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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)**

**2021 THIRD QUARTERLY REPORT**

**OCTOBER 2021**

The Company and all members of the Board of Directors warrant that the information disclosed herein are true, accurate and complete, and that there is no false representation or misleading statement contained in or material omission from this quarterly report.

**IMPORTANT NOTE:**

1. The Board of Directors and the supervisory committee of the Company, its Directors, supervisors and senior management personnel warrant that the contents of this quarterly report are true, accurate and complete, and that there is no false representation or misleading statement contained in or material omission from this quarterly report, and assume several and joint legal liabilities.
2. The officer-in-charge of the Company, the officer-in-charge of accounting operations, and the head of the accounting firm (head of accounting) warrant the truthfulness, accuracy and completeness of the financial information in this quarterly report.
3. Whether the third quarterly report has been audited

☐ Yes ☒ No

## I. MAJOR FINANCIAL INFORMATION

### (i) Principal accounting data and financial indicators

Whether the Company is required to make retrospective adjustments to or restatements of the accounting data of the previous years

☐ Yes ☒ No

	For the reporting period	Increase/decrease in the reporting period compared with the corresponding period of last year	Beginning of the year to the end of the reporting period	Increase/decrease in the period from the beginning of the year to the end of the reporting period compared with the corresponding period of last year
Operating revenue (RMB)	254,607,909.74	26.74%	735,427,726.22	39.85%
Net profit attributable to shareholders of the listed company (RMB)	9,430,618.65	15.04%	32,284,409.19	418.81%
Net profit attributable to shareholders of the listed company after deduction of non-recurring gain or loss (RMB)	7,801,240.24	14.18%	37,101,034.01	1,676.78%
Net cash flows from operating activities (RMB)	—	—	210,607,025.31	87.07%
Basic earnings per share (RMB/share)	0.04	0.00%	0.14	366.67%
Diluted earnings per share (RMB/share)	0.04	0.00%	0.14	366.67%
Weighted average rate of return on net assets	0.58%	-0.09%	2.01%	1.50%
	As at the end of the reporting period	As at the end of last year	Increase/decrease as at the end of the reporting period compared with the end of last year	
Total assets (RMB)	2,695,375,265.11	3,080,558,015.83	-12.50%	
Net assets attributable to shareholders of the listed company (RMB)	1,619,444,403.92	1,591,833,606.73	1.73%	

(ii) **Items and amounts of non-recurring gain or loss**

☒ Applicable ☐ N/A

Unit: RMB

Item	Amount for the reporting period	Amount for the period from the beginning of the year to the end of the reporting period	Note
Gain or loss on disposal of non-current assets, including the offset part of the asset impairment allowance provided	-7,815.83	-9,144,095.63	Mainly due to the disposal of fixed assets
Government subsidies included in profit or loss for the current period (excluding government subsidies which are closely related to the Company's normal operation, in conformity with national policies and regulations, and entitled in fixed amounts or quantities on a continuous basis according to certain standards)	1,327,736.27	3,450,730.30	Mainly due to various governmental subsidies received by the Company
Other non-operating income and expenses other than those described above	350,032.57	-137,047.57	Mainly represented donation outlay
Less: Effect of income tax	40,574.60	-1,013,788.08	
Total	1,629,378.41	-4,816,624.82	—

Details of other profit or loss items that fall within the meaning of non-recurring gain or loss:

☐ Applicable ☒ N/A

There was no other profit or loss item of the Company that fall within the meaning of non-recurring gain or loss.

Please explain the reasons for defining the non-recurring gain or loss items stated in the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities — Non-recurring Gain or Loss Items” by the Company as the recurring gain or loss items.

☐ Applicable ☒ N/A

There was no circumstance that the Company defined the non-recurring gain or loss items as stated under the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities — Extraordinary Gain or Loss Items” as the recurring gain or loss item.

