial accounting system and accounting requirements, through carefully analyzing and summarizing the implementation of the 2018 annual comprehensive budget with reference to the development characteristics and development cycle of the dairy industry, focusing on the Company’s development plan and 2019 annual production and operation plan, and fully considering the changes in circumstances in the budget year.

The management of the Company expects that the Company’s operating income for 2019 will increase by 10% and net profit will increase by 5% from the previous year. The Company will strive to achieve the 2019 budget target through the following channels:

1. provide reasonable decision-making basis for the Company’s management;
2. effectively utilize enterprise resources to ensure maximum corporate benefits;
3. standardize overall budget management and effectively realize the business objectives of the Company;
4. standardize the division of responsibilities, budget scope and approval procedures for budget management.

Special note: As the above financial budget serves as the internal management control indicator of the Company’s 2019 annual operation plan, it does not represent the Company’s profit forecast or commitment for 2019. As the implementation of it depends on the actual operation conditions, the market situation of the dairy industry, etc., there are considerable uncertainties. Investors are advised to be cautious to risks.

Lanzhou Zhuangyuan Pasture Co., Ltd.
30 January 2019

Stock Code: 002910

Stock abbreviation: Zhuangyuan Pasture

Announcement No.: 2019-013

Lanzhou Zhuangyuan Pasture Co., Ltd.
Announcement on applying for a comprehensive credit amount
from banks in 2019

The Company and all members of the Board guarantee that the contents of the announcement are true, accurate and complete, and there are no false records, misleading statements or major omissions.

On 30 January 2019, the 14th meeting of the 3rd session of Board of Lanzhou Zhuangyuan Pasture Co., Ltd. (hereinafter referred to as the “Company”) reviewed and approved the “Proposal on Applying for a Comprehensive Credit Amount from Banks in 2019”, and the relevant contents were as follows:

In order to meet the needs of the Company’s production and operation activities, after comprehensive consideration of the Company’s funding arrangements, the Company intends to apply to banks for a comprehensive credit amount of no more than RMB1,500,000,000. The credit categories mainly include: working capital, fixed assets investment loans, domestic letters of credit, bank acceptance bills, discounted commercial acceptance bills, non-financial guarantee, buyer’s factor guarantee, etc., and the above credit lines are subject to the actual credit amount approved by relevant banks, and the specific financing amount will be determined according to the actual operating needs of the Company. The credit line can be renewed during the credit period.

The authorized chairman or its designated authorized agent shall, on behalf of the Company, sign the various legal documents (including but not limited to applications, contracts, agreements, etc. in relation to credit, loan, financing, etc.) within the above comprehensive credit line.

The above-mentioned authorization is valid from the date of approval at 2018 Annual General Meeting of the Company to the date of the new resolution passed at 2019 Annual General Meeting.

The comprehensive credit line shall be submitted to the Company’s general meeting for approval.

Announcement is hereby made.

The Board of
Lanzhou Zhuangyuan Pasture Co., Ltd.
30 January 2019

NOTICE OF AGM



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 2018 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 annual general meeting (“AGM”) of Lanzhou Zhuangyuan Pasture Co., Ltd.* 蘭州莊園牧場股份有限公司 (the “**Company**”) will be held at 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the People's Republic of China (“**PRC**”), at 2:00 p.m. on Thursday, 27 June 2019 for the following purposes:

AS ORDINARY RESOLUTIONS

To consider and approve the following matters for passing as ordinary resolutions:

1. Proposal in relation to the Approval of the Report of Board of Directors for 2018
2. Proposal in relation to the Approval of the Report of Independent Directors for 2018
3. Proposal in relation to the Approval of the Report of the Supervisory Committee for 2018
4. Proposal in relation to the Approval of the Annual Report and Its Highlights for 2018
5. Proposal in relation to the Profit Distribution Plan for 2018
6. Proposal in relation to the Approval on the Special Report of the Occupation of Non-operating Capital and the Transaction of Other Related Funds for 2018 of Lanzhou Zhuangyuan Pasture Co., Ltd.
7. Proposal in relation to the Confirmation of Related Parties Transactions in 2018 and the Forecast on Related Parties Transactions in 2019
8. Proposal in relation to the Approval on the Final Financial Report of the Company for 2018

* For identification purpose only

NOTICE OF AGM

9. Proposal in relation to the Approval on the Financial Budget of the Company for 2019
10. Proposal in relation to the Approval on the Application to Banks of the Limits of Composite Credit Facilities for 2019
11. Proposal in relation to the Appointment of Ruihua Certified Public Accountants (Special General Partnership) as the Auditor of the Company for 2019
12. Proposal in relation to the Remuneration of the Directors and Supervisors of the Company for 2019

