

Stock Code: 600519

Stock Abbr.: Kweichow Moutai

# **KWEICHOW MOUTAI CO., LTD.**

## **ANNUAL REPORT 2021**

## Important Statements

The Board of Directors, Board of Supervisors, directors, supervisors and the senior management of the Company guarantee that the information presented in this report is free of any false records, misleading statements or material omissions, and shall bear individual and joint legal liabilities for the truthfulness, accuracy and completeness of its contents.

### The situation of directors who did not attend the board meeting in person

Position	Name	Reason	Proxy
Independent director	Lu Jinhai	Pandemic prevention	Zhang Jingzhong

Baker Tilly China CPAs has issued a standard unqualified audit report for the Company.

Ding Xiongjun, responsible person for the Company, Jiang Yan, responsible person for accounting work, and Cai Congying, responsible person for the Company's financial affairs (Accounting Supervisor), have warranted that the financial statements in this report are true, accurate and complete.

### The proposed profit distribution plan or the proposed plan of capitalization of capital reserves in the reporting period approved by the resolution of the Board of Directors

On the basis of a total capital of 1,256,197,800 shares by the end of 2021, all shareholders will be distributed a cash dividend of CNY 216.75 (before tax) for every 10 shares, with a total profit distribution of CNY 27,228,087,315.00, and the remaining CNY 133,488,774,605.19 will be reserved for future annual distribution. The above profit distribution proposal shall be submitted to the general assembly of shareholders of the Company for deliberation and approval before implementation.

### Risk disclosure statement for forward-looking statements

Forward-looking statements in this report concerning future plans or development strategies do not constitute substantial promises to investors, due to the related uncertainty. Investors are advised to be aware of their own investment risks.

### Existence of non-operational embezzlement of funds by controlling shareholders or their associated parties

No

### Existence of Financial Guarantees to External Parties in Violation of the Regulated Decision Procedures

No

**Over half of the directors' failure to guarantee the truthfulness, accuracy and completeness of the Company's disclosed annual report**

No

**Significant risk statements**

The Company has elaborated the potential risks in the chapter of "The Company Discussion and Analysis on its Future Development". Investors are advised to pay their due attention.

**Information Statement**

All information and data cited in this Report are objective and authentic. Financial figures herein are recorded in CNY, unless otherwise specified. This Report is prepared in Chinese and English, respectively. In case of any ambiguity in the Chinese and English texts, the Chinese text shall prevail.

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Documents Available for Reference	References include the accounting statements signed and stamped by the respective individuals in charge of the company, the company accounting work, and the accounting department (their accounting supervisor).
	References include the audit report original signed and stamped by the certified public accountant and stamped by the accounting firm.
	The originals of company documents and announcements that are publicly disclosed in China Securities Journal and Shanghai Securities News during the reporting period.

## Section I Definitions

### 1. Definitions

Unless it is otherwise referred in the context, the terms in this report have the following meanings:

Terms and Definitions		
CSRC	refers to	China Securities Regulatory Commission
SSE	refers to	Shanghai Stock Exchange
Company, the company	refers to	Kweichow Moutai Co., Ltd.
Controlling shareholder, group company	refers to	China Kweichow Moutai Distillery (Group) Co., Ltd.
Reporting period	refers to	Fiscal Year of 2021
This report, the report	refers to	Annual Report 2021

## Section II Company Profile and Key Financial Results

### 1. Corporate Information of “the Company”

Name of the Company in Chinese	贵州茅台酒股份有限公司
Abbr. of the Company name in Chinese (if any)	贵州茅台
Name of the Company in English	Kweichow Moutai Co., Ltd.
Legal Representative	Ding Xiongjun

### 2. Contact Information

	Secretary of the board	Representative for securities affairs
Name	Jiang Yan	Cai Congying
Address	Maotai Town, Renhuai City, Guizhou Province	Maotai Town, Renhuai City, Guizhou Province
Tel.	0851-22386002	0851-22386002
Fax	0851-22386193	0851-22386193
E-mail	mtdm@moutaichina.com	mtdm@moutaichina.com

### 3. Company profile

Registered address	Maotai Town, Renhuai City, Guizhou Province
Office address	Maotai Town, Renhuai City, Guizhou Province
Zip code of office address	564501
Website address	<a href="http://www.moutaichina.com/">http://www.moutaichina.com/</a>
E-mail address	mtdm@moutaichina.com

### 4. Information disclosure and the place where the report is available

Media name and its website address where the report is disclosed	China Securities Journal and Shanghai Securities News
Website address of the stock exchange where the report is disclosed	<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>
Place where the report is available	The office of the Board of Directors

**5. Stock information**

Stock information				
Stock type	Stock exchange where the shares are listed	Stock abbreviation	Stock code	Previous stock Abbreviation (if any)
A shares	Shanghai Stock Exchange	Kweichow Moutai	600519	

**6. Other information**

Appointed accounting firm (domestic)	Name	Baker Tilly China CPAs
	Office address	Building 12, Foreign Language Culture and Creativity Park, 19 Chegongzhuang West Road, Haidian District, Beijing
	Name of the signing accountant	Tong Wenguang, Liu Zonglei, Yang Shu

**7. Last Years' Key Accounting Data and Financial Indicators****7.1 Key accounting data**

Unit: CNY

Key accounting date	2021	2020	Change (%)	2019
Operating proceeds	106,190,154,843.76	94,915,380,916.72	11.88	85,429,573,467.25
Net profits attributable to shareholders of the Public Company	52,460,144,378.16	46,697,285,429.81	12.34	41,206,471,014.43
Net profits attributable to shareholders of the Public Company after deducting non-recurring gains and losses	52,581,102,656.24	47,016,420,742.73	11.84	41,406,909,012.08
Net cash flows from operating activities	64,028,676,147.37	51,669,068,693.03	23.92	45,210,612,632.56
	31 December 2021	31 December 2020	Changes of the Same Period(%)	31 December 2019
Net assets attributable to shareholders of the Company	189,539,368,797.29	161,322,735,087.56	17.49	136,010,349,875.11
Total assets	255,168,195,159.90	213,395,810,527.46	19.58	183,042,372,042.50
Share capital	1,256,197,800.00	1,256,197,800.00		1,256,197,800.00

**7.2 Key financial indicators**

Key financial indicators	2021	2020	Change (%)	2019
Basic earnings per share (CNY/share)	41.76	37.17	12.34	32.80
Diluted earnings per share (CNY/share)	41.76	37.17	12.34	32.80
Basic earnings per share after non-recurring gains and losses (CNY/share)	41.86	37.43	11.84	32.96
Weighted average ROE (%)	29.90	31.41	-1.51	33.09
Weighted average ROE after non-recurring	29.97	31.63	-1.66	33.25

gains and losses (%)				
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## 8. Differences in accounting data by domestic and overseas accounting standards

### 8.1 Differences in the net profits and net assets attributable to shareholders of the company disclosed in the financial reports prepared under the international accounting standards and China accounting standards

Applicable N/A

### 8.2 Differences in the net profits and net assets attributable to shareholders of the Company disclosed in the financial reports prepared under the overseas accounting standards and China accounting standards

Applicable N/A

### 8.3 Explanations for above accounting data differences

Applicable N/A

## 9. Quarterly key financial data in 2021

Unit: CNY

	Q1 (Jan.-Mar.)	Q2 (Apr.-Jun.)	Q3 (Jul.-Sept.)	Q4 (Oct.-Dec.)
Operating proceeds	27,270,884,813.14	21,816,392,982.87	25,554,926,006.54	31,547,951,041.21
Net profits attributable to shareholders of the Company	13,954,462,085.61	10,699,523,465.97	12,612,188,608.39	15,193,970,218.19
Net profit attributable to ordinary shareholders of the company after deducting non-recurring profit and loss	13,969,463,370.71	10,679,654,343.72	12,707,913,515.40	15,224,071,426.41
Net cash flows from operating activities	-1,484,892,858.66	23,204,363,591.63	15,032,826,622.95	27,276,378,791.45

Explanations for the differences between quarterly data and those disclosed in previous periodical reports

Applicable N/A

## 10. Non-recurring Items and Their Gains/Losses

Applicable N/A

Unit: CNY

Non-recurring gains and losses	Amount in 2021	Note (if applicable)	Amount in 2020	Amount in 2019
Gain or loss from disposal of non-current assets	-11,920,829.77		-100,113.92	-510,515.56
Government grants accounted for, in the profit or loss for the current period (except for the government grants closely related to the business of the Company and continuously given at a fixed amount or quantity in accordance with certain standards)	4,616,000.00		2,028,500.00	
Gains and losses from changes in fair value arising from holding trading financial assets, derivative financial assets, trading financial	-3,750,122.23		4,966,170.34	-14,018,472.46

liabilities and derivative financial liabilities, as well as investment income from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments, except for the effective hedging business associated with the company's regular business operations.				
Other non-operational income and expenditure in addition to the items listed above.	-210,928,052.99		-438,037,777.35	-258,459,086.43
Other items of gains and losses that fall into the category of non-recurring gains and losses	61,031,069.26		237,455.55	
Less: Income tax impact	-40,237,983.93		-107,726,441.35	-68,247,018.61
Minority shareholder equity impact (after tax)	244,326.28		-4,044,011.11	-4,303,058.19
Total	-120,958,278.08		-319,135,312.92	-200,437,997.65

### 11. Items evaluated at fair values

√Applicable □N/A

Unit: CNY

Item	Opening balance	Closing balance	Change	Amount of impact on current profit
Other non-current financial assets	9,830,052.91		-9,830,052.91	-3,750,122.23
Total	9,830,052.91		-9,830,052.91	-3,750,122.23

## Section III Management's Discussion and Analysis

### 1. Discussion and analysis of business situation

In 2021, Adhering to be guided by Xi Jinping's Thought of Socialism with Chinese Characteristics for a New Era, the company comprehensively carried out the spirit of the important speech of President Xi's inspection of Guizhou, fully implemented the strategic plan of the provincial party committee and the provincial government, followed the requirements of "high-quality development, big-stride forward", focused on "dual-doubling, dual-consolidating and dual-construction" target demanded by the group company, and coordinated the work of epidemic prevention and control, production and operation, reform and development in an integrated manner. In all, the Company has made remarkable and excellent achievements, painted the picture of the era of "five lines" development, stepped onto the new path of development of a high quality and strong industry, and realized a grand start in the "14th Five Year Plan" development.

### 2. Industry sector situation in the reporting period

See "Industry profile" and "Industry pattern and trend" in this report.

### 3. Business scope in the reporting period

The Company's main business is the production and sales of Moutai and a series of liquors. The leading product "Kweichow Moutai" is one of the three most famous distilled liquors in the world,



and is also a brand of Chinese Baijiu that embodies national geographical hallmark products, organic foods and national intangible cultural heritages.

The Company's business model is: raw materials acquisition – merchandise production – sales. The acquisition of raw materials is carried out according to the Company's production and sales plan; the production process of products is as follows: yeast making - Chinese Baijiu making – cellaring - blending - packaging; the sales model is as follows: the Company's products are sold through direct sales and distributor channels. Direct sales channels refer to self-operated channels, while distributor channels refer to social distributors, supermarkets, e-commerce and other channels.

#### 4. Analysis of core competitiveness

√Applicable □N/A

The Company possesses “four core potentials”, i.e, unique territorial protection of product origin, irreplicable microbial colonies, unique brewing techniques inherited for generations over a thousand years and long-term cellaring base of high-quality Chinese Baijiu resources. In addition, the company also owns famous brands, outstanding quality, long-standing culture and long history. No significant changes in the core competitiveness of the Company has ever taken place during the reporting period.

#### 5. Business operation briefing for the reporting period

Firstly, the new blueprint has been inspiring. The Company pursued high-quality development for the all situations, formulated the “14th Five Year Plan” development program, confirmed the “five-color-lines” development path, affirmed the “one base and one benchmark” target, comprehensively carried out top-level designs, built a new system of corporate governance, drew a “concentric circle” of dream building for thousands of people, and opened a new chapter of building a high-quality and strong industry.

Secondly, new achievements have accumulated into powerful potentials. The Company has been adhering to the motto of “quality is the soul of lifeline”, and established the quality concept of five craftsmanships of the new era, built a “365 quality management system”, deeply delved into the “nine series” of Moutai culture. Major projects such as packaging logistics park and Tongminba liquor base in Xishui County were orderly carried forward. Safety and environmental protection management were taken to a new level. The Moutai culture and sports center was brought into use. All these have been building a more solid foundation for a high-quality and strong industry.

Thirdly, the new business performance is remarkable. The Company has achieved a total operating proceeds of CNY 109.46 billion, an increase of 11.71% year-on-year; the total profit is CNY 74.53 billion, a year-on-year increase of 12.59%; the net profit attributable to the owner of the parent company is CNY 52.46 billion, with a year-on-year increase of 12.34%. All indicators have maintained double-digit growth, and the comprehensive strength of the Company has once again reached a new level.

##### 5.1 Main business analysis

##### A. Analysis of accounting item changes related to the income statement and the cash flow statement

Unit: CNY

Item	Amount in the reporting period	Amount in the same reporting period of last year	YoY Change (%)
Operating proceeds	106,190,154,843.76	94,915,380,916.72	11.88
Operating costs	8,983,377,809.96	8,154,001,476.28	10.17
Sales expenses	2,737,369,434.78	2,547,745,650.95	7.44

General and administrative expenses	8,450,274,065.03	6,789,844,289.39	24.45
Financial expenses	-934,523,406.02	-234,610,582.44	N/A
R&D expenses	61,923,213.59	50,398,036.33	22.87
Net cash flows from operating activities	64,028,676,147.37	51,669,068,693.03	23.92
Net cash flows from investment activities	-5,562,445,704.34	-1,805,227,155.72	N/A
Net cash flows from financing activities	-26,564,141,388.96	-24,127,536,908.26	N/A

Causes for the operating proceeds change: mainly due to the increase of sales and the product structure change in the reporting period.

Causes for the operating expense change: majorly due to the sales increase, the production cost increase, and the product structure change in the reporting period.

Causes for the sales expense change: mainly due to the advertising and marketing expense increases for the the Moutai-flavor series liquor in the reporting period.

Causes for the general and administrative expense change: mainly due to employee compensation increase and maintenance cost increase in the reporting period.

Causes for the financial expense change: mainly due to the increase of commercial bank interest income increase in the reporting period.

Causes for the R&D expense change: majorly due to the increase of R&D project increases in the reporting period.

Causes for the Net cash flow change from operating activities: mainly due to the increase of cash received from sales of goods and rendering of services in the reporting period.

Causes for the Net cash flow change from investment activities: mainly due to the increase of cash payment used to buy certificates of deposit in the reporting period.

Causes for Net cash flow change from financing activities: mainly caused by the increase of cash dividend distribution in the reporting period.

Detailed reasons for any significant changes to the business type, profit structure or profit sources of the Company in the reporting period.

Applicable N/A

#### B. Income and cost analysis

Applicable N/A

a. Main business grouped by business segment, by product, by geographical zoning and by sales model.

