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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made by Lanzhou Zhuangyuan Pasture Co., Ltd.* (蘭州莊園牧場股份有限公司) (the “**Company**”) pursuant to Rule 13.10B of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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, 25 March 2021

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

* *For identification purposes only*

Lanzhou Zhuangyuan Pasture Co., Ltd.**Announcement in relation to
Food Disqualification Notice issued to a wholly-owned
subsidiary by State Administration for Market Regulation**

The Company and all members of the Board warrant that the content of the announcement is true, accurate and complete, without false record, misleading statement or material omission.

1. Status regarding food disqualification notice

On 19 March 2021, State Administration for Market Regulation issued on its website (<http://samr.saic.gov.cn/>) “Disqualification Notice on Sampling Inspection of 8 Batches of Food by State Administration for Market Regulation” (No. 13 of 2021), Jianshu Qingchang yogurt (pasteurized heat-treated flavored yogurt) produced by Xi'an Dongfang Dairy Co., Ltd. (西安東方乳業有限公司) (the “Xi'an Dongfang Dairy”), a wholly-owned subsidiary of Lanzhou Zhuangyuan Pasture Co., Ltd (the “Company”) was noted in information concerning disqualified products in dairy products supervision and sampling inspection. The general status is as follows:

Registered Name of Production Enterprise	Registered Address of Production Enterprise	Name of Unit under Sampling Inspection	Address of Unit under Sampling Inspection	Sample Name	Specification	Trademark	Production Date	Disqualified Item	Inspection Result	Standard Value	Inspection Body
Xi'an Dongfang Dairy	No. 1, Xinhe Street, Baqiao District, Xi'an (西安 市灊橋區新 合街1號)	Shaanxi Baifuleliangfan Shopping Co., Ltd. (陝西百福 樂量販購物有 限公司)	No. 69, Xingshan Temple East Street, Yanta District, Xi'an (西安 市雁塔區興 善寺東街69 號)	Jianshu Qingchang yogurt (pasteurized heat-treated flavored yogurt)	200 g/box	Jianshu	2020/10/10	acidity	63.9° T	≥70° T	Qingdao Huace Testing Technology Co., Ltd. (青 島市華測檢 測技術有限 公司)

2. Relevant information of the Company

(1) Impact of relatively low level of acidity on human

The acidity of dairy products usually refers to the total acidity, including natural acidity and fermented acidity. Fermented milk will produce acidic substances during the production and processing process, which will increase the acidity of the product. Jianshu Qingchang yogurt (pasteurized heat-treated flavored yogurt) is pasteurized heat-treated flavored yogurt, which belongs to aseptic packaging products. The acidity is a physical and chemical index item of product in the “National Food Safety Standard of Fermented Milk”, which is a non-safe microbial index item, Low acidity will only affect the flavor and taste of the product, and will not adversely affect the health and safety of the human body.

(2) Analysis of the subject batch of product and preventive measures

After self-inspection, it was found out that the batch of disqualified Jianshu Qingchang yogurt was produced on 10 October 2020. A total of 4,170 boxes (200g/box) of Jianshu Qingchang yogurt were produced on that day. The production process of Jianshu Qingchang yogurt is more complicated than that of ordinary yogurt since it is a pasteurized heat-treated flavored yogurt, and the daily production volume is lower, which resulted in the acidity index control not meeting the standard. The Company had stopped production of this product since 1 January 2021.

The Company and Xi'an Dongfang Dairy placed high emphasis on the disqualification situation during the supervision and sampling inspection. Led by a general manager of the Company, a leading group for unqualified products recall, cause, problem analysis and rectification consisting of related department personnel including sales, production, technology, quality control, supply, administration and operation was formed. It convened meeting to analyze and discuss the issues relating to the disqualification during the inspection and conducted a comprehensive investigation and analysis on the cause and formation process of the unqualified products. It has rectified the disqualified item (i.e., acidity) with reference to the standard and relevant requirement and on this basis, has checked and analyzed each kind of products of the Company against the national standards. Xi'an Dongfang Dairy immediately launched the “Recall Procedure for Disqualified Products” to recall the Jianshu Qingchang yogurt products under the trademark of “Jianshu”, the specification of “200 g /box”, and the batch of “20201010” produced on 10 October 2020.

The Company will further tighten the management in the following aspects to avoid recurrence of similar problem:

1. Strengthen management of critical control point of production. According to ISO9001 quality management system and HACCP (Hazard Analysis and Critical Control Point) and taking into account of the actual circumstances of the Company and the relevant national standards, “Quality Manual of the Company (公司質量手冊)” and documents relating to the process were compiled to set out a detailed “Work and Operation Instructions” according to the product types and further improve the quality control of critical control point. It will inspect and test the critical control point on a regular basis to ensure the quality of the Company’s products. At the same time, the Company improved the “Product Internal Control Standards of the Company” and “Internal Control Handover Process of Product Quality” in accordance with national food safety standards such as pasteurized milk, sterilized milk, modified milk and milk beverages, and established a production site quality management verification leading group to conduct real-time inspections on key quality control points at the production site to prevent the recurrence of disqualified products.
2. Strict implementation of inspection process. It will be equipped with advanced and comprehensive testing equipment and will have professional testing staff, who has passed strict training and examination before taking up the position. Stringent quality inspection is carried out on each batch of products produced including pasteurized milk, sterilized milk, modified milk, fermented milk and milk beverages, where only products whose indicators having reached national standard during inspection may leave factory and be sold.
3. In order to ensure food safety and improve employees’ awareness of quality, the Company has formulated the “2021 Training Plan” and implemented the “Product Internal Control Standards of the Company”, “Internal Control Handover Process of Product Quality” and business skills knowledge training for production personnel and quality management personnel in key positions on the site.

3. Impact on the Company

Sales revenue from the subject product amounted to RMB7881.3 only, representing a very low proportion of the Company's latest audited operating income. This incident has not caused material impact on the production and operation, financial conditions and operating results of the Company. Currently, all production and operation of the Company is normal.

The Company will continue to pay close attention to the development of this incident and perform its disclosure obligation according to actual circumstances. Investors are advised that Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and CNINF (www.cninfo.com.cn) are the designated information disclosure media of the Company. Please refer to the information published by the Company on these media for any information about the Company. Investors are advised to invest cautiously and pay attention to risks.

Announcement is hereby given.

The Board of Directors of Lanzhou Zhuangyuan Pasture Co., Ltd.
25 March 2021