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, 30 April 2019

Notes:

1. Important: A circular setting out further details of the resolutions, the form of proxy and the AGM reply slip will be despatched and published by the Company in due course. The Company will also despatch and publish the Company's annual report for 2018 in due course. Shareholders of the Company ("Shareholders") who wish to appoint a proxy to attend and vote at the AGM shall first read the Company's annual report for 2018 published on the websites of The Stock Exchange of Hong Kong Limited and the Company, or despatched to relevant Shareholders. The annual report for 2018 included the Report of Board of Directors for 2018, the Report of Supervisory Committee for 2018, the audited financial statements and the auditor's report for 2018, etc.
2. In order to determine the holders of shares who are eligible to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 28 May 2019 to Thursday, 27 June 2019, both days inclusive. To be eligible to attend and vote at the AGM, unregistered holders of H shares of the Company shall lodge share transfer documents with the Company's H Share registrar and transfer office 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 registration not later than 4:00 p.m. on Monday, 27 May 2019.

NOTICE OF AGM

In order to determine the holders of shares who are entitled to receive the proposed 2018 final dividend, the register of members of the Company will be closed from Friday, 5 July 2019 to Wednesday, 10 July 2019, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2018 (subject to the approval of the Shareholders), unregistered holders of H shares of the Company shall lodge share transfer documents with the Company's H Share registrar and transfer office 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 registration not later than 4:00 p.m. on Thursday, 4 July 2019.

In accordance with the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) and its implementation regulations which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H Shares when distributing the cash dividends. Any H Shares not registered under the name of an individual shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organisations or groups, will be deemed as shares held by non-resident enterprise shareholders. Therefore, enterprise income tax will be withheld from dividends payable to such shareholders. If holders of H Shares intend to change its shareholder status, please enquire about the relevant procedures with your agents or trustees. The Company will strictly comply with the law or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant shareholders based on the register of members for H Shares as at the record date of the proposed final dividend.

In accordance with the "Circular on Certain Issues Concerning the Policies of Individual Income Tax" (Cai Shui Zi [1994] No.020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994] 020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, temporarily, exempted from the PRC individual income tax for dividend or bonuses received from foreign invested enterprises. In accordance with the "Letter of the State Administration of Taxation concerning Taxation Issues of Dividends Received by Foreign Individuals Holding Shares of Companies Listed in China" (Guo Shui Han Fa [1994] No. 440)(《外籍個人持有中國境內上市公司股票所取得的股息有關稅收問題的函》(國稅函發[1994] 440號)) as promulgated by the State Administration of Taxation on 26 July 1994, dividends (capital bonuses) received by foreign individuals holding B shares or overseas shares (including H Shares) from Chinese enterprises issuing such B shares or overseas shares are temporarily exempted from individual income tax. Accordingly, in the payment of final dividend, the Company will not withhold and pay the individual income tax on behalf of individual Shareholders when the Company distributes the final dividend to individual Shareholders whose names appear on the register of members of H Shares of the Company.

The Company will determine the resident status of the individual H Share Shareholders based on the registered address as recorded in the register of members of the Company on Wednesday, 10 July 2019 (the "**Registered Address**"). If the resident status of any individual H Share Shareholder is not in consistency with that indicated by the Registered Address, such individual H Share Shareholder shall notify the Company's H Share registrar and transfer office in Hong Kong not later than 4:00 p.m. on Thursday, 4 July 2019, and provide relevant supporting documents to the Company's H Share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong. Any individual H Share Shareholder who fails to provide relevant supporting documents within the time period stated above, may either personally or appoint an agent to attend to the relevant procedures in accordance with the requirements under the tax treaty notice.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Share Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Share Shareholders or any disputes over the withholding mechanism or arrangements.

3. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies (whether he/she is a Shareholder) to attend and vote at the AGM on his, her or its behalf.

