

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**CORRIGENDUM ANNOUNCEMENT REGARDING
THE INTERIM RESULTS AND INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

On 27 August 2021 and 24 September 2021, Lanzhou Zhuangyuan Pasture Co., Ltd.* (蘭州莊園牧場股份有限公司) (the “**Company**”) published the announcement of interim results (the “**Interim Results**”) and interim report (the “**Interim Report**”) for the six months ended 30 June 2021 of the Company on The Stock Exchange of Hong Kong Limited respectively. Upon subsequent review, the Company noted that some parts of the contents of “Management Discussion and Analysis — Finance Overview — Revenue” on page 21 of the Interim Results and page 9 of the Interim Report, “Management Discussion and Analysis - Finance Overview - Gross profit and gross profit margin” on page 22 of the Interim Results and page 10 of the Interim Report, and “Note 4 (1) Operating income and operating costs” on page 9 of the Interim Results and page 48 of the Interim Report were inaccurate. The correction will not have impact on the 2021 interim report results of the Company. Correction is made to such content with details as follows:

Management Discussion and Analysis — Finance Overview — Revenue
(Page 21 of the Interim Results and page 9 of the Interim Report)

BEFORE CORRECTION:

	Six months ended 30 June					
	2021			2020		
	Sales	Sales	Average	Sales	Sales	Average
	amount	volume	selling price	amount	volume	selling price
	<i>RMB'000</i>	<i>Tonne</i>	<i>RMB/Tonne</i>	<i>RMB'000</i>	<i>Tonne</i>	<i>RMB/Tonne</i>
Liquid Milk Products						
Pasteurised Milk	37,673	4,488	8,394	21,273	2,688	7,914
Sterilised Milk	192,284	29,597	6,497	81,433	11,426	7,127
Modified Milk	157,909	17,030	9,272	118,110	13,044	9,055
Fermented Milk	80,808	6,738	11,992	92,082	7,898	11,659
Subtotal	468,674	57,853	8,101	312,899	35,057	8,925
Milk Beverage	2,977	522	5,701	2,310	676	3,417
Other Dairy Products	1,031	38	26,886	2,418	106	22,904
Total	472,682	58,414	8,092	317,627	35,838	8,863

AFTER CORRECTION:

	Six months ended 30 June					
	2021			2020		
	Sales	Sales	Average	Sales	Sales	Average
	amount	volume	selling price	amount	volume	selling price
	<i>RMB'000</i>	<i>Tonne</i>	<i>RMB/Tonne</i>	<i>RMB'000</i>	<i>Tonne</i>	<i>RMB/Tonne</i>
Liquid Milk Products						
Pasteurised Milk	37,673	4,488	8,394	21,273	2,688	7,914
Sterilised Milk	123,472	16,476	7,494	81,433	11,426	7,127
Modified Milk	157,909	17,030	9,272	118,110	13,044	9,055
Fermented Milk	80,808	6,738	11,992	92,082	7,898	11,659
Subtotal	399,862	44,732	8,939	312,899	35,057	8,925
Milk Beverage	2,977	522	5,701	2,310	676	3,417
Other Dairy Products	1,031	38	26,886	2,418	106	22,904
Raw Milk	64,239	13,121	4,896	—	—	—
Total	468,109	58,414	8,014	317,627	35,838	8,863

Management Discussion and Analysis — Finance Overview — Gross profit and gross profit margin
(Page 22 of the Interim Results and page 10 of the Interim Report)

BEFORE CORRECTION:

Gross profit and gross profit margin

The following table sets forth the breakdown of our cost of sales and gross profit by our product types, as well as their respective gross profit margin after biological assets fair value adjustments, for the periods indicated:

	Six months ended 30 June					
	2021			2020		
	Cost of sales <i>RMB'000</i>	Gross Profit <i>RMB'000</i>	Gross profit margin %	Cost of sales <i>RMB'000</i>	Gross Profit <i>RMB'000</i>	Gross profit margin %
Liquid Milk Products						
Pasteurised Milk	23,017	14,657	38.9	13,571	7,702	36.2
Sterilised Milk	145,932	46,351	24.1	67,098	14,335	17.6
Modified Milk	101,812	56,097	35.5	79,612	38,498	32.6
Fermented Milk	52,995	27,813	34.4	64,326	27,756	30.1
Subtotal	323,756	144,918	30.9	224,608	88,291	28.2
Milk Beverage	2,146	832	27.9	1,765	545	23.6
Other Dairy Products	1,396	(365)	(35.4)	1,582	837	34.6
Total cost of sales/ Total gross profit/ Overall gross profit margin	327,297	145,385	30.8	227,955	89,672	28.2