**(iii) Changes in major accounting information and financial indicators and reasons therefor**

☒ Applicable ☐ N/A

Consolidated Balance Sheet				
Item	30 September 2021	31 December 2020	Increase or decrease	Reasons for changes
Monetary funds	357,516,106.10	846,728,942.97	-57.78%	Mainly due to the due payments of bank acceptance bills and the repayments of bank loans
Prepayments	10,773,409.55	7,997,596.05	34.71%	Mainly due to the wages of construction workers paid by Ruijia Farming
Other receivables	5,927,108.16	20,791,553.57	-71.49%	Mainly due to the recovery of the performance compensation income receivable from shareholders of Xi'an Dongfang Dairy during the current period
Inventories	160,692,377.53	113,625,024.22	41.42%	Mainly due to the acquisition of silage corn grass by pastures at the end of the reporting period
Construction in progress	287,381,420.14	152,092,981.56	88.95%	Mainly due to the construction of the "Recycling Industrial Park Project of a Dairy Farm for 10,000 Dairy Cows in Jinchuan District" by the Company during the reporting period
Short-term borrowings	143,286,888.88	322,336,936.66	-55.55%	Mainly due to the repayments of borrowings during the current period
Bills payable	80,000,000.00	431,160,000.00	-81.45%	Mainly due to the due payments of bills during the reporting period
Contract liabilities	7,190,820.05	10,669,316.26	-32.60%	Mainly due to the booked revenue during the reporting period
Non-current liabilities due within one year	107,213,353.51	48,421,754.16	121.42%	Mainly due to an increase of RMB60 million in long-term borrowings due within one year as compared with the end of the previous period
Treasury shares	14,205,582.72	23,250,576.00	-38.90%	Mainly due to the decrease in treasury shares caused by the Company's repurchase of restricted shares during the reporting period

Consolidated Income Statement				
Item	January — September 2021	January — September 2020	Increase or decrease	Reasons for changes
Operating revenue	735,427,726.22	525,873,018.45	39.85%	Mainly due to an improvement in sales caused by the gradual recovery of the dairy products consumption market from the same period of last year
Operating cost	528,381,083.74	376,888,071.02	40.20%	Mainly due to the increase in sales income and the corresponding increase in costs
Taxes and surcharges	6,941,006.89	4,553,014.36	52.45%	Mainly due to the increase in sales income and the corresponding increase in taxes
Selling expenses	65,827,493.07	46,686,389.56	41.00%	Mainly due to the increase in marketing and promotion activities with a view to improving the sales
Financial expenses	12,011,538.72	20,785,763.06	-42.21%	Mainly due to the decrease in bank loans
Investment income	-3,343,998.00	-7,726,174.22	56.72%	Mainly due to the decrease in bill discount during the reporting period
Gain or loss from changes in fair value	-4,612,971.70	-8,051,272.48	42.71%	Mainly due to the increase in the number of cows
Impairment losses on credit	433,294.42	-164,497.51	363.40%	Mainly due to the recovery of the receivables which have been provided for bad debts
Gains from asset disposal	-543,109.52	278,729.80	-294.85%	Mainly due to the disposal of fixed assets during the reporting period
Non-operating income	1,463,567.33	393,146.37	272.27%	Mainly due to the subsidies for replacing grain with feed received by pastures during the reporting period
Non-operating expenses	9,854,201.01	356,870.93	2661.28%	Mainly due to the disposal and obsolescence of fixed assets during the reporting period
Income tax expenses	2,472,163.99	-857,933.76	388.15%	Mainly due to the increase in taxable income during the reporting period

Consolidated Cash Flow Statement				
Item	January — September 2021	January — September 2020	Increase or decrease	Reasons for changes
Net cash flows from operating activities	210,607,025.31	112,579,422.44	87.07%	Mainly due to the increase in sales income during the reporting period
Net cash flows from investing activities	-333,005,749.02	-176,520,638.72	-88.65%	Mainly due to the construction of the “Recycling Industrial Park Project of a Dairy Farm for 10,000 Dairy Cows in Jinchuan District” by the Company during the reporting period
Net cash flows from financing activities	-191,646,267.44	219,741,325.49	-187.21%	Mainly due to the repayments of bank loans during the reporting period