Unit: CNY

Main business grouped by business segment						
Business segment	Operating proceeds	Operating costs	Gross profit margin	YoY Change of operating proceeds (%)	YoY change of operating costs (%)	YoY change of gross profit margin (%)
Liquor	106,059,290,342.18	8,890,990,510.72	91.62	11.85	9.99	0.14
Main business grouped by product						

Product	Operating proceeds	Operating costs	Gross profit margin	YoY Change of operating proceeds (%)	YoY change of operating costs (%)	YoY change of gross profit margin (%)
Moutai	93,464,512,115.94	5,577,910,539.00	94.03	10.18	9.36	0.04
Other liquor	12,594,778,226.24	3,313,079,971.72	73.69	26.06	11.06	3.55
Main business grouped by geographical zoning						
Geographical zoning	Operating proceeds	Operating costs	Gross profit margin	YoY Change of operating proceeds (%)	YoY change of operating costs (%)	YoY change of gross profit margin (%)
Domestic	103,440,817,492.55	8,649,283,176.18	91.64	11.96	9.83	0.16
Overseas	2,618,472,849.63	241,707,334.54	90.77	7.66	15.96	-0.66
Main business condition by sales model						
Sales model	Operating proceeds	Operating costs	Gross profit margin	YoY Change of Operating proceeds (%)	YoY change of operating costs (%)	YoY change of gross profit margin (%)
Wholesale agency	82,029,927,984.26	7,958,382,622.48	90.30	0.55	6.06	-0.50
Direct sales	24,029,362,357.92	932,607,888.24	96.12	81.49	60.89	0.50

## b. Analysis of production volume, sales volume and inventory

√Applicable □N/A

Main product	Unit	Production volume	Sales volume	Inventory	YoY change of production volume (%)	YoY change of sales volume (%)	YoY change of inventory (%)
Liquor	Ton	84,721.17	66,438.69	260,746.17	12.72	3.72	4.62

## c. Execution situation of major acquisition contracts and major sales contracts

□Applicable √N/A

## d. Coast Analysis Table

Unit: CNY

Condition by business segment							
By business segment	Main breakdown items of cost	Amount in the reporting period	As % of total cost (%)	Amount in the same reporting period of previous year	As % of total cost in previous year (%)	YoY change (%)	Description of reasons
Liquor		8,890,990,510.72	100	8,083,371,418.24	100	9.99	
Condition by product							
By product	Main breakdown items of cost	Amount in the reporting period	As % of total	Amount in the same reporting	As % of cost in	YoY change (%)	Description of reasons

			cost (%)	period of previous year	previous year (%)		
Liquor	Direct materials costs	5,006,828,759.74	56.32	4,426,309,798.99	54.76	13.12	
	Direct labor costs	2,776,100,778.17	31.22	2,626,407,879.93	32.49	5.70	
	Manufacturing costs	592,850,869.35	6.67	553,108,867.79	6.84	7.19	
	Fuels and energies	271,547,032.80	3.05	244,593,638.55	3.03	11.02	
	Transportation costs	243,663,070.66	2.74	232,951,232.98	2.88	4.60	
	Total	8,890,990,510.72	100.00	8,083,371,418.24	100.00	9.99	

e. Any share changes of subsidiaries merger scope changes in the reporting period

Applicable N/A

f. Information about significant changes or adjustments of the Company's businesses, products or services

Applicable N/A

g. Major customers and suppliers

(1)Major customers

The top five customers constitute a total proceeds of CNY 14,982.74 million, accounting for 14.13% of annual total proceeds, among which the proceeds by the affiliated parties totaled CNY 5,240.25 million, accounting for 4.94% of the total annual proceeds.

(2)Major suppliers

The total acquisition cost paid to the five suppliers is CNY 2,917.35 million, accounting for 43.33% of annual total acquisition cost, among which the total to the affiliated parties is CNY 842.89 million, accounting for 12.52% of annual total acquisition cost.

### C. Expenses

Applicable N/A

Financial expenses in the reporting period was CNY -934,523,406.02, comparing with that in the last period of CNY -234,610,582.44, the cost reduction was mainly due to the increase of interest income from commercial bank deposits.

### D.R&D expenses

a. Statement of R&D expenses

Applicable N/A

	Unit: CNY
R&D expenses in this period	190,053,124.36
Total R&D expenses	190,053,124.36
as (%) in operating proceeds	0.18

Note: The R&D expenses in this period include the R&D expenses listed in the operating costs and the compensation of scientific researchers.

b. Statement of R&D employee

Applicable N/A

Number of R&D employees	659
as (%) in the total number of the Company's employees	2.20
Educational background structure of R&D employees	
Educational background structure type	Number in each educational background structure
Doctorate	53
Master's degree	153
Undergraduate	405
Junior college	42
High school and below	6
Age structure of R&D employee	
Age structure type	Number in each age structure
under 30 (excluding 30)	134
30-40 (including 30 but excluding 40)	371
40-50 (including 40 but excluding 50)	113
50-60 (including 50 but excluding 60)	34
over 60	7

## c. Explanation

Applicable N/A

## d. Reasons for the significant changes in R&amp;D employees and their impacts on the Company's future development

Applicable N/A

**E. Cash flows**

Applicable N/A

Unit: CNY

Item	Amount in this period	Amount in last period	Change (%)
Net increase customer and interbank deposits	7,511,166,145.93	3,189,100,199.87	135.53
Receipt of other cash related to business activities	1,643,536,862.48	221,421,226.63	642.27
Net increase in loans and advances to customers	484,244,272.00	2,978,755,728.00	-83.74
Net increase in lending funds	-400,000,000.00	200,000,000.00	N/A
Net increase in central and interbank deposits	559,089,326.28	-2,506,406,682.56	N/A
Cash paid for interests, fees, and commissions	163,462,728.48	107,241,768.26	52.42
Cash received from investment recoveries	6,079,930.68	314,906,521.48	-98.07
Cash received from investment returns	860,000.00		N/A
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,463,474.29	495,904.85	396.76
Cash received from other investment related activities	9,983,452.63	6,675,319.03	49.56
Cash paid to acquire or construct fixed assets, intangible assets and other long-term assets	3,408,784,532.01	2,089,769,498.78	63.12
Cash paid for investments	2,150,000,000.00	20,000,000.00	10,650.00
Cash paid for other investment related activities	23,048,029.93	17,535,402.30	31.44
Net cash flow from investment activities	-5,562,445,704.34	-1,805,227,155.72	N/A
Cash paid for other financing related activities	88,121,549.59	36,507,157.75	141.38
Impact of fluctuation in exchange rate on cash and cash equivalents	-2,026,542.60	380,639.36	N/A

- (1) The net increase in customer and interbank deposits is mainly due to the Company's holding subsidiary, Kweichow Moutai Group Finance Co., Ltd. gathered more funds from other member companies of the group company than the previous reporting period.
- (2) The increase in the cash received from other business related activities, is mainly due to the interest income increases from commercial bank deposits in the reporting period.
- (3) The decrease in the net increase in loans and advances to customers, is mainly due to less loan increase was issued by the Company's holding subsidiary, Kweichow Moutai Group Finance Co., Ltd. to the member companies of the group company in the reporting period.
- (4) The decrease in the net increase in lending funds, is mainly due to the due recovery of interbank loans by the Company's holding subsidiary, Kweichow Moutai Group Finance Co., Ltd.
- (5) The increase in the central and interbank deposits is mainly due to the maturity of the fixed term bank deposits deposited by the Company's holding subsidiary, Kweichow Moutai Group Finance Co., Ltd. in the previous reporting period.
- (6) The increase in the cash paid for interests, fees and commissions, is mainly due to the increase of interest payments by the Company's holding subsidiary, Kweichow Moutai Group Finance Co., Ltd. in the reporting period.
- (7) The decrease in the cash received from investment recoveries, is mainly due to the decrease in the cash received from disposal of non-current financial assets in this period.
- (8) The increase in the cash received from investment returns, is mainly due to bond interests receive by the Company's holding subsidiary, Kweichow Moutai Group Finance Co., Ltd.
- (9) The increase in the net cash received from disposal of fixed assets, intangible assets and other long-term assets, is majorly caused by the increase in the cash received from disposal of fixed assets in this period.
- (10) The increase in the cash received from other investing activities, is caused by the increase in the performance bond for basic construction in this period.
- (11) The increase in the cash paid to acquire and construct fixed assets, intangible assets and other long-term assets, is majorly caused by the increase in the land transferring fees in this period.
- (12) The increase in the cash paid for investments, is majorly caused by the purchase of the certificate of deposit in this period.
- (13) The increase in the cash paid for other investing activities, is caused by the increase in the return of the performance bond for basic construction in this period.
- (14) The decrease in the cash paid for other financing activities, is majorly caused by the increase in the cash for purchasing certificate of deposit.
- (15) The increase in the cash paid for other financing activities, is majorly caused by the adjustment regarding the accounting affairs in leasing according to the new leasing principles.
- (16) The decrease in the effect of fluctuation in exchange rate on cash and cash equivalents, is caused by the Company's wholly-owned subsidiary, Kweichow Moutai Paris Trading, whose financial statement of overseas operation has been converted as the foreign currency translation differences in the statement of recording currency.

**5.2 Reasons for significant changes of profit caused by non-core business**

□Applicable√N/A

**5.3 Analysis of assets and liabilities**

√Applicable □N/A

**A. Assets and liabilities**

Unit: CNY

Item	Amount by the end of this period	As % of total assets (%)	Amount by the end of last period	As % of total assets (%)	Change in percentage (%)	Explanation about any material change
Cash and cash equivalents	51,810,243,607.11	20.30	36,091,090,060.90	16.91	43.55	Majorly caused by the increase in commercial bank deposit
Notes receivables			1,532,728,979.67	0.72	N/A	Mainly because the sales of bank acceptable bills by the Company's wholly-owned subsidiary, Kweichow Moutai-Flavor Liquor Marketing Co., Ltd., has decreased.
Prepayment	389,109,841.28	0.15	898,436,259.15	0.42	-56.69	Mainly the intangible assets converted from the pre-paid real-estate funds.
Inventories	33,394,365,084.83	13.09	28,869,087,678.06	13.53	15.68	
Other current assets	71,527,560.74	0.03	26,736,855.91	0.01	167.52	Mainly the VAT credit increases
Debt investment	170,468,623.71	0.07	20,143,397.78	0.01	746.28	The Company's holding subsidiary, Kweichow Moutai Group Finance Co., Ltd. purchased bonds
Investment real estate property	5,242,431.75	0.002			N/A	The Company's holding subsidiary, Moutai Custom Marketing (Guizhou) Co., Ltd., leased real estate properties.
Fixed assets	17,472,173,182.85	6.85	16,225,082,847.29	7.60	7.69	
Right-to-use assets	362,785,970.23	0.14			N/A	Impacted by the newly-implemented leasing regulations
Other non-current assets	2,059,761,333.33	0.81			N/A	Purchased of certificates of deposit
Other non-current financial assets			9,830,052.91	0.005	N/A	Disposal of the equities of shareholding company, Kweichow Moutai Distillery

						(Group) Foreign Investment Cooperation Management CO., Ltd.
Deferred income tax assets	2,237,206,443.84	0.88	1,123,225,086.37	0.53	99.18	Mainly caused by the increase of deferred tax assets due to the confirmation of internal transactions with unrealized profits.
Accounts payable	2,009,832,495.56	0.79	1,342,267,668.12	0.63	49.73	Mainly due to the account payable increase for raw materials.
Taxes payable	11,979,802,144.01	4.69	8,919,821,015.58	4.18	34.31	Mainly because the taxes realized in this period increased over the previous period.
Deposits from customers and inter-bank	21,763,575,647.32	8.53	14,241,859,949.77	6.67	52.81	Mainly because the Kweichow Moutai Group Finance Co., Ltd. absorbed more deposits from other member companies of the group company.
Non-current liabilities due within one year	104,319,886.87	0.04			N/A	Impacted by the newly-implemented leasing regulations.
Leasing liabilities	296,466,199.74	0.12			N/A	Impacted by the newly-implemented leasing regulations.
Deferred income tax liabilities			1,457,513.23	0.001	N/A	Disposal of the equities of shareholding company, Kweichow Moutai Distillery (Group) Foreign Investment Cooperation Management CO., Ltd.
Other comprehensive income	-13,017,880.78		-5,331,367.75		N/A	The financial reports for the overseas operation of the Company's wholly-owned subsidiary, Kweichow Moutai Paris Trading Co., Ltd., were converted into its bookkeeping base currency.

Other explanation: According to the relevant provisions of the accounting standards for Business Enterprises No. 21 - leasing (CK [2018] No. 35) revised and issued by the Ministry of Finance in 2018, the Company implemented the new leasing regulations from January 1, 2021, and the accounting treatment of leasing business was listed in the items of right-to-use assets, lease liabilities and non-current liabilities due within one year.



**B. Main assets overseas**

□Applicable ✓N/A

**C. Restricted assets rights as of the end of this reporting period**

□Applicable ✓N/A

**5.4 Analysis of operating information in the industry**

✓Applicable □N/A

**Analysis of operating information in the liquor production industry****A. Industry profile**

✓Applicable □N/A

According to the National Bureau of statistics, the total output of Chinese Baijiu production enterprises in Chinese Baijiu above designated size has reached 7,156.30 million liters in 2021, a slight decrease of 0.59% compared with the same period last year. The sales revenue has reached CNY 603.35 billion, a year-on-year increase of 18.6%; the total profit was CNY 170.19 billion, a year-on-year increase of 32.95%.

**B. Production Capacity****Current capacity**

✓Applicable □N/A

Main Factories	Designed Capacity	Actual Capacity
Chinese Baijiu production workshop of Moutai	42,742.50	56,472.25
Series liquor production workshop	31,660.00	28,248.92

Notes: (1) In the design capacity of 31,660.00 tons of series base liquor, due to the production process characteristics of the series liquor, the design capacity of 6,400.00 tons of series base liquor was placed into operation in November 2021, and the actual capacity would be released in 2022. (2) The company uses the weight unit to measure according to the usual practice. The units of measurement used for production, sales, inventory, and production capacity in this report are all in "tons".

**Capacity under Construction**

✓Applicable □N/A

Unit: CNY 10,000

Name of the Capacity under Construction	Planned investment amount	Amount invested in this reporting period	Accumulated investment amount
30000 ton Moutai-flavored series liquor technical renovation project and its supporting facilities	838,400.00	205,273.00	371,273.00

Production capacity calculation standards

✓Applicable □N/A

In the above "existing capacity" table, the design capacity is calculated according to the production process requirements, combined with the plant specifications and the number of cellars, and the actual capacity is calculated according to the actual base liquor production yield in the reporting period.

**C. Inventory at the end of the reporting period**

✓Applicable □N/A

Unit: Ton

Finished liquor	Semi-finished liquor (including base liquor)
10,282.35	250,463.82

Note: The finished liquor is the Company's packaged inventory stock (including Moutai-flavor series liquor).

## Inventory Impairment Risk Warning

□Applicable √N/A

**Product profile**

√Applicable □N/A

Unit: CNY 10,000

Product grade	Production (ton)	Change (%) Same Period	Sales (tons)	Change (%) Same period	Production/sales rate (%)	Sales revenue	Change (%) same period	Main representing brand
Moutai	56,472.25	12.42	36,261.31	5.68		9,346,451.21	10.18	Moutai
Other series liquor	28,248.92	13.33	30,177.38	1.46		1,259,477.82	26.06	Moutai Wangzi liquor, Han Moutai-flavored liquor, Lai Mao liquor

Note: (1) In order to ensure the sustainable development of the Company, a certain amount of base liquor needs to be retained every year. According to the production process, it takes Maotai liquor at least 5 years of cellaring since its production before in can be released from the factory. (2) Moutai is a blend of base liquor of different years, different rounds and different concentrations. It is a perfect combination of technology and art. Therefore, the base liquor of a certain year may appear as a product in the next several years. (3) The Company regards quality as its life, adheres to quality first, adheres to the spirit of craftsmanship, and adheres to the principle of “honoring the principles, abiding by the rules, sticking to the craftsmanship, cellaring enough liquor to age, and not selling young liquor”. The production of Moutai is of natural solid-state fermentation, brewed with traditional craftsmanship, and therefore the production yield has certain volatility. (4) Based on the above reasons, the production and sales rate of Moutai base liquor cannot be accurately calculated. The product formation process of series liquor is similar to that of Moutai.

## Product grading standards

√Applicable □N/A

Graded by the quality of the product.

## Changes in the product structure and business strategy

□Applicable √N/A

**E. Raw material purchase**

## a. purchase model

√Applicable □N/A

Raw materials are mainly purchased from the market through centralized procurement according to the Company's production and sales plan.

## b. purchase amount

√Applicable □N/A

Unit: CNY 10,000

Raw materials type	Purchase amount in this period	Purchase amount in last period	as % in total purchase amount
Liquor brewing raw materials	310,081.75	295,279.42	48.90
Packaging materials	282,811.20	239,037.16	44.59
Energies	35,258.15	26,730.70	5.56
Workshop auxiliary materials	6,042.04	4,690.69	0.95

**F. Sales**

## a. Sales model

√Applicable □N/A

The Company's products are sold through direct selling and distributor channels. Direct sales channels refer to self-operated channels, while wholesale agency channels refer to social distributors, supermarkets, e-commerce and other channels.

