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**CONFIDENTIAL**

6 June 2022

*To the Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

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

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

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

\* For identification purposes only

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

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

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

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

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

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

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

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

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

Date. Accordingly, if the Final Dividend Record Date is before the closing date of the Share Buy-back Offer, H Shareholders who accept the Share Buy-back Offer and whose names appear on the register of members on the Final Dividend Record Date shall be entitled to (i) the final cash dividend (if approved by Shareholders at the annual general meeting) and (ii) the cash consideration of HK\$10.89 per H Share under the Share Buy-back Offer.

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

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

### **THE OFFER PRICE**

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

- (a) a premium of approximate 8.25% over the closing price of the H Shares as quoted on the Stock Exchange on the Latest Practicable Date of HK\$10.06 per Share;
- (b) a premium of approximately 11.69% over the closing price of HK\$9.75 per H Share as quoted on the Stock Exchange on 22 April 2022, being the last trading day prior to the publication of the Rule 3.5 Announcement;
- (c) a premium of approximately 25.17% over the closing price of HK\$8.70 per H Share as quoted on the Stock Exchange on 17 December 2021, being the Last Trading Day;
- (d) a premium of approximately 43.10% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$7.61 per H Share;
- (e) a premium of approximately 47.36% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$7.39 per H Share;
- (f) a premium of approximately 43.48% over the average of the closing prices of the H Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$7.59 per H Share;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## **No right of compulsory acquisition**

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

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

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

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

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

## **NOMINEE REGISTRATION OF SHARES**

### **Procedure for acceptance**

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

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

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

### **Procedures for voting**

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

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

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

## **SETTLEMENT**

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

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

## **HONG KONG STAMP DUTY**

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

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

## **RESPONSIBILITY FOR DOCUMENTS**

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

## **OVERSEAS H SHAREHOLDERS**

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

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

## **TAXATION ADVICE**

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

## **GENERAL**

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

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

## **ADDITIONAL INFORMATION**

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

Yours faithfully,  
For and on behalf of  
**Elstone Securities Limited**



**Kenneth Ng**  
*Managing Director*

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