## II. SHAREHOLDER INFORMATION

- (i) Table setting out the total number of ordinary shareholders and preferential shareholders with reinstated voting rights and the particulars of shareholdings of the top 10 shareholders

Unit: share

Total number of ordinary shareholders at the end of the reporting period	20,198 shareholders, including 20,185 A shareholders and 13 H shareholders	Total number of preferential shareholders with reinstated voting rights at the end of the reporting period (if any)	0			
Particulars of shareholdings of the top 10 shareholders						
Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held	Number of shares held subject to the conditions of sale restrictions	Pledged, tagged or frozen	
					Status of shares	Number
Gansu Nongken Asset Operation Company Limited* (甘肅省農墾資產經營有限公司)	State-owned legal person	16.32%	37,931,665			
HKSCC Nominees Limited	Overseas legal person	15.11%	35,122,847			
Ma Hongfu (馬紅富)	Domestic natural person	13.86%	32,197,400	24,148,050	Pledged	30,000,000
Lanzhou Zhuangyuan Investment Co., Ltd.* (蘭州莊園投資有限公司)	State-owned legal person	13.29%	30,894,700			
Gansu Lucky Cow Investment Co., Ltd.* (甘肅福牛投資有限公司) (currently known as Shanghai Fuhuan Business Consulting Co., Ltd. * (上海福菡商務諮詢有限公司))	Domestic non-state-owned legal person	6.45%	15,000,000			
Su Guimin (蘇貴敏)	Domestic natural person	0.57%	1,316,742			
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.40%	929,144			
Yan Li (閻力)	Domestic natural person	0.28%	658,000			
He Yi (何怡)	Domestic natural person	0.25%	574,600			
Wang Jian (王建)	Domestic natural person	0.24%	550,000			

Particulars of shareholdings of the top 10 shareholders not subject to sale restrictions			
Name of shareholders	Number of shares held not subject to trading restrictions	Class of shares	
		Class of shares	Number
Gansu Nongken Asset Operation Company Limited* (甘肅省農墾資產經營有限公司)	37,931,665	RMB ordinary shares	37,931,665
HKSCC Nominees Limited	35,122,847	Overseas-listed foreign shares	35,122,847
Lanzhou Zhuangyuan Investment Co., Ltd.* (蘭州莊園投資有限公司)	30,894,700	RMB ordinary shares	30,894,700
Gansu Lucky Cow Investment Co., Ltd.* (甘肅福牛投資有限公司) (currently known as Shanghai Fuhan Business Consulting Co., Ltd.* (上海福菡商務諮詢有限公司))	15,000,000	RMB ordinary shares	15,000,000
Ma Hongfu (馬紅富)	8,049,350	RMB ordinary shares	8,049,350
Su Guimin (蘇貴敏)	1,316,742	RMB ordinary shares	1,316,742
Hong Kong Securities Clearing Company Limited	929,144	RMB ordinary shares	929,144
Yan Li (閻力)	658,000	RMB ordinary shares	658,000
He Yi (何怡)	574,600	RMB ordinary shares	574,600
Wang Jian (王建)	550,000	RMB ordinary shares	550,000
Explanations on the connected relationship or acting in concert among the above shareholders	Gansu Nongken Asset Operation Company Limited* (甘肅省農墾資產經營有限公司) and Lanzhou Zhuangyuan Investment Co., Ltd.* (蘭州莊園投資有限公司) are parties acting in concert, and they have no connected relationship with other shareholders; Ma Hongfu (馬紅富) (a shareholder) and Gansu Lucky Cow Investment Co., Ltd.* (甘肅福牛投資有限公司) (currently known as Shanghai Fuhan Business Consulting Co., Ltd.* (上海福菡商務諮詢有限公司)) are parties acting in concert, and they have no connected relationship with other shareholders; Wang Jian (王建) (a shareholder) holds 6.67% of the shares of Gansu Lucky Cow Investment Co., Ltd.* (甘肅福牛投資有限公司) (currently known as Shanghai Fuhan Business Consulting Co., Ltd.* (上海福菡商務諮詢有限公司)), Wang Jian (王建) and Ma Hongfu (馬紅富) (both are shareholders) have no connected relationship with each other and are not parties acting in concert; for other shareholders, the Company is not aware of whether there has any connected relationship among them and whether they are parties acting in concert.		
Explanations on the participation in the business of securities margin trading by the top 10 ordinary shareholders (if any)	Nil		