## b. Sales channel

√Applicable □N/A

Unit: CNY 10,000

Channel type	Sales amount in this period	Sales amount in last period	Sales volume in this period (ton)	Sales volume in last period (ton)
Direct selling	2,402,936.23	1,324,035.65	5,735.70	3,932.08
Wholesale agency	8,202,992.80	8,158,164.26	60,702.99	60,123.80

## c. Regional situation

√Applicable □N/A

Unit: CNY 10,000

Region Name	Sales revenue in this period	Sales revenue in last period	as % in the total amount	Sales volume in this period (ton)	Sales volume in last period (ton)	as % in the total volume
Domestic	10,344,081.75	9,238,973.51	97.53	64,877.80	62,529.32	97.65
Overseas	261,847.28	243,226.40	2.47	1,560.89	1,526.56	2.35

## Regional division standards

□Applicable √N/A

**d. Distributor Situation**

√Applicable □N/A

Region Name	Number of distributors by the end of the reporting period	Number increased in the reporting period	Number decreased in the reporting period
Domestic	2,089	63	20
Overseas	104		

## Facts:

√Applicable □N/A

The increase is mainly the distributors of Moutai-flavor series liquor, and the decrease is mainly the distributors of Moutai liquor.

## Management of distributors

□Applicable √N/A

## e. Online-sales situation

□Applicable √N/A

## Future online business strategy

□Applicable √N/A

**G. Analysis of the Company's revenue and cost**

## a. disclose the composition of the company's main business by different types

√Applicable □N/A

Unit: CNY

Type	Operating proceeds	Change (%)	Operating costs	Change (%)	Gross profit rate (%)	Change (%)
<b>By class of product</b>						
Moutai	93,464,512,115.94	10.18	5,577,910,539.00	9.36	94.03	0.04
Other series liquor	12,594,778,226.24	26.06	3,313,079,971.72	11.06	73.69	3.55
Subtotal	106,059,290,342.18	11.85	8,890,990,510.72	9.99	91.62	0.14
<b>by sales channel</b>						
Direct selling	24,029,362,357.92	81.49	932,607,888.24	60.89	96.12	0.50
Wholesale agency	82,029,927,984.26	0.55	7,958,382,622.48	6.06	90.30	-0.50
Subtotal	106,059,290,342.18	11.85	8,890,990,510.72	9.99	91.62	0.14
<b>By regional segment</b>						
Domestic	103,440,817,492.55	11.96	8,649,283,176.18	9.83	91.64	0.16
Overseas	2,618,472,849.63	7.66	241,707,334.54	15.96	90.77	-0.66
Subtotal	106,059,290,342.18	11.85	8,890,990,510.72	9.99	91.62	0.14

Fact Sheet

□Applicable √N/A

**Cost**

√Applicable □N/A

Fact Sheet

√Applicable □N/A

See Statement of Cost, Analysis of main business, Section III Management Discussion and Analysis.

**5.5 Analysis of investment situation****Total investment**

□Applicable √N/A

**A. Significant equity investment**

□Applicable √N/A

**B. Important non-equity investment**

√Applicable □N/A

Non raised fund projects (projects with total investment exceeding 10% of the Company's audited net assets at the end of last year)

a. According to the resolution of the Company's 2011 annual shareholders' meeting, the Company has planned to invest CNY 3,583.16 million in the construction of Moutai-flavor series liquor making technical transformation project and supporting facilities project. By the end of the reporting period, a total of CNY 1,994.84 million had been invested.

b. According to the resolution of the Company's first extraordinary general meeting in 2012, the Company has planned to invest CNY 4,139.00 million in the construction of phase I of the Moutai liquor technical transformation project and supporting facilities project in Zhonghua Area. By the end of the reporting period, a total of CNY 4,281.51 million has been invested.

**C. Financial assets measured at fair value**

□Applicable √N/A

**5.6 Analysis of major holding companies**

√Applicable □N/A

Unit: CNY 10,000

Company name	Industry	Registered capital	Total assets	Net assets	Operating proceeds	Operating profit	Net profit
Kweichow Moutai Sales Co., Ltd.	Liquor, beverages and tea wholesale	1,000.00	7,651,886.93	5,678,012.95	9,061,083.73	6,405,840.18	4,803,918.40

**5.7 Structured entities controlled by the Company**

□Applicable √N/A

**6. Discussion and analysis of the Company's future development****6.1 Pattern and trend in the industry**

√Applicable □N/A

Pattern and trend. In 2021, the ever-changing situation and the century epidemic situation are intertwined, and the external environment becomes more complex, severe and uncertain. However, the fundamentals of China's long-term economic improvement will not change. The total volume of liquor production and sales has stabilized, and quality and efficiency have been steadily improved. The main trends are as follows: first, the industry will further improve quality and efficiency. In 2021, the Chinese Baijiu enterprises have completed their business income of CNY 603.35 billion, an increase of 18.6% over the same period last year. The total profit was CNY 170.19 billion, a year-on-year increase of 32.95%. The high-quality development of the industry has achieved remarkable results; second, the industrial concentration was further improved. The market share of the industry will continue to concentrate on advantageous brands, advantageous production capacity and advantageous production areas, and the structural growth pattern will exist for a long time; third, the consumption structure was further upgraded. Under the background of common prosperity, disposable income of residents continues to increase. The demand for Chinese Baijiu with high quality will drive the development of high-quality and famous Chinese Baijiu.

Competitive advantage of the Company. First, the Company has "four core potentials" composed of unique geographical protection of origin, non-replicable microbial colony, unique brewing technology inherited for thousands of years and high-quality base liquor resources stored for a long time; Second, the company has large-scale product production and supporting capacity, strong management, technology and marketing team and craftsman team proficient in Chinese Baijiu making, starter making, blending and tasting; Third, as a traditional pillar and characteristic advantage industry in Guizhou Province, local governments have successively introduced various policies to support the development of Chinese Baijiu industry. The external environment of Chinese Baijiu development has been continuously improving, the market competitiveness is outstanding, and brand competitiveness has been leading continuously.

**6.2 Development strategy**

√Applicable □N/A

During the "14th Five Year Plan" period, the Company will take the overall situation with high-quality development, closely focus on the development goal of "dual-doubling, dual-consolidation and dual-construction" of the group company, unswervingly follow the "five line development path", adhere to the principle that quality is the soul of life, build the two lifelines of ecology and safety, focus on the main business, deeply practice the "five-in-one marketing", make decisions according to the situation, take advantage of the situation, gather strength, and continuously improve product quality, brand value, marketing ability, cultural content and management efficiency to promote high-quality development and make great strides forward.

**6.3 Business plan**

√Applicable □N/A

In the new year of 2022, the Company will strictly follow the decisions and arrangements of the CPC Central Committee, the State Council, Guizhou Provincial Party Committee and the provincial government, put every effort into the production and operation, reform and development, strive to promote the high-quality development of the company.

This year's business objectives are as follows: first, the total operating proceeds will increase by about 15% compared with the previous year; and the second is to complete the capital construction investment of CNY 6.97 billion. The Board of Directors will focus on the annual targets and tasks, take overall consideration and go all out to do the following key tasks:

First, we will make every effort to ensure high-quality and stable production. Further practice the concept of "quality is the soul of life", establish the new era of quality concept, build and implement the "365" quality management system, adhere to the traditional process, scientific innovation, continue to promote the modernization of Moutai quality management; constantly optimize the production process analysis and judgment system, pay close attention to production process implementation and process management, strengthen scientific research and technology, build and improve the whole industry chain and whole life cycle information platform, support Moutai quality engineering with modern science and technology, and provide strong technical support for sustainable quality and stable production.

Second, we will continue to do a good job in marketing. We will strengthen market coordination, accelerate the optimization and upgrading of product mix, targeted product delivery, and increase market share. We will resolutely crack down on fake and shoddy goods, and maintain market order and stability. Accelerate the application of new anti-counterfeiting technology to provide technical guarantee for Moutai's anti-counterfeiting rights protection. Constantly enrich the brand connotation, enhance the brand characteristics, promote the upgrading of consumption experience, and strive to build Moutai Cultural Experience Hall into a cultural display store, brand image store, drinking experience store and customer service store, so as to continuously provide consumers with higher quality services.

Third, we will continue to deepen reform and innovation. We will carry out a campaign to improve the management of world-class enterprises, continue to improve modern enterprise systems, and systematically improve their governance capacity and level. We will make every effort to reform the marketing system, optimize the distribution of the marketing network, and ensure that the fruits of reform and development will benefit more consumers. We will promote the integrated development of "industry, university and research", introduce professional and technical personnel, deepen cooperation in scientific research projects, accelerate the transformation of innovation achievements, further enhance the independent innovation capacity of enterprises, and provide strong technical and intellectual support for high-quality development.

Fourth, we will promote project construction in an orderly manner. To manage the quality, cost and progress of the whole life cycle projects, start the construction of packaging logistics park; accelerate the construction of 30,000 tons of Moutai-flavor series liquor technical renovation project and 15 liquor warehouses in Zhonghua area; strengthen the overall scheduling and supervision, accelerate the effective disposal of historical "legacy projects", and lay a solid foundation and enhance the sustainability for the sustainable and steady development of Moutai.

Fifth, we will adhere to the red line of safety and environmental protection. We will continue to carry out a three-year campaign to improve work safety, improve the work safety management mechanism, promote the construction of a safety risk control and hidden danger management system, implement smart safety and smart fire protection, improve the professional level of safety management, and enhance the ability of prevention and rescue and relief. Adhere to the ecological priority, green development path, promoting "de-pollution" and "de-carbon" project, strive to build "Mountain-River-Forest-Soil-River-Microbe" life community and green low-carbon circulation industry system, promote the construction of "xi ecological civilization thought practice demonstration base" and build "Chinese Baijiu industry ecological benchmarking enterprise", to protect Moutai survival and development of natural ecological environment.

Sixth, to enhance the level of cultural development. Focusing on the nine aspects of Moutai culture, “people, culture, material, art, ceremony, festival, harmony, history and tool”, we will comprehensively excavate, refine, build and enrich Moutai culture. We will plan and hold high-end international wine culture activities, hold traditional cultural activities such as the “Dragon Boat Festival” and “Moutai Festival”, launch the compilation of the Chinese Wine Culture Ceremony, and strive to build a key national cultural project. Coordinate service management, standardize brand monitoring and supervision, and strive to establish and improve the corporate culture system in line with their own characteristics.

Seventh, we will strengthen the construction of personnel teams. Focusing on the needs of development, we will cultivate and introduce national and provincial high-level innovative talents, outstanding professional talents and operation and management talents in key areas. We will deepen the “Eight-step craftsman” training system, set up the “Moutai Craftsman Day”, and cultivate a group of post-90s skills through versatile craftsmen, including craftsmen, Moutai craftsmen, skill identification, teachers, skill competitions, labor competitions, and “five small” activities. We will continue to increase staff training, smooth the channels for the evaluation and employment of job technology and professional titles, strive to improve the working vision and professional level of technical personnel, establish a talent classification and evaluation system that fits the development of Moutai, and strive to create a good environment to attract talents, love and use talents.

Eighth, we will continue to strengthen our responsibility. We will actively carry out social public welfare activities such as donating money for students and helping the poor, and continue to highlight the image of Moutai charity brand. Continue to optimize the support methods, steadily improve the base support standards, and effectively protect the fundamental interests of farmers; continue to help Daozhen develop advantageous and characteristic industries, drive development by industry, continue to consolidate the achievements of poverty alleviation and rural revitalization, help the economic and social development of the province, and make contributions to promoting common prosperity.

#### **6.4 Possible confronting risk**

Applicable N/A

First, the risk of macroeconomic uncertainty; second, the epidemic impact on the consumption demand of Chinese Baijiu; and third, the risk of ecological environment protection; fourth, the risk of intellectual property protection.

#### **6.5 Miscellaneous**

Applicable N/A

#### **7. The Company’s failure to disclose the information and reasons in accordance with the standards due to non-application of the standards or special reasons such as state secrets and trade secrets**

Applicable N/A

## **Section IV Corporate Governance**

### **1. Description of the related situation of corporate governance**

Applicable N/A

In strict accordance with the Company Law, Securities Law, “Governance Standards of Listed Companies” and other laws and regulations and the China Securities Regulatory Commission, Shanghai Stock Exchange, our company issued regulatory documents on corporate governance, combining the actual situation of the company, establish and improve the corporate governance structure, actively promote the optimization of corporate governance structure, standardize the company operation. The company has formulated the relevant rules and regulations, and all the

systems have been effectively implemented. The company has revised and improved the articles of Association, Rules of Procedure of the General Meeting of Shareholders, Rules of Procedure of the Board of Directors and Rules of Procedure of the Board of Supervisors, with clearer rights and responsibilities. The general meeting of shareholders, the board of directors, the board of supervisors and the managers of the company shall perform their own duties and standardize the operation, and the information disclosure of the company should be true, accurate, complete, timely and fair. The board of directors consists of five special committees, including strategy, audit, risk management, nomination, salary and assessment, each of which carries out its work according to its duties. The independent directors expressed their independent opinions in accordance with the regulations and played a full role.

(1) Situation of the General Meeting of Shareholders. In accordance with the requirements of the Articles of Association and the Rules of Procedure of the General Meeting of Shareholders of the Company, the Company convene the general meeting of shareholders to ensure that all shareholders, especially minority shareholders, enjoy equal status and can fully exercise their rights, and employs legal counsel to issue legal opinions on the general meeting of shareholders. In 2021, the company held two general meetings of shareholders, deliberated and passed 15 motions, and all the resolutions were carefully implemented.

(2) Situation of the Board of Directors. At present, the board of directors of the company is composed of 6 directors, among which 3 are independent directors and 1 is a staff director. The board of directors should meet the requirements of laws and regulations. The board of directors of the company has five special committees: strategy, audit, risk management, nomination, salary and assessment. Each committee has a clear division of labor, clear rights and responsibilities, and effective operation. All the directors of the company can proceed from the interests of the company and all shareholders, perform their duties in good faith, loyalty, diligence, professional and due diligence, and earnestly safeguard the legitimate rights and interests of the company and all shareholders.

(3) Situation of the Board of Supervisors. At present, the board of Supervisors of the company is composed of 3 supervisors, one of whom is an employee supervisor. The composition of the board of supervisors meets the requirements of laws and regulations. The Board of Supervisors of the Company shall be diligent and responsible, exercise the function of supervision and inspection in the spirit of responsibility to shareholders, supervise the company's financial situation and operation, related transactions and the performance of duties of senior management personnel, and safeguard the legitimate rights and interests of the Company and all shareholders.

(4) Situation of controlling shareholders and listed companies. The controlling shareholder shall exercise the rights of the investors and assume their obligations in strict accordance with the requirements of the Company Law. The company has independent business and independent operation ability. The controlling shareholders and the listed company have achieved independent business, personnel, assets, institutions and finance. The board of directors, board of supervisors and internal institutions of the company all operate independently to ensure that the company's major decisions are independently made and implemented by the company.

(5) Company information disclosure. The Company discloses relevant information in strict accordance with laws, regulations, the Articles of Association and the Information Disclosure Management Measures of the Company truly, accurately, completely, timely and fairly, and ensures that all shareholders and other stakeholders can have equal access to the Company information. During the reporting period, the company disclosed 30 interim announcements and 4 periodic reports.

(6) Related party transactions. Related party transactions between the Company and its controlling shareholder China Kweichow Moutai (Group) Liquor Co., Ltd. and other related parties, these related transactions are to ensure the normal production and operation and business, the specific content through relevant agreement, and perform the legal procedures, follow the principle of openness, fairness and justice, there is no adverse effect on the company operation.



(7) Internal control and construction situation. During the reporting period, the company continued to carry out internal control related work in accordance with the requirements of the Basic Standards for Enterprise Internal Control, continued to promote the internal control construction, evaluation, audit and other related work, ensure the realization of the company's internal control objectives, and further improve the level of corporate governance.