NOTICE OF AGM

4. The instrument to appoint a proxy shall be signed by the appointer or his/her attorney duly authorized in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its director or attorney duly authorized.
5. To be valid, the form of proxy must be lodged with the Company's H Share registrar and transfer office 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 holders of H Shares of the Company) or the Company's head office in the PRC (for holders of A Shares of the Company) not less than 24 hours prior to the holding of the AGM. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the form of proxy, be deposited at the specified place at the time set out in such form of proxy.
6. If the appointer is a legal person, its legal representative or any person authorised by resolutions of its board or other governing bodies may attend the AGM on behalf of the appointer.
7. The Company has the rights to request a Shareholder or a proxy who attends the AGM on behalf of a Shareholder to provide proof of identity.
8. Shareholders who intend to attend the AGM in person or by proxy shall return the AGM reply slip to the Company's head office in the PRC (for holders of A Shares of the Company) by hand, by post or by fax (fax number: (86) 931 875 3001), or return the AGM reply slip to the Company's H Share registrar and transfer office 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 hand or by post (for holders of H Shares of the Company) on or before Friday, 7 June 2019.
9. The AGM is expected to take less than half a day. Shareholders who attend the AGM shall be responsible for their own travel and accommodation expenses.
10. The contact of the Company is as follows:

Address: Units 3306-12, 33/F., Shui On Centre, Nos. 6-8 Harbour Road, Wanchai, Hong Kong
Contact person: Ho Wing Yan
Telephone number: (852) 2593 9610
11. As at the date of this notice, the executive directors of the Company are Mr. Ma Hongfu, Mr. Wang Guofu, Mr. Chen Yuhai and Ms. Zhang Qianyu; the non-executive directors of the Company are Mr. Yap Kean Chong and Mr. Song Xiaopeng; and the independent non-executive directors of the Company are Ms. Liu Zhijun, Mr. Zhao Xinmin and Mr. Wong Cho Hang Stanley.

NOTICE OF A SHAREHOLDERS' CLASS MEETING



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 A SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the A Shareholders' Class Meeting of Lanzhou Zhuangyuan Pasture Co., Ltd.* (the "**Company**") will be held at 2:30 p.m. on Thursday, 27 June, 2019 or immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later) at 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, approving and authorizing the following matter:

AS ORDINARY RESOLUTION

To consider and pass the following resolution as an ordinary resolution:

1. Proposal in relation to the Profit Distribution Plan for 2018

By order of the Board
Lanzhou Zhuangyuan Pasture Co., Ltd.*
Ma Hongfu
Chairman

Lanzhou, the PRC, 30 April 2019

Notes:

1. A Shareholders whose names appear on the A share register of members of the Company on Friday, 21 June 2019 will be entitled to attend and vote at the A Shareholders' Class Meeting.
2. Shareholders intending to attend the A Shareholders' Class Meeting (or any adjournment thereof) should complete and return the reply slip for attending the A Shareholders' Class Meeting (or any adjournment thereof) personally, by facsimile or by post.

* *For identification purposes only*

NOTICE OF A SHAREHOLDERS' CLASS MEETING

Shareholders should complete and return the reply slip to the Company's Department of Securities Affairs by facsimile (at +86 931 875 3001) or by post to (or by depositing it at) 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC (contact person: Pan Lai, Tel: +86 931 875 3001, Fax: +86 931 875 3001), such that the reply slip shall be received by the Company's Department of Securities Affairs 20 days before the A Shareholders' Class Meeting (i.e. on or before Friday, 7 June 2019).

3. Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the A Shareholders' Class Meeting (or any adjournment thereof) on his behalf. A proxy need not be a shareholder of the Company.
4. Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant shareholder of the Company or by a person duly authorized by the relevant shareholder of the Company in writing. If the form of proxy is signed by the person authorized by the relevant shareholder of the Company as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate shareholder of the Company appoints a person other than its legal representative to attend the A Shareholders' Class Meeting (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate shareholder of the Company or duly signed by its director or any other person duly authorized by that corporate shareholder of the Company as required by the Articles of Association of the Company.
5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in note 4 above must be delivered to the Company's Department of Securities Affairs (address: 26th Floor, Block B, Shanghui Building of Gansu Province, No. 601, Yanyuan Road, Chengguan District, Lanzhou City, Gansu Province, the PRC) (contact person: Pan Lai, Tel: +86 931 875 3001, Fax: +86 931 875 3001) not less than 24 hours before the time appointed for the A Shareholders' Class Meeting (or any adjournment thereof).
6. A shareholder of the Company or his proxy should produce proof of identity when attending the A Shareholders' Class Meeting (or any adjournment thereof). If a corporate shareholder's legal representative or any other person duly authorized by such corporate shareholder attends the A Shareholders' Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).
7. The A Shareholders' Class Meeting (or any adjournment thereof) is expected to last less than one day. Shareholders or their proxies who attend the A Shareholders' Class Meeting (or any adjournment thereof) shall bear their own travelling and accommodation expenses.
8. The Company's principal place of business in the PRC is situated at:

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

Tel No.: (86) 931 875 3001
Fax No.: (86) 931 875 3001

9. As at the date of this notice, the executive directors of the Company are Mr. Ma Hongfu, Mr. Wang Guofu, Mr. Chen Yuhai and Ms. Zhang Qianyu; the non-executive directors of the Company are Mr. Yap Kean Chong and Mr. Song Xiaopeng; and the independent non-executive directors of the Company are Ms. Liu Zhijun, Mr. Zhao Xinmin and Mr. Wong Cho Hang Stanley.