**(ii) Total number of preferential shareholders and particulars of shareholdings of the top 10 preferential shareholders of the Company**

☐ Applicable ☒ N/A

**III. OTHER SIGNIFICANT EVENTS**

☐ Applicable ☒ N/A



## IV. QUARTERLY FINANCIAL STATEMENTS

### (i) Financial statements

#### 1. Consolidated balance sheet

Prepared by: Lanzhou Zhuangyuan Pasture Co., Ltd.\*

Unit: RMB

Item	30 September 2021	31 December 2020
Current assets:		
Cash at bank and on hand	357,516,106.10	846,728,942.97
Balances with clearing companies		
Loans to banks and other financial institutions		
Trading financial assets		
Derivative financial assets		
Bills receivable		
Trade receivables	40,367,281.96	41,585,884.40
Receivables financing		
Prepayments	10,773,409.55	7,997,596.05
Premium receivable		
Amounts receivable from reinsurers		
Provision for reinsurance contracts receivable		
Other receivables	5,927,108.16	20,791,553.57
Including: Interest receivable		
Dividends receivable		
Purchase of repo financial assets		
Inventories	160,692,377.53	113,625,024.22
Contract assets		
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	10,601,637.41	10,738,310.25
Total current assets	585,877,920.71	1,041,467,311.46
Non-current assets:		
Grant of loans and advances		
Debt investments		

Item	30 September 2021	31 December 2020
Other debt investments		
Long-term receivables		
Long-term equity investment		
Other equity instruments investment	44,471.00	44,471.00
Other non-current financial assets		
Investment properties		
Fixed assets	1,097,878,379.03	1,179,537,375.25
Construction in progress	287,381,420.14	152,092,981.56
Bearer biological assets	508,300,700.00	494,690,800.00
Oil & gas assets		
Right-of-use assets	45,786,150.37	53,784,254.41
Intangible assets	98,172,046.34	97,156,312.67
Research & development expenses		
Goodwill		
Long-term deferred expenses	3,677,444.58	4,245,503.13
Deferred income tax assets	2,416,096.11	2,502,403.35
Other non-current assets	65,840,636.83	55,036,603.00
Total non-current assets	2,109,497,344.40	2,039,090,704.37
Total assets	2,695,375,265.11	3,080,558,015.83
Current liabilities:		
Short-term borrowings	143,286,888.88	322,336,936.66
Borrowings from central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable	80,000,000.00	431,160,000.00
Accounts payable	224,885,995.04	214,105,178.10
Advances from customers		
Contract liabilities	7,190,820.05	10,669,316.26
Amounts from disposal and repurchase of financial assets		
Customer deposits and deposits due to banks and other financial institutions		

Item	30 September 2021	31 December 2020
Amounts of securities trading as agent		
Amounts of securities underwriting as agent		
Employee remuneration payable	6,024,234.26	6,226,334.94
Taxes payable	4,842,718.58	6,419,248.92
Other payables	46,654,375.22	52,990,259.17
Including: Interests payable		
Dividends payable	41,048.82	
Handling charge and commission payable		
Amounts due to reinsurers		
Liabilities held for sale		
Non-current liabilities due within 1 year	107,213,353.51	48,421,754.16
Other current liabilities	933,476.05	1,448,412.01
Total current liabilities	621,031,861.59	1,093,777,440.22
Non-current liabilities:		
Provision for insurance contracts		
Long-term loans	371,966,933.79	311,281,479.94
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	40,802,039.95	40,483,271.07
Long-term payables		
Long-term employee remuneration payable		
Estimated liabilities	503,292.92	490,275.50
Deferred income	36,243,273.64	37,059,181.71
Deferred income tax liabilities	5,383,459.30	5,632,760.66
Other non-current liabilities		
Total non-current liabilities	454,898,999.60	394,946,968.88
Total liabilities	1,075,930,861.19	1,488,724,409.10
Owners' equity:		
Share capital	232,381,032.00	233,680,600.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		