(8) The formulation and implementation of the registration and management system of insider. In accordance with the relevant provisions of the CSRC and the Shanghai Stock Exchange, the Company has formulated the Registration and Management System for Company Insider. The company has strictly implemented relevant systems, registered and filed insider information in accordance with the regulations, further standardized the management of insider information, done a good job in the confidentiality of insider information, safeguarded the principles of openness, fairness and justice of information disclosure, and protected the legitimate rights and interests of the general investors.

Whether there are significant differences between corporate governance and laws, administrative regulations and the CSRC regulations on the governance of listed companies; if there are any major differences, the reasons shall be explained

√Applicable □N/A

**2. The specific measures taken by the controlling shareholders and actual controllers of the company to ensure the independence of the company's assets, personnel, finance, institutions and business, as well as the solutions, work progress and follow-up work plans that affect the independence of the company work progress and follow-up work plans that affect the independence of the company**

√Applicable □N/A

The situation of the controlling shareholders, actual controllers and other units under their control engaged in the same or similar business as the company, as well as the impact of great changes in the industry competition or competition on the Company, the solution measures taken, solution progress and subsequent solution plans

√Applicable □N/A

### 3. Introduction of shareholders' Meeting

Session of the meeting	Date of convening	Query index of the designated website published in the resolution	Date of disclosure of the publication of the resolution	Meeting resolution
the annual general meeting in 2020	2021-06-09	The Shanghai Stock Exchange www.sse.com.cn	2021-06-10	For details, please refer to the Announcement of the Resolution of Kweichow Moutai Annual General Meeting of Shareholders in 2020 (Announcement No.: Lin 2021-013).
The first extraordinary general meeting of shareholders in 2021	2021-09-24	The Shanghai Stock Exchange www.sse.com.cn	2021-09-25	For details, please refer to the Announcement of the Resolution of the First Extraordinary General Meeting of Shareholders of Kweichow Moutai in 2021 (Announcement No.: Lin 2021-026).

Preferred shareholders with restored voting rights request an extraordinary general meeting of shareholders

√Applicable □N/A

Description of the shareholders' general meeting  
Applicable N/A

#### 4. Situation of directors, supervisors and senior officers

##### 4.1 Shareholding changes and remuneration of outgoing directors, supervisors and senior managers currently and during the reporting period

√Applicable □N/A

Unit: per share

Full Name	Position (note)	Gender	Age	Start Date of Term	Termination date of term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	The increase or decrease of shares within the year	Cause of The increase or decrease of shares	Total pre-tax remuneration obtained from the Company during the reporting period (ten thousand CNY)	Whether to get paid from the related parties of the company
Ding Xiongjun	Chairman and director	male	47	September 24, 2021							Yes
Li Jingren	director	male	57	November 28, 2018							Yes
	Acting general manager responsibilities			July 2, 2019							
Lu Jinhai	independent director	male	51	May 18, 2016						7	No
Xu Dingbo	independent director	male	58	September 20, 2016						7	No
Zhang Jingzhong	independent director	male	58	September 20, 2016						7	No
Fu Zhigan	worker director	male	43	June 10, 2020							Yes
You Yalin	Chairman and supervisor of the Board of Supervisors	male	52	March 20, 2020						80.56	No

Che xingyu	supervisor	Male	54	June 10, 2020						63.76	No
Liu Chenglong	Staff supervisor	Male	44	June 10, 2020						66.06	No
Zhong Zhengqiang	vice-general manager	Male	50	July 13, 2015						116.44	No
Tu Huabin	vice-general manager	Male	46	February 27, 2020						76.38	No
Wang Xiaowei	vice-general manager	Male	50	February 27, 2020						76.17	No
Jiang Yan	Deputy General Manager and Chief Financial Officer	Female	44	November 15, 2021						4.18	No
	Secretary of the Board			January 25, 2022							
Gao Weidong	Chairman and director	Male	49	March 20, 2020	September 24, 2021						Yes
Wang Yan	director; trustee	Male	52	October 16, 2018	January 6, 2021						Yes
Liu Gang	Deputy General Manager and Chief Financial Officer	Male	51	July 2, 2019	October 8, 2021					89.66	No
	Secretary of the Board			January 18, 2020							
summation	/	/	/	/	/				/	594.21	/

Note: 1. According to the relevant regulations of Guizhou State-owned Assets Supervision and Administration Commission, the annual salary of enterprise leaders is composed of basic annual salary, performance-based annual salary and term incentive. In principle, they do not enjoy other salary expenses except the three parts, such as subsidies. 2. The pre-tax remuneration received by Mr. Zhong Zhengqiang and Mr. Liu Gang from the company during the reporting period included reissue of the year-end performance of previous years

Full Name	Main work experience
Ding Xiongjun	He served as deputy Secretary General of Guizhou Provincial Government and member of the Party Leadership Group of The General Office of Guizhou Provincial Government, Deputy Director of the Office of the Leading Group for Comprehensively Deepening Reform of Guizhou Provincial Party Committee, Standing Committee member and Vice Mayor of Bijie Municipal Committee of Guizhou Province (in charge of the executive work of the municipal Government), and Secretary of the Party Leadership Group and Director of Guizhou Energy Bureau. Currently, he is the Secretary of the Party Committee, Chairman and director of China Kweichow Moutai Distillery (Group) Co., Ltd., and the chairman and director of Kweichow Moutai Co., Ltd.
Li Jingren	He served as a member of the Party Group and chief accountant of Guizhou Reservoir and Ecological Immigration Bureau, a member of the Party Group and deputy Director of Guizhou Reservoir and Ecological Immigration Bureau, the chief accountant of China Kweichow Moutai Distillery (Group) Co., Ltd.. Currently, he is deputy Secretary of the Party Committee, Vice Chairman, Director and general Manager of China Kweichow Moutai Distillery (Group) Co., LTD, and director and acting general manager of Kweichow Moutai Co., Ltd.
Lu Jinhai	He used to be director of Financial Engineering Department and Director of Information Technology Department of Southern Fund Management Company, general manager of Baoying Fund Management Co., Ltd., and deputy general manager of China Re Asset Management Co., Ltd. He is currently a partner of Shenzhen Qianhai Daoming Investment Management Co., Ltd. and an independent director of Kweichow Moutai Co., Ltd.
Xu Dingbo	He was a teaching assistant at the University of Pittsburgh and Minnesota, an assistant professor at Hong Kong University of Science and Technology, and an adjunct professor at Peking University. Current central Europe international business school according to the way accounting teaching professor, deputy provost, central Europe international business school education development foundation secretary general, CGMA100 north Asia management accounting leaders, vice President of China association of chief accountants, executive director, societe generale (China) co., LTD., independent director, China Kweichow Moutai Distillery (Group) Co., Ltd., independent director, Jingdong Group independent director.
Zhang Jingzhong	He once served in the Research Office of the Political and Legal Committee of Zhejiang Provincial Party Committee. He is currently the director of Zhejiang Tianji Law Firm, an independent director of Shanghai Chenguang Stationery Co., Ltd., an independent director of Kweichow Moutai Co., Ltd., and an independent director of Gansu Huangtai Liquor Co., Ltd.
Fu Zhigang	He once served as the director of the Quality Department of China Kweichow Moutai Distillery (Group) Co., Ltd., the director of the Quality Department of Kweichow Moutai Co., Ltd., and the secretary of the Production Party branch of Kweichow Moutai Co., Ltd. Currently, he is the director and deputy secretary of the Party branch and director of the Central Procurement Center of China Kweichow Moutai Distillery (Group) Co., LTD., and employee director of the Centralized Procurement Center of Kweichow Moutai Liquor Co., LTD, director.
You Yalin	He used to be assistant to the general manager, director of the Party Committee Office, Secretary of the Party Committee, director of the National Security Office, Director of the confidentiality Office, and director of the petition Office of China Kweichow Moutai Distillery (Group) Co., LTD. He is currently the chairman and supervisor of the Board of Supervisors of Kweichow Moutai Co., Ltd.
Che Xingyu	He used to be the director of the Enterprise Management Department of Kweichow Moutai Co., Ltd., a member of the Office of the Leading Group of China Kweichow Moutai Distillery (Group) Co., Ltd., and the full-time chairman of the Board of Supervisors of the Management Office of the Subsidiary Board of Supervisors. Currently, he is the director and Deputy Secretary of the Party Committee of the Life Service and Security Center of China Kweichow Moutai Distillery (Group) Co., LTD., supervisor,

	Director.
Liu Chenglong	He served as the director of the Legal Protection Department of Kweichow Moutai (Group) distillery Co., Ltd, and the director of the Legal Protection Department of Kweichow Moutai Co., Ltd. Currently, he is the director of the Human Resources and Social Security Department of China Kweichow Moutai Distillery (Group) Co., Ltd., the vice president of the Party School (Staff Training School), the staff supervisor and the director of the Human Resources and Social Security Department of Kweichow Moutai Co., Ltd.
Zhong Zhengqiang	He served as director and Deputy Secretary of Workshop 13 of Kweichow Moutai Co., Ltd.; Assistant General Manager and Director of Production Management Department. He is currently the deputy general manager of Kweichow Moutai Co., Ltd.
Tu Huabin	Assistant general manager of Kweichow Moutai Co., LTD., director of production management department, new workshop preparation group leader, party branch secretary of production, assistant general manager of China Kweichow Moutai (Group) distillery Co., Ltd., Kweichow Moutai (Group) distillery Co., Ltd. Deputy Party secretary, vice chairman, general manager. Currently, he is the deputy general manager of Kweichow Moutai Co., LTD., and serves as the Party Secretary of Kweichow Moutai Co., LTD., and Yixing Liquor Branch.
Wang Xiaowei	He served as Deputy Secretary and Deputy Director of the Party Branch of the 4 Workshop of Kweichow Moutai Co., Ltd., Secretary and Deputy Director of the Party Branch of Kweichow Moutai Co., Ltd., and Secretary and Deputy Director of the 25 Workshop of Kweichow Moutai Co., Ltd. Currently, he is the deputy general manager of Kweichow Moutai Co., Ltd., and the Party Secretary and chairman of Kweichow Moutai Sales Co., Ltd.
Jiang Yan	She served as general manager of Moutai CCB (Guizhou) Investment Fund Management Co., LTD., chairman of Moutai (Shanghai) Financial Leasing Co., LTD., and vice chairman of Guiyang GYB Financial Leasing Co., LTD. Currently, he is deputy general manager, Chief Financial Officer and Secretary of the Board of Directors of Kweichow Moutai Co., Ltd., chairman of Moutai CCB (Guizhou) Investment Fund Management Co., Ltd., and Party Branch Secretary of Moutai (Shanghai) Financial Leasing Co., Ltd.

Other information

√Applicable □N/A

#### 4.2 The current and outgoing directors, supervisors and senior management personnel during the reporting period

##### A. Appointment in shareholder entity

√Applicable □N/A

Name of incumbent	Name of shareholder units	Positions held in shareholder units	Start date of term of service	End date of term of service
Ding Xiongjun	China Kweichow Moutai Distillery (Group) Co., Ltd.	Party secretary, chairman and director	August 2021	
Li Jingren	China Kweichow Moutai Distillery (Group) Co., Ltd.	Deputy Party Secretary, Vice Chairman and General Manager	July 2019	
		Director	October 2018	
		Chief accountant	October 2018	August 2021
Fu Zhigang	China Kweichow Moutai Distillery (Group) Co., Ltd.	Director of Centralized Procurement Center and Deputy Secretary of Party Branch	March 2019	
Che Xingyu	China Kweichow Moutai Distillery (Group) Co., Ltd.	Director of Life Service Guarantee Center and Deputy Secretary of Party	December 2020	

		Committee		
Liu Chenglong	China Kweichow Moutai Distillery (Group) Co., Ltd.	Director of Human Resources and Social Security Department, Vice President of Party School of Party Committee (Staff Training School)	February 2020	

**B. Appointment in other units**√Applicable N/A

Name of incumbent	Name of other units	Positions held in other units	Start date of term of service	End date of term of service
Lu Jinhai	Shenzhen Qianhai Daoming Investment Management Co., Ltd.	Partner	January 2016	
Xu Dingbo	China Europe International Business School	Professor of Accounting, Deputy Provost, Secretary General of Education Development Foundation, Essilor	January 2004	
	Societe Generale (China) Limited	Independent Director	December 2015	
	JD.COM Group	Independent Director	May 2018	
Zhang Jingzhong	Zhejiang T&C Law Firm	Director	October 1988	
	Zhejiang Jinggong Technology Co., Ltd	Independent Director	January 2015	August 2021
	All China Lawyers Association	Vice President	April 2016	October 2021
	Lily Group Co., Ltd	Independent Director	August 2017	October 2021
	Shanghai M&G Co., Ltd	Independent Director	May 2017	
	Gansu Huangtai Wine-Marketing Industry Co., Ltd.	Independent Director	October 2020	
Liu Chenglong	China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	Supervisor	June 2013	October 2021
	Kweichow Moutai Distillery Group Changli Winery Co., Ltd.	Director	December 2015	November 2021
	Kweichow Moutai Distillery (Group) Real Estate Investment Development Co., Ltd.	Director	December 2015	
	Moutai & CCB Trust (Guizhou) Investment Fund Management Co., Ltd.	Director	June 2017	September 2021
	Kweichow Moutai Distillery (Group) Sanya Investment Industry Co., Ltd.	Director	August 2017	September 2021
	Kweichow Moutai Group Finance Co., Ltd.	Director	December 2018	

Jiang Yan	Moutai & CCB Trust (Guizhou) Investment Fund Management Co., Ltd.	Chairman of the Board	December 2017	
		General Manager	December 2017	March 2022
	Moutai(Shanghai)Financial Leasing Co., Ltd.	Secretary of Party Branch	December 2017	
		Chairman of the Board	December 2017	March 2022
	Guiyang GYB Financial Leasing Co., Ltd	Vice Chairman	March 2021	December 2021

#### 4.3 Remuneration of directors, supervisors and senior management personnel

√Applicable □N/A

Decision-making procedures for remuneration of directors, supervisors and senior managers	The annual remuneration decision-making procedures and basis of directors, supervisors and senior management personnel who receive remuneration in the Company shall be determined by the relevant regulations of Guizhou Provincial State-owned Assets Supervision and Administration Commission and the Company's Measures for the Evaluation and Remuneration Management of Deputy Leaders and Measures for the Implementation of Wage Management, while the remuneration of independent directors shall be determined by the Shareholders Meeting.
Basis for determining the remuneration of directors, supervisors and senior managers	It shall be determined by relevant systems such as Measures for the Administration of Remuneration of Heads of Enterprises Supervised by State-owned Assets Supervision and Administration Commission of Guizhou Province, Measures for the Evaluation of Operating Performance of Heads of Enterprises Supervised by State-owned Assets Supervision and Administration Commission of Guizhou Province, Measures for the Evaluation and Remuneration Management of Deputy Personnel of Company Leadership Team, and Measures for the Implementation of Company Wage Management, and the remuneration of independent directors is decided by the shareholders' meeting.
Actual payment of remuneration of directors, supervisors and senior management personnel	For details, please refer to "Changes in Shareholding and Remuneration of Incumbent and Outgoing Directors, Supervisors and Senior Management during the Reporting Period" in this report.
Total actual remuneration received by all directors, supervisors and senior management personnel at the end of the reporting period	For details, please refer to "Changes in Shareholding and Remuneration of Incumbent and Outgoing Directors, Supervisors and Senior Management during the Reporting Period" in this report.

#### 4.4 Changes in directors, supervisors and senior management personnel of the company

√Applicable □N/A

Name	Position	Situation of change	Reasons of change
Ding Xiongjun	Chairman, Director	Elected	Election of Shareholders Meeting and Board of Directors. For details, please refer to the Announcement of Resolutions of the First Extraordinary General Meeting of Kweichow Moutai in 2021 (Announcement No.: P.2021-026) and the Announcement of Resolutions of the Eighth Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No.: P.2021-027) disclosed on September 25, 2021.