NOTICE OF H SHAREHOLDERS' CLASS MEETING



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 H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that the H Shareholders' Class Meeting of Lanzhou Zhuangyuan Pasture Co., Ltd.* (the "**Company**") will be held at 3:00 p.m. on Thursday, 27 June, 2019 or immediately after the conclusion of the A Shareholders' Class Meeting or any adjournment thereof (whichever is the later) at 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, approving and authorizing the following matters:

AS ORDINARY RESOLUTION

To consider and pass the following matter as an ordinary resolution:

1. Proposal in relation to the Profit Distribution Plan for 2018

By order of the Board
Lanzhou Zhuangyuan Pasture Co., Ltd.*
Ma Hongfu
Chairman

Lanzhou, the PRC, 30 April 2019

Notes:

1. In order to determine the list of Shareholders who will be entitled to attend and vote at the H Shareholders' Class Meeting, the registers of members of the Company will be closed from Tuesday, 28 May 2019 to Thursday, 27 June 2019, both days inclusive, during which no transfer of Shares will be effected. Holders of H Shares whose names appear on the registers of members of the Company on Thursday, 27 June 2019, shall be entitled to attend and vote at the H Shareholders' Class Meeting. In order for the Shareholders to qualify to attend and vote at the H Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Monday, 27 May 2019 for registration.

* For identification purposes only

NOTICE OF H SHAREHOLDERS' CLASS MEETING

2. Shareholders intending to attend the H Shareholders' Class Meeting (or any adjournment thereof) should complete and return the reply slip for attending the H Shareholders' Class Meeting (or any adjournment thereof) personally, by facsimile or by post.

Shareholders should complete and return the reply slip to the Company's H share registrar and transfer office in Hong Kong by facsimile (at (852) 2849 3319) or by post to (or by depositing it at) Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, such that the reply slip shall be received by the Company's H share registrar and transfer office in Hong Kong 20 days before the H Shareholders' Class Meeting (i.e. on or before Friday, 7 June 2019).

3. Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the H Shareholders' Class Meeting (or any adjournment thereof) on his behalf. A proxy need not be a shareholder of the Company.
4. Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant shareholder of the Company or by a person duly authorized by the relevant shareholder of the Company in writing. If the form of proxy is signed by the person authorized by the relevant shareholder of the Company as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate shareholder of the Company appoints a person other than its legal representative to attend the H Shareholders' Class Meeting (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate shareholder of the Company or duly signed by its director or any other person duly authorized by that corporate shareholder of the Company as required by the Articles of Association of the Company.
5. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in note 4 above must be delivered to the Company's H share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 24 hours before the time appointed for the H Shareholders' Class Meeting (or any adjournment thereof).
6. A shareholder of the Company or his proxy should produce proof of identity when attending the H Shareholders' Class Meeting (or any adjournment thereof). If a corporate shareholder's legal representative or any other person duly authorized by such corporate shareholder attends the H Shareholders' Class Meeting (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, and proof of designation as legal representative or the valid authorization document (as the case may be).
7. The H Shareholders' Class Meeting (or any adjournment thereof) is expected to last less than one day. Shareholders or their proxies who attend the H Shareholders' Class Meeting (or any adjournment thereof) shall bear their own travelling and accommodation expenses.
8. The address of the Company's H shares registrar and transfer office in Hong Kong, Union Registrars Limited is:
- Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong
- Tel No.: (852) 2849 3399
Fax No.: (852) 2849 3319
9. As at the date of this notice, the executive directors of the Company are Mr. Ma Hongfu, Mr. Wang Guofu, Mr. Chen Yuhai and Ms. Zhang Qianyu; the non-executive directors of the Company are Mr. Yap Kean Chong and Mr. Song Xiaopeng; and the independent non-executive directors of the Company are Ms. Liu Zhijun, Mr. Zhang Xinmin and Mr. Wong Cho Hang Stanley.