Item	30 September 2021	31 December 2020
Capital reserves	846,834,119.60	854,579,544.88
Less: Treasury shares	14,205,582.72	23,250,576.00
Other comprehensive income		
Special reserves		
Surplus reserves	43,387,412.25	43,387,412.25
Provisions for general risk		
Retained profits	511,047,422.79	483,436,625.60
Total equity attributable to the owners of the Parent Company	1,619,444,403.92	1,591,833,606.73
Non-controlling interests		
Total owners' equity	1,619,444,403.92	1,591,833,606.73
Total liabilities and owners' equity	2,695,375,265.11	3,080,558,015.83

Legal Representative: Yao Gexian

The person in charge of accounting affairs: Yang Yi

The head of the accounting department: Chen Menggan

**2. Consolidated profit statement from the beginning of the year to the end of the reporting period**

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Total operating revenue	735,427,726.22	525,873,018.45
Including: Operating revenue	735,427,726.22	525,873,018.45
Interest income		
Earned premium		
Handling charges and commission income		
II. Total operating cost	686,726,150.13	509,190,493.59
Including: Operating cost	528,381,083.74	376,888,071.02
Interest expenses		
Handling charges and commission expense		
Surrenders		
Net compensation payout		
Provisions for reinsurance contracts, net		
Policy dividend expenses		
Reinsurance cost		
Taxes and surcharges	6,941,006.89	4,553,014.36
Selling expenses	65,827,493.07	46,686,389.56
Administrative expenses	68,383,177.92	53,165,489.91
Research and development expenses	5,181,849.79	7,111,765.68
Financial expenses	12,011,538.72	20,785,763.06
Including: Interest expenses	16,690,183.98	23,524,186.65
Interest income	5,068,633.28	4,104,510.68
Add: Other income	3,103,330.30	4,309,251.10
Investment income (loss is indicated by “—”)	-3,343,998.00	-7,726,174.22
Including: Investment income from associated enterprises and joint ventures		
Termination of recognized income of financial assets measured at amortized cost	-3,343,998.00	-7,726,174.22
Exchange gains (loss indicated by “—”)		
Gain from net exposure to hedging (loss is indicated by “—”)		

Item	Amount for the current period	Amount for the previous period
Gains from changes in fair value (loss is indicated by “—”)	-4,612,971.70	-8,051,272.48
Impairment losses on credit (loss is indicated by “—”)	433,294.42	-164,497.51
Impairment loss on assets (loss is indicated by “—”)	-590,914.73	
Gains from asset disposal (loss is indicated by “—”)	-543,109.52	278,729.80
III. Operating profit (loss is indicated by “—”)	43,147,206.86	5,328,561.55
Add: Non-operating income	1,463,567.33	393,146.37
Less: Non-operating expenses	9,854,201.01	356,870.93
IV. Total profit (total loss is indicated by “—”)	34,756,573.18	5,364,836.99
Less: Income tax expenses	2,472,163.99	-857,933.76
V. Net profit (net loss is indicated by “—”)	32,284,409.19	6,222,770.75
(I) Classification by operating continuity		
1. Net profit from continuing operations (net loss is indicated by “—”)	32,284,409.19	6,222,770.75
2. Net profit from Discontinued operations (net loss is indicated by “—”)		
(II) Classification by ownership		
1. Net profit attributable to owners of the Parent Company	32,284,409.19	6,222,770.75
2. Non-controlling interests		
VI. Other net comprehensive income after tax		
Other net comprehensive income after tax attributable to owners of the Parent Company		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Change in fair value of the Enterprise’s own credit risk		
5. Others		

Item	Amount for the current period	Amount for the previous period
(II) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		
6. Exchange rate differences of financial statements denominated in foreign currency		
7. Others		
Other net comprehensive income after tax attributable to non-controlling interests		
VII. Total comprehensive income	32,284,409.19	6,222,770.75
Total comprehensive income attributable to the owners of the Parent Company	32,284,409.19	6,222,770.75
Total comprehensive income attributable to non-controlling interests		
VIII. Earnings per share:		
(I) Basic earnings per share	0.14	0.03
(II) Diluted earnings per share	0.14	0.03

For the current period, net profit prior to the merger of the merged party in a business consolidation under common control amounted to RMB. Net profit of the merged party for the previous period amounted to RMB.