Jiang Yan	Deputy General Manager, Chief Financial Officer and Secretary of the Board of Directors	Employed	Appointed by the Board of Directors. For details, please refer to the Resolution Announcement of the 11th Meeting of the Third Board of Directors of Kweichow Moutai in 2021 disclosed on November 16, 2021 (Announcement No.: P.2021-029) and the Resolution Announcement of the First Meeting of the Third Board of Directors of Kweichow Moutai in 2022 disclosed on January 27, 2022 (Announcement No.: P.2022-002).
Gao Weidong	Chairman, Director	Left post	Resolutions of the Shareholders Meeting. For details, please refer to the Announcement on Resolutions of the First Extraordinary General Meeting of Kweichow Moutai in 2021 (Announcement No.: P.2021-026) disclosed on September 25, 2021.
Wang Yan	Director	Left post	Resign. For details, please refer to the Announcement of Kweichow Moutai on Resignation of Directors disclosed on January 8, 2021 (Announcement No.: P.2021-002).
Liu Gang	Deputy General Manager, Chief Financial Officer and Secretary of the Board of Directors	Left post	Board resolution. For details, please refer to the Announcement of Resolutions of the 9 <sup>th</sup> Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No.: P.2021-028) disclosed on October 9, 2021.

#### 4.5 Explanation of punishment by securities regulatory agencies in recent three years

Applicable N/A

#### 4.6 Others

Applicable N/A

#### 5. Board meetings during reporting period

Session of the meeting	Date of convening	Meeting resolution
The first annual meeting of the third Board of Directors in 2021	February 8, 2021	Please refer to the Announcement of the Resolution of the First Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No. Lin 2021-003 disclosed on February 10, 2021).
The second meeting of the third Board of Directors in 2021	March 29, 2021	For details, see the Resolution Announcement of the Second Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No. Lin 2021-004 disclosed on March 31, 2021:).
The third meeting of the third Board of Directors in 2021	April 26, 2021	For details, see the Resolution Announcement of the Third Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No. Lin 2021-008 disclosed on April 28, 2021).
The fourth meeting of the third Board of Directors in 2021	May 17, 2021	The meeting deliberated and adopted the motion on convening the 2020 Annual General Meeting of Shareholders.
The fifth meeting of the third Board of Directors in 2021	July 28, 2021	For details, see the Resolution Announcement of the Fifth Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No. Lin 2021-015 disclosed on July 29, 2021).
The sixth meeting of the third Board of Directors in 2021	July 29, 2021	For details, see the Resolution Announcement of the Sixth Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No. Lin 2021-016 disclosed on July 31, 2021).

The seventh meeting of the third Board of Directors in 2021	September 7,2021	For details, see the Announcement of the Resolution of the Seventh Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No. Lin 2021-018 disclosed on September 9, 2021).
The eighth meeting of the third Board of Directors in 2021	September 24, 2021	For details, see the Resolution Announcement of the Eighth Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No. Lin 2021-027 disclosed on September 25, 2021).
The ninth meeting of the third Board of Directors in 2021	October 8,2021	For details, see the Announcement of the Resolution of the Ninth Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement Lin No. 2021-028 disclosed on October 9, 2021).
The Tenth meeting of the third Board of Directors in 2021	October 21, 2021	The meeting deliberated and adopted the third quarter 2021 Report.
The eleventh meeting of the third Board of Directors in 2021	November 15, 2021	Please refer to the Resolution Announcement of the 11th Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No. Lin 2021-029 disclosed on November 16, 2021).
The twelfth meeting of the third Board of Directors in 2021	December 9,2021	Please refer to the Resolution Announcement of the 12th Meeting of the Third Board of Directors of Kweichow Moutai in 2021 (Announcement No. Lin 2021-030 disclosed on December 10, 2021).
The thirteenth meeting of the third Board of Directors in 2021	December 30,2021	The meeting deliberated and passed the “on the review of <general manager office meeting rules> motion” and “on the capital purchase and Yixing wine branch talent turnover room”.

**6. Performance of duties by the directors****6.1 The directors attend the board of directors and the general meeting of shareholders**

director surname and personal name	Whether an independent director	Participation in the Board of Directors						Joining the shareholders' general meeting
		Number of board attendance this year	Number of in-person attendance	Number of participation by communication	Number of commissioned attendance	Absence, number	Did not personally attend the meeting for twice in a row	Number of attendance at shareholders' meetings
Ding Xiongjun	no	6	6	5	0	0	no	0
Li Jingren	no	13	13	11	0	0	no	2
Lu Jinhai	yes	13	12	12	1	0	no	1
Xu Dingbo	yes	13	13	12	0	0	no	1
Zhang Jingzhong	yes	13	13	11	0	0	no	2
Fu Zhigan	no	13	13	11	0	0	no	2

Failure to personally attend board meetings for two consecutive occasions

Applicable N/A

Number of board meetings held within the year	13
Including: the number of live meetings	1
Number of meetings held by communication mode	11
The number of meetings were held on site combined with communication methods	1

#### 6.2 Explanation of directors' objections to company-related matters

Applicable N/A

#### 6.3 Other

Applicable N/A

### 7. Situation of a special committee under the Board of Directors

Applicable N/A

#### 7.1 The members of a special committee under the Board of Directors

Special Committee category	Member name
The Audit committee	Xu Dingbo, Ding Xiongjun, Lu Jinhai
The Nomination committee	Lu Jinhai, Zhang Jingzhong, Fu Zhigang
The Salary and Assessment Committee	Zhang Jingzhong, Li Jingren, Lu Jinhai
The Strategy Committee	Ding Xiongjun, Li Jingren and Zhang Jingzhong
The Risk Management Committee	Li Jingren, Xu Dingbo, Fu Zhigang

#### 7.2 The audit committee held four meetings during the reporting period

Date of convening	content of meeting	Important comments and suggestions
March 29, 2021	The first annual meeting of the Audit Committee in 2021	Deliberated and passed the 2020 audit committee of the board performance report, 2020 annual report (full text and abstract), 2020 financial budget plan, 2021 financial budget plan, 2020 internal control audit report, 2021 financial audit institutions and internal control audit institutions, on daily related transactions with related parties, and agreed to submit the relevant proposals to the board of directors for consideration according to the provisions.
April 26, 2021	The Second Annual Meeting of the Audit Committee in 2021	Deliberated and passed the "First Quarter of 2021 Report", "Proposal on Accounting Policy Change" and other motions, and agreed to submit the motion to the board of directors of the company for deliberation.
July 29, 2021	The third annual meeting of the Audit Committee in 2021	Deliberated and adopted the 2021 Semi-Annual Report (Full text and Abstract), and agreed to submit the motion to the board of directors of the company for deliberation.
October 21, 2021	The Fourth Meeting of the Audit Committee in 2021	Deliberated and adopted the Third Quarter 2021 Report, and agreed to submit the motion to the company's board of directors for deliberation.

#### 7.3 The nominating committee convene a meeting during the reporting period

Date of convening	content of meeting	Important comments and suggestions
November 15, 2021	The First Meeting of the Nomination Committee in 2021	Deliberated and passed the "Motion on Nominating Candidates of Directors", "Motion on the appointment of Senior Managers" and other motions, and agreed to submit the motion to the board of directors of the company for deliberation.

#### 7.4 The strategy committee held a meeting during the reporting period

Date of convening	content of meeting	Important comments and suggestions
December 9,2021	The first annual meeting of the Strategy Committee in 2021	Deliberated and passed the proposal on the investment and implementation of the First phase of the Packaging Logistics Park Project, and agreed to submit the proposal to the board of directors of the company for deliberation.

### 7.5 The risk management committee hold a meeting during the reporting period

Date of convening	content of meeting	Important comments and suggestions
March 29th, 2021	The first annual meeting of the risk management committee in 2021	We deliberated and passed the 2020 Annual Report (full text and abstract), 2020 Internal Control Evaluation Report, Proposal on Daily Related Transactions and other motions, and agreed to submit the motions to the board of directors of the company for deliberation.

### 7.6 Specific circumstances where objections exist

Applicable N/A

### 8. Explanation that the Board of Supervisors finds the risks of the Company

The Board of Supervisors has no objection to the supervision matters during the reporting period.

### 9. Report on the employees of the parent company and its main subsidiaries at the end of the period

#### 9.1 Employee condition

Number of active employees in the parent company	28,756
Number of active employees in the main subsidiary	1,215
Total number of current employees	29,971
The number of retired employees of the parent company and its main subsidiary that shall bear the expenses	1,657
Professional composition	
Professional composition category	Number of majors
operating personnel	24,868
salesman	1,056
artisan	587
financial staff	222
clerical staff	1,670
Other personnel	1,568
Total	29,971
Educational background	
Education background type	Quantity (person)
Graduate degree or above	304
university degree	7,269
college degree	4,001
Technical secondary school, high school and below	18,397
Total	29,971

#### 9.2 Compensation policy

Applicable N/A

First, the senior managers implement the annual salary system, according to the relevant regulations of SASAC and the Company; Second, the intermediate managers implement the quasi annual salary system, according to the work nature, responsibilities, risk and performance, the performance pay system, and adopt the total wage contract system according to different management needs, the technical content, knowledge content, labor intensity and performance of different series and posts.

#### 9.3 Training plan

In order to meet the requirements of the company's strategic development for human resources and improve the company's core competitiveness, 167 staff training projects will be carried out in 2022, including 54 company-level training projects and 113 department-level training projects. First, to improve the quality of training. According to the principle of "classification, overall consideration, focus, tendency, internal training, outsourcing" training plan, made more targeted, more detailed, practical adjustment, curriculum design more optimization, teaching content, increase training and per capita training class, constantly improve the training quality; second, strict training content. In strict accordance with the "each employee receives at least 42 hours of professional training every year", "training for 24 hours or more, national laws and regulations, company rules and regulations, corporate culture included in the training courses" and other provisions, the safety, regulations, culture, environmental protection and others into the general training; third, highlight the characteristic content. The training not only sets up professional knowledge of wine production, professional skills and quality improvement training related to production, but also provides various special training, such as production technology, finance, comprehensive management, equipment management, qualification evidence collection, pre-job training of various functional units.

#### 9.4 Labor service outsourcing condition

The company accepts the labor service of Kweichow Moutai Liquor Factory (Group) Technology Development Co., Ltd., the holding subsidiary of the parent company, for packaging some products of Moutai-flavor series liquor. The transaction amount is calculated based on the actual packaging workload. The annual transaction amount in 2021 was 202 million yuan.

### 10. Profit distribution or capital reserve conversion plan

#### 10.1 The formulation, implementation or adjustment of the cash dividend policies

√ Applicable  N/A

The articles of Association of the company defines the principles, conditions, methods, cycles, cash dividend ratio, profit distribution decision and adjustment procedures and mechanisms of profit distribution.

According to the "2020 Annual Profit Distribution Plan" approved by the company's annual general meeting of shareholders in 2020, the company is based on the total share capital of 1,256,197,800 shares and distributed cash dividend of CNY 192.93 (before tax) to all the shareholders of the company for every 10 shares. The profit distribution plan shall be expressed by the independent directors of the company and approved by the board of directors of the company and submitted to the general meeting of shareholders for deliberation and approval. When the shareholders' meeting deliberated on the bill, the small and medium shareholders were counted separately. The profit distribution has been implemented in June 2021.

During the reporting period, the company's profit distribution shall comply with the provisions of the Articles of Association of the company.

#### 10.2 Special explanation of the cash dividend policy

√ Applicable  N/A

Whether it complies with the provisions of the articles of association or the resolution of the general meeting of shareholders	√ Yes <input type="checkbox"/> No
Whether the dividend standard and proportion are clear	√ Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	√ Yes <input type="checkbox"/> No
Whether the independent directors perform their duties and play their due role	√ Yes <input type="checkbox"/> No
Whether minority shareholders have the opportunity to fully express their opinions and appeals, and whether their legitimate rights and interests have been fully protected	√ Yes <input type="checkbox"/> No

**10.3 If the profits are made during the reporting period and the parent company's distributable profits available to shareholders are positive, but fails to put forward the cash profit distribution plan, the company shall disclose in detail the reasons, the use and use plan of the undistributed profits**

Applicable  N/A

**11. Situation and impact of the Company's equity incentive plan, employee stock ownership plan or other employee incentive measures**

**11.1 The relevant incentive matters have been disclosed in the interim announcement and there is no progress or change in the subsequent implementation**

Applicable  N/A

**11.2 Incentives if not disclosed or with subsequent progress in the interim announcement**

Equity incentive

Applicable  N/A

Other specifications

Applicable  N/A

Employee stock ownership plan condition

Applicable  N/A

Other incentives

Applicable  N/A

**11.3 The equity incentive situation granted by the directors and senior managers during the reporting period**

Applicable  N/A

**11.4 The evaluation mechanism of senior management personnel and the establishment and implementation of the incentive mechanism during the reporting period**

Applicable  N/A

Evaluation and incentive mechanism of senior managers in 2021, in accordance with the Measures for the Management of Compensation of Principals of Enterprises of Guizhou Province, the Measures for the Performance Assessment of Principals of Enterprises of Guizhou Province and other relevant provisions, And the company's "leadership deputy personnel assessment and salary management measures" relevant provisions implementation, In accordance with the Notice of SasAC on the Business Performance Assessment and Salary Audit Results of the Main Principals of Moutai Group in 2020 and the Notice of SasAC on the Compensation Audit Opinions and Related Matters of the Principals of Moutai Group in 2020, Combined with the company's annual operating conditions and performance evaluation results, To comprehensively determine the remuneration of senior management personnel comprehensively.

**12. Construction and implementation of the internal control system during the reporting period**

Applicable  N/A

According to the basic specification of enterprise internal control and its supporting guidelines and other internal control regulatory requirements, combined with the company's internal control system and evaluation method, on the basis of daily supervision and special supervision, the board of directors of the company on December 31, 2021 (internal control evaluation report base date) internal control effectiveness of the evaluation. See the Shanghai Stock Exchange website along with this report (website: www.sse.com.cn) 2021 Internal Control Evaluation Report.

Description of the major defects existing in the internal control during the reporting period

Applicable  N/A

**13. Management and control of the subsidiaries during the reporting period**√Applicable N/A.

The company adheres to the principles of “centralized management and control, one enterprise and one policy”, “combination of management and release, dynamic authorization”, “combination of blocks, management and service”, “based on corporate governance and functional management and control as the core” as the control principles, and implements control over subsidiaries and subsidiaries. In 2021, the Company adjusted and optimized the control mode: from “management based” to “management combination”, which stimulated the development of the subsidiary with the original management and functional control line and the importance of “legal management”; the third further optimized the control office and corresponding line responsibilities, further highlighting the coordination and control responsibilities of the control office.

To strengthen the management of the subsidiary, standardize its body and procedures, the company irregular system review, in accordance with the management principle of legitimacy, applicability, timeliness, problem oriented improvement principle, front review subsidiary the articles of association and “three” rules of procedure, the articles of association and “three will” rules of procedure of the overall framework, responsibilities and specific scope of study, discussion. Through the evaluation of the articles of association of the subsidiary and the rules of procedure of the “three meetings”, the company should strengthen the restriction and supervision of the power operation of the subsidiary leadership, improve the work efficiency and work level, and promote the legalization, institutionalization and scientization of the decision-making of the discussion body.

**14. Relevant information description of the internal control audit report**√Applicable N/A

See the Shanghai Stock Exchange website along with this report (website: www.sse.com.cn) Part 21 was disclosed in the Company’s 2021 Internal Control Audit Report.

Whether to disclose the internal control audit report: Yes

Type of internal control audit report opinion: standard unqualified opinion

**15. Rectification of self-inspection problems in the special action of governance of listed companies**

According to the requirements of the Announcement of China Securities Regulatory Commission on the Special Action of Listed Companies and the Notice of Guizhou Securities Regulatory Bureau on Matters Related to the Self-examination of The Governance of Listed Companies, the company conscientiously carried out the special self-inspection of listed companies according to the special self-inspection list of the governance of listed companies.