Our overall gross profit margin of our dairy products after taking into account biological assets fair value adjustments was approximately 30.8% for the Reporting Period and approximately 28.2% for the corresponding period in 2020. The increase in the overall gross profit margin during the Reporting Period was primarily due to the fact that in the first half of 2020, due to the influence of COVID-19, the Company's products were slow-moving, and the gross profit margin was reduced due to the marketing policies implemented to promote sales. In 2021, the dairy product consumption market fully recovered, which was demonstrated by the strong sales of our products.

AFTER CORRECTION:

	Six months ended 30 June					
	2021			2020		
	Cost of sales <i>RMB'000</i>	Gross Profit <i>RMB'000</i>	Gross profit margin %	Cost of sales <i>RMB'000</i>	Gross Profit <i>RMB'000</i>	Gross profit margin %
Liquid Milk Products						
Pasteurised Milk	23,017	14,644	38.9	13,571	7,702	36.2
Sterilised Milk	96,839	26,724	21.6	67,098	14,335	17.6
Modified Milk	101,812	56,046	35.5	79,612	38,498	32.6
Fermented Milk	52,995	27,787	34.4	64,326	27,756	30.1
Subtotal	274,662	125,201	31.3	224,608	88,291	28.2
Milk Beverage	2,146	831	27.9	1,765	545	23.6
Other Dairy Products	1,396	(365)	(35.4)	1,582	837	34.6
Raw Milk	44,647	19,592	30.5	—	—	—
Total cost of sales/ Total gross profit/ Overall gross profit margin	<u>322,851</u>	<u>145,258</u>	<u>31.0</u>	<u>227,955</u>	<u>89,672</u>	<u>28.2</u>

Our overall gross profit margin of our dairy products after taking into account biological assets fair value adjustments was approximately **31.0%** for the Reporting Period and approximately 28.2% for the corresponding period in 2020. The increase in the overall gross profit margin during the Reporting Period was primarily due to the fact that in the first half of 2020, due to the influence of COVID-19, the Company's products were slow-moving, and the gross profit margin was reduced due to the marketing policies implemented to promote sales. In 2021, the dairy product consumption market fully recovered, which was demonstrated by the strong sales of our products.

Note 4 (1) Operating income and operating costs
(Page 9 of the Interim Results and page 48 of the Interim Report)

BEFORE CORRECTION:

4 Operating income and operating costs

(1) Operating income and operating costs

	Six months ended 30 June			
	2021		2020	
	Income <i>RMB'000</i>	Cost <i>RMB'000</i>	Income <i>RMB'000</i>	Cost <i>RMB'000</i>
Principal activities	472,682	327,297	317,627	227,955
Other operating activities	8,138	3,962	7,361	3,398
Total	<u>480,820</u>	<u>331,259</u>	<u>324,987</u>	<u>231,353</u>

AFTER CORRECTION:

4 Operating income and operating costs

(1) Operating income and operating costs

	Six months ended 30 June			
	2021		2020	
	Income <i>RMB'000</i>	Cost <i>RMB'000</i>	Income <i>RMB'000</i>	Cost <i>RMB'000</i>
Principal activities	468,109	322,851	317,627	227,955
Other operating activities	12,711	8,408	7,361	3,398
Total	<u>480,820</u>	<u>331,259</u>	<u>324,987</u>	<u>231,353</u>

Except as stated above, all other information contained in the Interim Results and Interim Report remains unchanged.

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

Lanzhou, the PRC, 29 October 2021

As at the date of this announcement, the non-independent directors of the Company are Mr. Yao Gexian, Mr. Lian Enzhong, Mr. Zhang Yu, Mr. Yang Yi, Mr. Ma Hongfu and Ms. Zhang Qianyu; and the independent directors of the Company are Mr. Wang Haipeng, Mr. Zhang Yubao and Mr. Sun Jian.

** For identification purposes only*