Legal Representative: Yao Gexian

The person in charge of accounting affairs: Yang Yi

The head of the accounting department: Chen Menggan

**3. Consolidated cash flow statement from the beginning of the year to the end of the reporting period**

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	815,570,114.80	562,850,604.63
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received as premiums of original insurance contracts		
Cash received from reinsurance business, net		
Net increase in policyholder deposits and investment funds		
Cash received as interests, handling charges and commissions		
Net increase in placements		
Net increase in funds of repurchase business		
Net cash received from securities trading agency services		
Tax rebates received		914,079.53
Cash received in connection with other operating activities	25,539,554.32	45,879,566.52
Sub-total of cash inflow from operating activities	841,109,669.12	609,644,250.68
Cash paid for purchase of goods and receipt of services	436,694,736.18	349,668,829.33
Net increase in loans and advances to customers		
Net increase in deposits with central bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interest, handling charges and commissions		



Item	Amount for the current period	Amount for the previous period
Cash paid for policyholder dividend		
Payment to and for employees	69,835,211.99	48,985,364.49
Payment of various taxes	41,925,790.45	20,328,607.12
Payment for other operating activities	82,046,905.19	78,082,027.30
Sub-total of cash outflows from operating activities	630,502,643.81	497,064,828.24
Net cash flows from operating activities	210,607,025.31	112,579,422.44
II. Cash flows from investing activities:		
Cash received upon disposal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	19,441,556.50	14,152,978.00
Cash received upon disposal of subsidiaries and other business units, net		
Proceeds from other investing activities	14,106,479.42	41,233,249.23
Sub-total of cash inflows from investing activities	33,548,035.92	55,386,227.23
Payment for acquisition of fixed assets, intangible assets and other long-term assets	366,553,784.94	231,906,865.95
Cash paid for investments		
Net increase in pledged loans		
Cash paid for acquisition of subsidiaries and other		
Payment for other investing activities		
Sub-total of cash outflows from investing activities	366,553,784.94	231,906,865.95
Net cash flows from investing activities	-333,005,749.02	-176,520,638.72
III. Cash flows from financing activities:		
Proceeds from investors		
Including: Cash received by subsidiaries as minority shareholders' investments		
Proceeds from borrowings	307,000,000.00	531,000,000.00
Cash received in connection with other financing activities	291,820,003.00	448,786,828.78
Sub-total of cash inflows from financing activities	598,820,003.00	979,786,828.78
Repayments of borrowings	364,583,602.80	406,082,536.00

Item	Amount for the current period	Amount for the previous period
Payment for dividends, profit distributions or interest	21,231,010.26	32,962,560.49
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Payment for other financing activities	404,651,657.38	321,000,406.80
Sub-total of cash outflows from financing activities	790,466,270.44	760,045,503.29
Net cash flows from financing activities	-191,646,267.44	219,741,325.49
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-3,844.72	-9,001.42
V. Net increase in cash and cash equivalents	-314,048,835.87	155,791,107.79
Add: Cash and cash equivalents at the beginning of the period	631,564,941.97	193,919,779.89
VI. Cash and cash equivalents at the end of the period	317,516,106.10	349,710,887.68

## (II) Explanation of adjustments to financial statements

- Adjustments to relevant items in the financial statements at the beginning of the current year after initial adoption of new standards for lease in 2021

☐ Applicable ☒ N/A

- Retrospective adjustment of the previous comparative information by initial adoption of new standards for lease in 2021

☐ Applicable ☒ N/A

**(iii) Audit report**

Whether the third quarterly report has been audited

☐ Yes ☒ No

The third quarterly report of the Company has not been audited

Announcement is hereby made.

The Board of Lanzhou Zhuangyuan Pasture Co., Ltd.

29 October 2021