In view of the problems found in self-inspection, the company attaches great importance to and conscientiously rectify. As of the end of this report, there are the following four problems: controlling shareholders have overdue failed to fulfill the commitment of the equity incentive plan, senior management in the controlling shareholder part-time, independent directors for the outbreak of the annual working time of less than 10 working days, to facilitate the daily work, the company and the controlling shareholders exist part of the common office system.

In the next step, the company will continue to carry out the rectification work as required, strengthen the modernization of corporate governance capacity and governance level, constantly improve the corporate governance system and mechanism, continue to optimize the internal control system, steadily improve the effectiveness of corporate governance, and promote the high-quality development of the company.

**16. Other**Applicable N/A



## Section V Environment and Social Responsibility

### 1. Environmental information situation

#### 1.1 Environmental information of the company and its major subsidiaries that are key emission units announced by the environmental protection authorities

√Applicable □N/A

##### A. Emission information

√Applicable □N/A

(1) Main pollutants: waste water, waste gas, solid waste.

(2) Name of characteristic pollutants: COD, ammonia nitrogen, sulfur dioxide, nitrogen oxides, smoke (dust).

(3) Emissions of pollutants from January to December 2021.

##### ①Wastewater

The company has five wastewater treatment plants, each with one outlet, located in the old factory area and Zhonghua area of the company's headquarter, and the Dadi area, Xinzhai area and Erhe area of Heyixing Liquor Branch, with direct discharge of wastewater after treatment to standards.

Name of sewage treatment plants	COD		Ammonia nitrogen		Pollutant emission standards implemented
	Average emission concentration (mg/l)	Total emissions (ton)	Average emission concentration (mg/l)	Total emissions (ton)	
7000t/d sewage treatment plant	18.410	13.860	0.367	0.319	Emission Standards for Pollutants in Fermented Alcohol and White Wine Industry (GB27631-2011) Table 3 Direct Emission Standards
Xinzhai sewage treatment plant of Heyixing Liquor Branch	25.130	8.484	0.379	0.121	
4000t/d sewage treatment plant	25.724	11.166	0.810	0.379	
Dadi sewage treatment plant of Heyixing Liquor Branch	36.222	16.400	1.283	0.621	
Erhe sewage treatment plant of Heyixing Liquor Branch	22.568	8.931	0.468	0.208	Standards for Discharge of Pollutants from Urban Sewage Treatment Plants (GB18918-2002) Class A

##### ②Exhaust gas

The company's gas boilers are located in the old factory and Zhonghua area of the company's headquarters, and in the Dadi area, Xinzhai area and Erhe area of Heyixing Liquor Branch. The company's gas boilers use natural gas as the energy source, with direct emissions of boiler exhaust.

Name of facilities	Sulfur dioxide		Nitrogen oxides		Smoke (dust)		Standards implemented
	Average emission concentration	Total emissions (ton)	Average emission concentration	Total emissions (ton)	Average emission concentration	Total emissions (ton)	

	(mg/m <sup>3</sup> )		(mg/m <sup>3</sup> )		(mg/m <sup>3</sup> )		
Gas boilers in the old factory (including the Zhonghua area) of the company headquarters	3.00	2.470	73.624	63.750	2.044	1.690	Emission Standards for Boiler Air Pollutants (GB13271-2014) Table 2
Gas boilers in Xinzhai and Dadi areas of Heyixing Liquor Branch	3.00	0.631	48.828	10.469	10.373	2.252	
Gas boilers in Erhe area of Heyixing Liquor Branch	3.00	0.290	56.047	5.670	12.425	1.200	

③Solid waste disposal

The company's solid waste lees, waste cellar sludge and waste yeast are handed over to Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd. and other units for comprehensive utilization and disposal, while domestic waste is entrusted to third-party units for transportation to waste incineration power plants for incineration.

(4) Total approved emissions

The company has declared and obtained the emission permit according to the "Management Measures of Emission Permit (for Trial Implementation)" and related requirements. The total approved emissions for the reporting period are: COD 60.097 tons; ammonia nitrogen 6.0097 tons; nitrogen oxides 203.8662 tons; sulfur dioxide and (powder) dust in accordance with Table 2 of the *Emission Standards for Boiler Air Pollutants* (GB13271-2014).

**B. Construction and operation of pollution prevention facilities**

√Applicable N/A

Wastewater pollutant control facilities are mainly sewage treatment plants and other equipment facilities, whose construction has been completed and in normal operation; the company began to implement the boiler "coal to gas" project in 2011, and completed the comprehensive transformation in 2014, eliminating the coal-fired boilers and building 33 gas boilers, which are now in normal operation.

**C. Environmental Impact Assessment of Construction Projects and Other Administrative Permits for Environmental Protection**

√Applicable N/A

(1) The company carried out environmental impact assessment for new, reformed and expanded projects in accordance with the law and obtained 3 approvals for administrative permits for environmental impact assessment in 2021.

(2) Environmental protection inspection and acceptance of completed projects have been carried out in accordance with the law and 5 online recordings have been completed.

**D. Emergency response plan for environmental emergencies**

√Applicable N/A

According to the *Management Measures for the Filing of Emergency Response Plans for Enterprises and Institutions* (for Trial Implementation) (Huanfa [2015] No. 4) and other relevant documents, the Company's plants (Old Plant Area/Zhonghua area), and Heyixing Wine Branch (Dadi Area, Xinzhai Area and Erhe Area) have prepared emergency environmental response plans and obtained filing forms from environmental protection authorities, and conducted emergency response drills for emergency environmental events in July 2021.

#### **E. Self-monitoring environmental program**

Applicable N/A

According to the *Measures for Environmental Information Disclosure by Enterprises and Institutions* (Ministry of Environmental Protection Decree No. 31), *Self-monitoring Technical Guide for Emission Units Wine and Beverage Manufacturing* (HJ1085-2020), *Self-monitoring Technical Guide for Emission Units Thermal Power Generation and Boilers* (HJ820-2017) and *Self-monitoring Technical Guide for Emission Units General Rules* (HJ819-2017) and other documents, in order to grasp the status of pollutant emissions from our enterprise and its impact on the surrounding environment quality, fulfill our legal obligations and social responsibilities, we have developed a self-monitoring program to ensure that our self-monitoring meets the requirements of environmental management.

#### **F. Administrative penalties for environmental issues during the reporting period**

Applicable N/A

#### **G. Other environmental information that should be made public**

Applicable N/A

#### **1.2 Environmental information of the company other than key emission units**

Applicable N/A

#### **1.3 Relevant information conducive to ecological protection, pollution prevention and control, and environmental responsibility fulfillment**

Applicable N/A

The company adheres to the road of green development. Focusing on the construction requirements of "one base, one benchmark", the company has linked up with Tsinghua University's Academy of Environmental Sciences and other scientific research institutions to further clarify the direction and path of Maotai's green development. We have launched researches on ecological capacity, pollution control capacity improvement, and the layout of "the Production, Living and Ecological Space". We have implemented "five special projects", such as water enhancement project, gas enhancement project, soil consolidation project, micro-protection project and comprehensive monitoring and evaluation project of ecosystems, and carried out "five special actions", such as energy-saving, carbon reduction and efficiency improvement action, green product design action, green transformation action of industrial chains, green science and technology innovation action and green low-carbon life action. Our environmental protection work focuses on "gas, water, slag, green, carbon" and other aspects, constantly building facilities, optimizing mechanisms, strengthening supervision and making guarantees to effectively protect the ecological environment on which Maotai depends for its survival and development.

The company actively integrates into the development of Guizhou's "National Ecological Civilization Pilot Zone" initiative, carries out ecological protection of the Chishui River with utmost efforts, and solidly promotes ecological construction. Since 2014, the company has decided to contribute CNY 500 million annually, specifically for the ecological protection of the Chishui River basin. In addition, buffer zones and no-construction zones for medium and long-term ecological environmental protection are planned for Maotai, and greening and restoration of the barren slopes on the west bank of the Chishui River are also planned. Meanwhile, the company will make every effort to promote regional ecological environmental protection legislation, making "water, air, soil, microorganisms, cultural heritage, and

planning and construction” as key legislative protection objects to better protect the irreproducible ecological environment.

#### **1.4 Measures taken to reduce its carbon emissions during the reporting period and their effects**

√Applicable N/A

First, carry out ecological restoration and greening beautification. In 2021, the company made efforts to improve the regional environment by carrying out bare soil treatment, vigorously implementing greening projects, organizing employees to participate in forest protection and greening activities, planting an area of about 1,430,000 square meters, adding 160,000 square meters of greening to the plant area, with a total greening area of about 1.43 million square meters, as well as investing to complete the landscape greening of the wine making and starter-making workshops in Zhonghua area during the Thirteenth Five-Year Plan. We established a positive and negative list of regional plants, gradually reducing exotic tree species and effectively protecting the native environment; second, actively promoted vehicle exhaust treatment. Our commuter vehicles are gradually replaced with natural gas vehicles, the single and double number restrictions on employee vehicles are implemented and gradual replacement with new energy vehicles is encouraged. In this way, our factory areas can reduce exhaust emissions by 120 million m<sup>3</sup>per year and achieve an excellent air quality rate of over 98%.

#### **2. Social Responsibility Work**

√Applicable N/A

For details, please refer to our “Social Responsibility and ESG Report 2021” disclosed on the website of Shanghai Stock Exchange (URL: [www.sse.com.cn](http://www.sse.com.cn)) at the same time as this report.

#### **3. Specific work on consolidating and expanding the progress in poverty alleviation and rural revitalization**

√Applicable N/A

In 2021, the company always adhered to the guidance of Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, deeply implemented the spirit of the important speech by General Secretary Xi Jinping during his inspection of Guizhou, conscientiously implemented the spirit of the national and provincial summing-up and commendation conferences on poverty alleviation, and strictly followed the requirements of “four no-takes”, taking the consolidation of poverty alleviation and rural revitalization progress as important political tasks and striving to fulfill our social responsibilities.

##### **3.1 Work Progress**

A. Help build and strengthen the work team. First, select and enhance the strength of the support team. The company has further promoted and appointed comrades with excellent performance and outstanding achievements in support and assistance, so as to stimulate the motivation and dedication of cadres and staff. In accordance with the requirements, we have selected and sent outstanding young cadres to the front line of Daozhen town as the first secretary, cadres and helpers, thereby strengthening the team of helpers, and successfully completing the rotation of villages in rural revitalization in 2021. Second, strict team management. In order to strictly manage the work, the company has formulated management methods for the help team in Daozhen, promoting the implementation of help work by clarifying work responsibilities and strengthening daily management. Third, explore new paths of talent cultivation. We have conducted mutual posting of affiliated cadres with Chishui City to train and reserve talents for promoting project construction, playing a leading role in party building and promoting tourism industry development. Fourth, strengthen agricultural technology guidance. We worked together with Daozhen County Agricultural and Rural Bureau to organize township agricultural service center leaders and growers for “training sessions on sorghum cultivation”, systematically teaching sorghum seedling transplanting, pest control, harvesting and storage to further enhance the technical reserves and planting confidence of farming-related cadres and growers.

B. Help solidify the industrial base. First, optimize the construction of raw and auxiliary material bases. Combined with the development needs to strengthen the construction of raw and auxiliary material bases, the company has invested in deepening the construction of sorghum demonstration bases, optimizing the base construction of raw and auxiliary materials such as rice straw, wheat, etc. The areas

cover Renhuai, Xishui, Congjiang and many other counties or cities, promoting the transition of traditional agriculture to industrialization and specialization of modern agriculture in poverty-alluviated areas, thereby driving nearly 100,000 households of farmers to increase income. Second, focus on the development of edible mushroom industry. Based on Daozhen's industrial positioning of "a vegetable and mushroom township", we have mobilized dealers to donate funds to help the development of Daozhen's edible mushroom industry, and join hands with the county government to promote the scale, quality and branding of Daozhen's edible mushroom industry by centering on our assistance goal of helping Daozhen build the edible mushroom industry. Third, deepen the cooperation mode with the guaranteed vegetable base in Renhuai City. We purchased vegetables in poverty alleviated areas in the procurement mode of "farmers + guaranteed bases (cooperatives) + canteens" to realize industrialized employment in local places for poverty-alleviated population.

C. Continue to strengthen education support. First, we invested a total of CNY 100 million in 2021, to solve the "last mile" problem from home to university for nearly 20,000 students by focusing on "education support" through the "China Maotai - the backbone of the country" public welfare project. Second, a public welfare project of "Dream Libraries" and a reading program for rural children were launched, covering five schools in Daozhen County, gathering positive energy for the revitalization of rural culture. Thirdly, we coordinated to build a civic education base and a remote education station for rural revitalization in Daozhen County, helping to build a talent team in the poverty-alleviated areas and enhancing the development momentum of the areas themselves.

D. Expand the consumption channels of agricultural products. First, strengthen the top design. The company's support team in Daozhen organized a "meeting to promote Daozhen goods out of the mountain", systematically sorting out the problems in Daozhen's agricultural and sideline products, production, packaging and sales, as well as providing scientific advice and suggestions to promote Daozhen goods. Second, give full play to the assistance of consumption. Through internal purchase, social forces and other ways to increase the purchase of agricultural and sideline products in poverty-alleviated areas of Daozhen County and Renhuai City. In 2021, the completion of direct procurement of high-quality agricultural products amounted to more than CNY 48 million, apart from coordinating social forces to help Daozhen's sales of high-quality agricultural products. Third, create a well-known brand. We helped coordinate Daozhen's agricultural and sideline products into the Jingdong Group, the RT-Mart and other online and offline platforms, recommending Daozhen's agricultural and sideline products through company activities or publicity media to enhance its brand influence.

### 3.2 Next work plan

First, continue to thoroughly implement the guiding opinions and arrangements of the Party Central Committee and the provincial government on consolidating and expanding the progress in poverty alleviation and rural revitalization, and make every effort to promote the implementation of the work. Second, further strengthen the study of policies related to rural revitalization, understand the spirit of the documents and formulate effective measures to strengthen work coordination and to improve the mechanism of coordination between departments. Third, continue to play the advantage of Maotai's resources. Fully implement the "Implementation Opinions of Maotai on Playing the Function of State-owned Enterprises to Achieve Rural Revitalization and Agricultural and Rural Modernization", and effectively carry out practical projects, so that the fruits of development can benefit wider areas and more people. Fourth, in accordance with the deployment of higher-level work, implement our support for the pilot construction of beautiful red villages. Fifth, further strengthen the foundation of social livelihood. Continue to deepen the "1+10+1" system of advancing rural revitalization by party building, coordinate grass-roots party organizations to understand the situation of assisting villages in a timely manner, and try to support the development of industries, education and medical care, while actively guiding social forces to join the Daozhen support team and strengthen the helping force, so as to consolidate the progress in poverty alleviation and promote the comprehensive rural revitalization.

## Section VI Significant Events

### 1. Undertakings of Commitment Fulfillment

**1.1 Undertakings of the Company's actual controller, shareholders, related parties and acquirers, as well as the Company and other commitment makers fulfilled in the reporting period or ongoing by the end of this reporting period**

Applicable N/A

Commitment Background	Type	Committee Parties	Commitment Content	Commitment time and period	If there is a fulfillment period	If fulfilled timely and strictly	State the specific reason in case of failure to fulfill	Explain the next plan in case of failure to fulfill
Commitments related to shareholding reform	Other	China Kweichow Moutai Distillery (Group) Co., Ltd.	Equity incentive commitment: After the completion of the equity share reform, the company will develop the equity incentive scheme for the management and core technical team according to the relevant national policies and regulations.	Advance the development of equity incentives for the company's management and core technical team by the end of December 2017.	Yes	No	The higher authorities have not issued relevant guidance and specific measures.	

**1.2 If there is a profit forecast for the company's assets or projects, and the reporting period is still in the profit forecast period, the company provides an explanation on whether the assets or projects meet the original profit forecast and its reasons**

Have met Have not met N/A

**1.3 The completion of performance commitments and their impact on the goodwill impairment test**

Applicable N/A

**2. Non-operating appropriation of funds by controlling shareholders and other related parties during the reporting period**Applicable N/A**3. Non-compliance with guarantees**Applicable N/A**4. Explanation of the board of directors regarding the “Non-standard audit opinion” by the CPA firm**Applicable N/A**5. Analysis of the reasons for and effects of changes in accounting policies, accounting estimates or corrections of significant accounting errors by the Company****5.1 Analysis of the reasons for and effects of changes in accounting policies and accounting estimates**Applicable N/A

For details, please refer to Section X of this report on financial reporting V. Significant accounting policies and accounting estimates 23. Changes of significant accounting policies and accounting estimates.

**5.2 Analysis of the reasons for and effects of corrections of significant accounting errors by the Company**Applicable N/A**5.3 Communication with the previous CPA firm**Applicable N/A**6. Engagement and disengagement of CPA firms**

Unit: CNY 10,000

	Current CPA
Name of the domestic CPA firm	Baker Tilly China CPAs
Remuneration of the domestic CPA firm	97
Years of audit by the domestic CPA firm	4

	Name	Remuneration
Internal control audit CPA firm	Baker Tilly China CPAs	41

Note on the engagement and disengagement of CPA firms

Applicable N/A

Note on reappointing the CPA firm during the audit

Applicable N/A**7. Cases facing the risk of delisting****7.1 Reasons of delisting risk warnings**Applicable N/A**7.2 Measures to be taken by the Company in response**Applicable N/A

**7.3 Circumstances and reasons for facing termination of listing**Applicable N/A**8. Matters related to bankruptcy restructuring**Applicable N/A**9. Significant litigation and arbitration matters**The company has significant litigation and arbitration matters during the yearThe company has no significant litigation and arbitration matters during the year**10. The listed company and its directors, supervisors, senior management, controlling shareholders and actual controllers are suspected of violating the law, being punished and their rectification**Applicable N/A**11. Description of the integrity of the Company and its controlling shareholders and actual controllers during the reporting period**Applicable N/A

The integrity of the Company and its controlling shareholders during the reporting period is good.

**12. Significant related party transactions****12.1 Related party transactions related to daily operations****A. Matters that have been disclosed in the interim announcement with no progress or changes in subsequent implementation**Applicable N/A**B. Matters that have been disclosed in the interim announcement with progress or changes in subsequent implementation**Applicable N/A**C. Matters not disclosed in the interim announcement**Applicable N/A

(1) Related party transactions with the same related party as those considered and approved by the Board of Directors

Unit: CNY

Name of related parties	Relationship	Type of Related party transactions	Content of Related party transactions	Pricing Principles for Related party transactions	Connected transaction price	Amount of Related party transactions	Proportion of the amount of similar transactions (%)	Settlement of Related party transactions	Market Price	Reasons for large differences between transaction prices and market reference prices
China Kweichow Moutai Distillery (Group) Co., Ltd.	Parent company	Acceptance of labor services	Comprehensive Service Fee	Agreed Price		379,394.43	100	cash payment		
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	Holding subsidiary of the parent company	Acceptance of labor services	transportation services	Refer to independent third-party transaction prices		215,293,693.93	73.86	cash payment		
Shenren Packaging and Printing Co., Ltd., Renhuai City, Guizhou Province	Other	Purchase of goods	Purchase of goods	The same purchase price as the supply price of other unrelated suppliers of the		242,357,820.96	8.57	cash payment		



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				company						
CHINESE-FOREIGN VENTURE DRAGON AND LION CAP CO.,LTD ZHUHAI S.E.Z	Holding subsidiary of the parent company	Purchase of goods	Purchase of goods	The same purchase price as the supply price of other unrelated suppliers of the company		186,644,711.14	6.6	cash payment		
Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	Wholly-owned subsidiary of the parent company	Purchase of goods	Purchase of goods	Agreed Price		150,339,280.00	100	cash payment		
Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	Other	Purchase of goods	Purchase of goods	The same purchase price as the supply price of other unrelated suppliers of the company		109,617,071.39	3.54	cash payment		
Guizhou Fumingxing Packaging Co., Ltd.	Other	Purchase of goods	Purchase of goods	The same purchase price as the supply price of other unrelated suppliers of the company		73,963,369.22	2.62	cash payment		
Guizhou New Huaxi Glass Co., Ltd.	Other	Purchase of goods	Purchase of goods	The same purchase price as the supply price of other unrelated suppliers of the company		60,580,925.36	2.14	cash payment		
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	Wholly-owned subsidiary of the parent company	Purchase of goods	Purchase of goods	Agreed Price		2,892,054.00	42.15	cash payment		
Kweichow Moutai Winery (Group) Health Wine Co., Ltd.	Other	Purchase of goods	Purchase of goods	Agreed Price		2,203,000.00	32.11	cash payment		
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Holding subsidiary of the parent company	Purchase of goods	Purchase of goods	Agreed Price		1,766,767.13	25.75	cash payment		
China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	Wholly-owned subsidiary of the parent company	Purchase of goods	Purchase of goods	Agreed Price		33,274.34	100	cash payment		
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	Wholly-owned subsidiary of the parent company	Other utility costs such as water, electricity and gas (purchase)	Receiving water services	Agreed Price		3,925,458.51	100	cash payment		
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Holding subsidiary of the parent company	Acceptance of labor services	Labor cost	Agreed Price		201,743,603.42	27.22	cash payment		
Hotel Management Company Of Moutai Group	Wholly-owned subsidiary of the parent company	Acceptance of labor services	Labor cost	Agreed Price		61,437,621.87	8.29	cash payment		
Kweichow Moutai Logistics	Other	Acceptance of labor	Labor cost	Agreed Price		95,320,754.85	12.86	cash payment		

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Park Grain Storage Co., Ltd.		services								
Kweichow Moutai (group) International Travel Service Co., Ltd.	Other	Acceptance of labor services	Labor cost	Agreed Price		24,511,528.39	3.31	cash payment		
Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	Wholly-owned subsidiary of the parent company	Acceptance of labor services	Labor cost	Agreed Price		15,019,725.64	2.03	cash payment		
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	Other	Acceptance of labor services	Labor cost	Agreed Price		4,091,215.49	0.55	cash payment		
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	Holding subsidiary of parent company	Acceptance of labor services	Labor cost	Agreed Price		573,223.59	0.08	cash payment		
China Kweichow Moutai Distillery (Group) Co., Ltd.	Parent company	Rent in and rent out	Rental fee	Agreed Price		26,724,386.73	58.41	cash payment		
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Holding subsidiary of parent company	Rent in and rent out	Rental fee	Agreed Price		11,712,556.79	25.60	cash payment		
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	Other	Rent in and rent out	Rental fee	Agreed Price		3,000,000.00	6.56	cash payment		
Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	Other	Rent in and rent out	Rental fee	Agreed Price		1,691,467.44	3.70	cash payment		
Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	Holding subsidiary of parent company	Rent in and rent out	Rental fee	Agreed Price		236,674.53	0.52	cash payment		
Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	Other	Purchase of goods	Purchase of offices	The sale price is the same as the purchase price of the company's other unaffiliated dealers		9,741,492.16	19.20	cash payment		
Kweichow Moutai Group Marketing Co., Ltd.	Wholly-owned subsidiary of the parent company	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated dealers		5,193,690,831.85	4.90	cash payment		
Hotel Management Company of Moutai Group	Wholly-owned subsidiary of the parent company	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated dealers		19,511,175.24	0.02	cash payment		
China Kweichow Moutai Distillery (Group) Co., Ltd.	Parent company	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated dealers		7,293,281.43	0.01	cash payment		
Shanghai Moutai Trading Co., Ltd.	Other	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated		5,526,159.30	0.01	cash payment		

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				dealers						
China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	Wholly-owned subsidiary of the parent company	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated dealers		4,778,230.09	0.005	cash payment		
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	Wholly-owned subsidiary of the parent company	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated dealers		3,372,637.17	0.003	cash payment		
Beijing Moutai Trading Co., Ltd.	Wholly-owned subsidiary of the parent company	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated dealers		2,729,246.02	0.003	cash payment		
Kweichow Moutai Winery (Group) Health Wine Co., Ltd.	Wholly-owned subsidiary of the parent company	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated dealers		1,723,539.82	0.002	cash payment		
Shanghai Kweichow Moutai Industrial Co., Ltd.	Wholly-owned subsidiary of the parent company	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated dealers		1,309,890.28	0.001	cash payment		
Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	Other	Sales of goods	Sales of goods	The sale price is the same as the purchase price of the company's other unaffiliated dealers		315,142.49	0.0003	cash payment		
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Holding subsidiary of parent company	Providing services	Labor fee	Agreement price		682,486.89	100	cash payment		
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	Wholly-owned subsidiary of the parent company	Providing services	Labor fee	Agreement price		560,412.74	100	cash payment		
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	Holding subsidiary of parent company	Providing services	Labor fee	Agreement price		27,771.05	100	cash payment		
Kweichow Moutai Group Marketing Co., Ltd.	Wholly-owned subsidiary of the parent company	Rent in and rent out	Rental fee	Agreement price		495,146.47	59.99	cash payment		
China Kweichow Moutai Distillery (Group) Co., Ltd.	Parent company	Rent in and rent out	Rental fee	Agreement price		330,275.22	40.01	cash payment		
Total						6,748,147,297.37				

(2) Related party transactions with the same related party approved by the Shareholders Meeting.

The company registered trademark of the parent company China Kweichow Moutai Distillery (Group) Co., Ltd., and the trademark usage fee is CNY 1,332.73 million during the reporting period.

**(3) Related transactions with other related parties**

A. The Company purchased raw materials from Shanghai Rencai Printing Co., Ltd., and the amount incurred in the current period is CNY 12.49 million.

B. The Company purchased comprehensive security insurance for female employees from Huagui Life Insurance Co., Ltd., and the amount incurred in the current period is CNY 477,500.

C. The ending deposit balance of the Company in Bank of Guizhou is CNY 23.81 billion CNY (including a large-denomination certificate of deposit of CNY 2 billion), the current interest income is CNY 445.24 million, and the investment income is CNY 59.76 million. Kweichow Moutai Group Finance Co., Ltd., a holding subsidiary of the Company, subscribed for the bonds issued by Bank of Guizhou Co., Ltd. from the open market at a cost of CNY 100 million, and the recognized interest income is CNY 179,600 in the current period. As of the end of the period, the balance of the provision for impairment of the debt investment is CNY 56,700, the accrued interest balance is CNY 179,600, and the carrying amount is CNY 100.12 million.

**12.2 Affiliated transactions arising from the acquisition or sale of assets or equity****A. Matters disclosed in the interim announcement but without progress or change in subsequent implementation**

Applicable N/A

**B. Matters disclosed in the interim announcement but without progress or change in subsequent implementation**

Applicable N/A

**C. Matters not disclosed in the interim announcement**

Applicable N/A

**D. If performance agreement is involved, the realization of performance during the reporting period shall be disclosed**

Applicable N/A

**12.3 Important related party transactions jointly invested****A. Matters disclosed in the temporary announcement without subsequent progress or change**

Applicable N/A

**B. Matters disclosed in the temporary announcement with subsequent progress or change**

Applicable N/A

**C. Matters not disclosed in the temporary announcement**

Applicable N/A

**12.4 Related debt transactions****A. Matters disclosed in the temporary announcement without subsequent progress or change**

Applicable N/A

**B. Matters disclosed in the temporary announcement with subsequent progress or change**

Applicable N/A

**C. Matters not disclosed in the temporary announcement**

Applicable N/A

## 12.5 Financial business between the Company and the financial company with which the Company is associated, the financial company in which the Company holds a majority of shares and the related parties

√Applicable □ N/A

### A. Deposit business

√Applicable □ N/A

Unit: CNY

Related party	Related party relationship	Maximum deposit per day	Range of deposit rate	Opening balance	Current period		Closing balance
					Total deposit in the current period	Total withdrawal in the current period	
Guizhou Xijiu Sales Co., Ltd.	Other			6,712,436.958.20	28,788,362.072.05	25,766,406.343.85	9,734.392,686.40
China Kweichow Moutai Distillery (Group) Co., Ltd.	Parent company			705,138.050.22	42,116,523.132.88	40,325,735.817.77	2,495.925,365.33
Kweichow Moutai Group Marketing Co., Ltd.	Wholly-owned subsidiary of the parent company			2,510,738.390.91	10,333,655.933.31	8,718,711.304.62	4,125.683,019.60
Kweichow Moutaichun Marketing Company	Other			920,842.428.98	4,279,679.667.30	4,588,681.902.62	611,840.193.66
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Majority-owned subsidiary of the parent company			1,053,210.194.61	5,523,138.667.67	4,858,421.165.80	1,717.927,696.48
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	Other			300,139.345.18	1,345,166.318.83	941,362.389.43	703,943.274.58
Guizhou Renhuai Shenren Packaging and Printing Co., Ltd.	Other			173,286.572.76	850,552,541.62	813,582,346.16	210,256.768.22
China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	Wholly-owned subsidiary of the parent company			204,287.610.43	578,479,529.42	564,209,290.16	218,557.849.69
ChangLi Moutai Wine Trade Co., Ltd.	Other			152,585.956.02	846,608,322.83	713,434,724.86	285,759.553.99
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	Majority-owned subsidiary of the parent company			108,370.683.60	718,004,995.05	772,569,797.09	53,805.881.56
Beijing Moutai Trading Co., Ltd.	Wholly-owned subsidiary of the parent company			150,354.370.95	469,246,525.46	587,149,260.91	32,451.635.50
Shanghai Moutai Trading Co., Ltd.	Other			53,455.768.17	341,598,600.17	348,378,120.80	46,676.247.54
KWEICHOW MOUTAI WINERY(GROUP) BAIJIN LIQUOR SALES CO., LTD.	Other			224,537.066.64	95,444,427.43	256,250,753.22	63,730.740.85
Guizhou Maotai Ecological Agriculture Sales Co., Ltd.	Other			58,614.228.79	339,428,074.23	362,038,494.43	36,003.808.59
Kweichow Moutai (Group) Circular Economy Industr	Wholly-owned subsidiary of the parent			37,080.922.96	496,595,645.51	403,771,331.19	129,905.237.28

ial Investment and Development Co., Ltd.	company						
Shanghai Kweichow Moutai Industrial Co., Ltd.	Wholly-owned subsidiary of the parent company			24,541,545.55	173,615,134.48	182,188,718.38	15,967,961.65
Guizhou Zunpeng Liquor Industry Co., Ltd.	Other			6,207,766.48	453,457,901.96	341,349,114.52	118,316,553.92
Health Industry Co., Ltd. of Kweichow Moutai Group.	Other			63,850.975.86	232,073,169.61	256,554,795.15	39,369,350.32
Kweichow Moutai Distillery (Group) Real Estate Investment Development Co., Ltd.	Wholly-owned subsidiary of the parent company			100,151,761.05	188,328,986.99	270,214,376.20	18,266,371.84
Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	Other			18,366,982.68	169,849,461.05	172,060,336.88	16,156,106.85
CHINESE-FOREIGN VENTURE DRAGON AND LION CAP CO.,LTD ZHUHAI S.E.Z	Majority-owned subsidiary of the parent company			61,111,183.48	304,635,699.32	306,278,758.09	59,468,124.71
Guizhou Fuming Packaging Co. Ltd	Other			17,141,404.68	97,529,116.77	102,899,843.04	11,770,678.41
Guizhou Jiuyuan Property Co., Ltd.	Other			25,917,286.51	55,607,363.83	53,199,390.07	28,325,260.27
GUI ZHOU NEW HUAXI GLASS CO., LTD	Other			1,379,775.63	102,859,277.54	103,559,472.79	679,580.38
Tianchao Shangpin Liquor Industry(Guizhou) Co., Ltd.	Other			142,935,451.25	286,801,127.23	414,856,000.00	14,880,578.48
Zhongshan Sanrun Printing Consumables Co., Ltd.	Other			28,305,077.01	430,939,956.08	459,245,033.09	
GUIZHOU MAOTAI DISTILLERT(GROUP) XIJIU CO., LTD.	Wholly-owned subsidiary of the parent company			215,328,273.97	1,649,952,804.33	1,291,290,593.61	573,990,484.69
KWEICHOW MOUTAI DISTILLERY GROUP CHANGLI WINERY CO., LTD.	Majority-owned subsidiary of the parent company			7,864,923.85	276,717,314.98	275,104,255.86	9,477,982.97
Kweichow Moutai (group) International Travel Service Co., Ltd.	Other			6,395,353.49	49,741,638.61	30,294,650.38	25,842,341.72
Kweichow Moutai Distillery (Group) Foreign Investment Cooperation Management Co., Ltd.	Majority-owned subsidiary of the parent company			17,661,451.08	54,703,868.32	72,365,319.40	
KWEICHOW MOUTAI WINERY(GROUP)BAIJIAN LIQUOR CO., LTD.	Other			4,754,545.99	322,149,948.42	278,049,260.17	48,855,234.24
Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.	Wholly-owned subsidiary of the parent company			7,080,670.17	78,479,510.92	83,450,000.00	2,110,181.09
Hotel Management Company Of Moutai Group	Wholly-owned subsidiary of the parent company			39,622,015.86	79,060,587.80	81,960,227.60	36,722,376.06
Kweichow Moutai	Other			39,163,54	116,114,495.	137,967,061.	17,310.9

Distillery (Group) Sanya Investment Co., Ltd.				2.59	77	76	76.60
Kweichow Zunyi Moutai Airport Co., Ltd.	Majority-owned subsidiary of the parent company			6,020,201.77	705,640,084.78	649,071,535.08	62,588,751.47
Kweichow Moutai Distillery (Group) Guiyang Business Co., Ltd.	Wholly-owned subsidiary of the parent company			2,364,476.57	3,868,456.77	4,285,735.55	1,947,197.79
Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	Other			486,511.01	37,016,991.11	37,500,000.00	3,502.12
Kweichow Moutai Winery (Group) Health Wine Co., Ltd.	Wholly-owned subsidiary of the parent company			39,304,385.43	2,450,554,141.16	2,378,049,237.47	111,809,289.12
Moutai & CCB Trust (Guizhou) Investment Fund Management Co., Ltd.	Majority-owned subsidiary of the parent company			807,602.96	145.76	803,730.42	4,018.30
Moutai Financial Leasing Co., Ltd.	Wholly-owned subsidiary of the parent company			5,150.13	118.55		5,268.68
Moutai & CCB Trust (Guizhou) Investment Fund (Limited Partnership)	Majority-owned subsidiary of the parent company			840.34	2.99		843.33
Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	Other			11,964.96	621,600.89	11,986.14	621,579.71
Guizhou Hengdao Forestry and Agriculture Technology Development Co., Ltd.	Other			281.00	383,587.70	383,840.83	27.87
Kweichow Moutai Distillery (Group) Guiding Jingqi Glasswork Co., Ltd.	Other				108,906,206.61	55,963,940.17	52,942,266.44
Guizhou Renhuai Renshuai Liquor Industry Co., Ltd.	Other				32,016,874.24	2,913,269.33	29,103,604.91
Kweichow Moutai Distillery (Group) Lvsheng Organic Fertilizer Co., Ltd.	Other				770,815.42	591,621.31	179,194.11
Total			/	14,241,859,949.77	105,584,880,843.75	98,063,165,146.20	21,763,575,647.32

Note: The above deposit interest rates range from 0.35% to 2.75%.

#### Interest paid to related parties

Related party	This reporting period
Guizhou Xijiu Sales Co., Ltd.	108,362,072.05

Kweichow Moutai Group Marketing Co., Ltd.	16,906,786.89
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	11,545,138.89
Kweichow Moutaichun Marketing Company	7,160,221.58
China Kweichow Moutai Distillery (Group) Co., Ltd.	12,838,051.86
Guizhou Renhuai Shenren Packaging and Printing Co., Ltd.	2,552,541.62
China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	1,877,899.92
Changli Moutai Wine Trading Co., Ltd.	2,182,551.69
Kweichow Moutai Distillery (Group) Platinum Liquor Sales Co., Ltd.	1,263,300.22
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	844,471.54
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	1,705,436.82
Kweichow Moutai Group Health Industry Co., Ltd.	573,169.61
Tianchao Shangpin Wine Industry (Guizhou) Co., Ltd.	301,127.23
Guizhou Jiuyuan Property Co., Ltd.	407,973.76
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	456,797.84
Kweichow Moutai Ecological Agriculture Sales Co., Ltd.	428,074.23
Beijing Moutai Trading Co., Ltd.	246,525.46
Kweichow Moutai Distillery (Group) Real Estate Investment Development Co., Ltd.	192,542.66
Chinese-Foreign Venture Dragon And Lion Cap Co., Ltd Zhuhai S.E.Z	163,293.69
Shanghai Moutai Trading Co., Ltd.	198,600.17
Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	114,917.05
Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	647,329.13
Kweichow Moutai Winery (Group) Health Wine Co., Ltd.	586,454.62
Shanghai Kweichow Moutai Industrial Co., Ltd.	103,632.88
Guizhou Zunpeng Liquor Industry Co., Ltd.	473,901.96
Gui Zhou New Huaxi Glass Co., Ltd	73,550.70
Kweichow Moutai Winery(Group)Baijin Liquor Co., Ltd..	73,294.29
Gui Zhou New Huaxi Glass Co., Ltd	93,938.83
Hotel Management Company Of Moutai Group	70,097.95
Kweichow Moutai (group) International Travel Service Co., Ltd.	56,743.61
Kweichow Zunyi Moutai Airport Co., Ltd.	301,102.66
Guizhou Moutai Distillery (Group) Guiding Jingqi Glass Products Co., Ltd.	213,054.05
Zhongshan Sanrun Printing Consumables Co., Ltd.	39,956.08
Kweichow Moutai Distillery (Group) Sanya Investment Co., Ltd.	44,495.77
Kweichow Moutai Distillery (Group) Foreign Investment Cooperation Management Co., Ltd.	42,584.06
Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.	35,478.66
Kweichow Moutai Distillery Group Changli Winery Co., Ltd.	49,318.35
Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	16,991.11
Kweichow Moutai Distillery (Group) Guiyang Business Co., Ltd.	27,712.60
Moutai & CCB Trust (Guizhou) Investment Fund Management Co., Ltd.	145.76
Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	621,600.89
Moutai Financial Leasing Co., Ltd	18.55
Guizhou Hengdao Danlin Agricultural Technology Development Co., Ltd.	7.02
Moutai & CCB Trust (Guizhou) Investment Fund (Limited Partnership)	2.99



Guizhou Renhuai Renshuai Wine Industry Co., Ltd.	4,220.74
Kweichow Moutai Distillery (Group) Lvsheng Organic Fertilizer Co., Ltd.	69.92
<b>Total</b>	<b>173,897,197.96</b>

**B. Loan business**

√Applicable □N/A

Unit: CNY

Related party	Relation	Loan amount	Interest Rate	Opening balance	Amount for this period		Closing balance
					Total loan amount for the current period	Total repayment amount for the current period	
China Kweichow Moutai Distillery (Group) Co., Ltd.	Parent company	3,500,000,000.00	3.80%	3,000,000,000.00	3,500,000,000.00	3,000,000,000.00	3,500,000,000.00
Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	Other	20,000,000.00	3.80%	18,355,728.00	11,644,272.00	20,000,000.00	10,000,000.00
Chinese-Foreign Venture Dragon And Lion Cap Co., Ltd Zhuhai S.E.Z	Holding subsidiary of parent company	10,000,000.00	4.05%	10,000,000.00		10,000,000.00	
<b>Total</b>	/	<b>3,530,000,000.00</b>	/	<b>3,028,355,728.00</b>	<b>3,511,644,272.00</b>	<b>3,030,000,000.00</b>	<b>3,510,000,000.00</b>

**Interest charged to related parties**

Item	Related party	This reporting period
Loan interest income	China Kweichow Moutai Distillery (Group) Co., Ltd.	109,865,697.45
Loan interest income	Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	647,083.70
Loan interest income	Chinese-Foreign Venture Dragon And Lion Cap Co., Ltd Zhuhai S.E.Z	89,150.94
	<b>Total</b>	<b>110,601,932.09</b>

**C. Credit business or other financial business**

√Applicable □N/A

Unit: CNY

Related party	Relation	Business type	Total amount	Actual amount
Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.	Wholly owned subsidiary of parent company	Entrusted deposit	9,955,184.18	9,955,184.18
Guizhou Hengdao Danlin Agricultural Technology Development Co., Ltd.	Other	Entrusted loans	9,955,184.18	9,955,184.18

**D. Other instructions**

√Applicable □N/A

The Kweichow Moutai Group Finance Company, a controlling subsidiary of the Company, has withdrawn the loans to Guiyang GYB Financial Leasing Co., LTD. at expiration, with recognized interest income of CNY 11.13 million in the current period. Bonds issued by Guiyang GYB Financial Leasing Co., LTD. was subscribed from the open market with cost of CNY 20.00 million, and recognized interest income of CNY 857,900 in the current period. As of the end of the period, the balance of the debt investment impairment provision is CNY 11,300, the accrued interest balance is CNY 153,200, and the carrying amount is CNY 20.14 million.

**13. Significant contracts and their performance****13.1 Trusteeship, contracting and leasing****A. Trusteeship**Applicable N/A**B. Contracting**Applicable N/A**C. Leasing**Applicable N/A**13.2 Major guarantees**Applicable N/A**13.3 Entrusting others to manage cash assets****A. Entrusted assets management****a. Overview of entrusted assets management**Applicable N/A

Other situations

Applicable N/A**b. Principal entrusted assets management**Applicable N/A

Other situations

Applicable N/A**c. Provision for impairment of entrusted assets management**Applicable N/A**B. Entrusted loans****a. Overview of entrusted loans**Applicable N/A**Other situations**Applicable N/A**b. Principal entrusted loans**Applicable N/A**Other situations**Applicable N/A**c. Provision for impairment of entrusted loans**Applicable N/A**C. Other situations**Applicable N/A**13.4 Other significant contracts**Applicable N/A**14. Instruction of other major events that have a significant impact on investors' value judgments and investment decisions**Applicable N/A

## Section VII Changes in Shares and Information about Shareholders

### 1. Changes in share capital

#### 1.1 Changes in shares

##### A. Changes in shares

During the reporting period, there is no change to the total number of shares and share capital structure of the Company.

##### B. Explanation of changes in shares

Applicable N/A

##### C. The impact of changes in shares on financial indicators such as earnings per share and net assets per share in the last year and the latest period (if any)

Applicable N/A

##### D. Other contents deemed necessary by the Company or required by securities regulators to disclose

Applicable N/A

#### 1.2 Changes in restricted shares

Applicable N/A

### 2. Securities issuance and listing

#### 2.1 Issues of securities as of the reporting period

Applicable N/A

Explanation of securities issuance as of the reporting period (for bonds with different interest rates in the duration, please explain separately):

Applicable N/A

#### 2.2 Changes in the Company's total shares and shareholder structure, and changes in the Company's asset and liability structure

Applicable N/A

#### 2.3 Existing employees' shares

Applicable N/A

### 3. Shareholders and actual controllers

#### 3.1 Total number of shareholders

The total number of ordinary shareholders as of the end of the reporting period	153,535
The total number of ordinary shareholders at the end of the previous month before the disclosure date of the annual report	162,591

#### 3.2 Shareholdings of the top ten shareholders and top ten tradable shareholders (or shareholders without restrictions on sales) as of the end of the reporting period

Unit: share

Shareholdings of the top ten shareholders						
Shareholder name (full name)	Increase or decrease during the	Number of shares held at the end of	Prop ortio n (%)	Num ber of	Staking, tokenizing or freezing	Nat ure of

	reporting period	the period		share s held with restri ction s on sales	Share status	Qua ntit y	shar eho lder s
China Kweichow Moutai Distillery (Group) Co., Ltd.		678,291,955	54.00		None		Stat e-o wn lega l pers on
Hong Kong Securities Clearing Company Ltd. (HKSCC)	-14,672,136	89,681,844	7.14		Unkno wn		Un kno wn
Guizhou Provincial State-owned Capital Operation Co., Ltd.	-1,827,151	56,996,777	4.54		Unkno wn		Stat e-o wn lega l pers on
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd. (formerly known as Kweichow Moutai Distillery Group Technology Development Co., Ltd.)		27,812,088	2.21		None		Stat e-o wn lega l pers on
Central Huijin Asset Management Co., Ltd.	-390,196	10,397,104	0.83		Unkno wn		Stat e-o wn lega l pers on
China Securities Finance Corporation Limited	-91	8,039,447	0.64		Unkno wn		Un kno wn
Shenzhen Jinhui Rongsheng Wealth Management Co., Ltd. - Jinhui Rongsheng No. 3 Private Securities Investment Fund	908,400	5,929,350	0.47		Unkno wn		Un kno wn
Bank of China Limited - China Merchants CSI Liquor Index Graded Securities Investment Fund	2,683,033	5,838,354	0.46		Unkno wn		Un kno wn
Zhuhai Ruifeng Huibang Asset Management Co., Ltd. - Ruifeng Huibang No. 3 Private Securities Investment Fund	1,205,785	5,366,717	0.43		Unkno wn		Un kno wn

Industrial and Commercial Bank of China - Shanghai Stock Exchange 50 Exchange-traded Open-end Index Securities Investment Fund	1,596,504	5,335,765	0.42		Unkn wn		Un kno wn
Shareholdings of the top ten shareholders without restrictions on sales							
Shareholder name	The number of tradable shares held without restrictions on sales			Type and quantity of shares			
				Type	Quantity		
China Kweichow Moutai Distillery (Group) Co., Ltd.	678,291,955			ordinar y shares	678,291,955		
Hong Kong Securities Clearing Company Ltd. (HKSCC)	89,681,844			ordinar y shares	89,681,844		
Guizhou Provincial State-owned Capital Operation Co., Ltd.	56,996,777			ordinar y shares	56,996,777		
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd. (Formerly known as Kweichow Moutai Distillery Group Technology Development Co., Ltd.)	27,812,088			ordinar y shares	27,812,088		
Central Huijin Asset Management Co., Ltd.	10,397,104			ordinar y shares	10,397,104		
China Securities Finance Corporation Limited	8,039,447			ordinar y shares	8,039,447		
Shenzhen Jinhui Rongsheng Wealth Management Co., Ltd. - Jinhui Rongsheng No. 3 Private Securities Investment Fund	5,929,350			ordinar y shares	5,929,350		
Bank of China Limited - China Merchants CSI Liquor Index Graded Securities Investment Fund	5,838,354			ordinar y shares	5,838,354		
Zhuhai Ruifeng Huibang Asset Management Co., Ltd. - Ruifeng Huibang No. 3 Private Securities Investment Fund	5,366,717			ordinar y shares	5,366,717		
Industrial and Commercial Bank of China - Shanghai Stock Exchange 50 Exchange-traded Open-end Index Securities Investment Fund	5,335,765			ordinar y shares	5,335,765		
Explanation of the relations or concerted actions of the above shareholders	Among the above shareholders, there are relations between China Kweichow Moutai Distillery (Group) Co., Ltd. and Kweichow Moutai Distillery (Group) Technology Development Co., Ltd. (formerly known as Kweichow Moutai Distillery Group Technology Development Co., Ltd.). In addition, the Company is not aware of the relations among other shareholders and whether they are persons acting in concert.						

Number of shares held by the top ten shareholders with restrictions on sales and restrictions on sales

□Applicable √N/A

### 3.3 Strategic investors or general legal persons become the top 10 shareholders due to placement of new shares

Applicable N/A

#### 4. Controlling shareholders and actual controller

##### 4.1 Controlling shareholder

###### A. Legal person

Applicable N/A

Name	China Kweichow Moutai Distillery (Group) Co., Ltd.
Legal Representative	Ding Xiongjun
Date of establishment	January 24, 1998
Main business	Production and operation of alcoholic products (main business); production technology consulting and services of alcoholic products; production and sales of packaging materials and beverages; catering, accommodation, tourism, logistics and transportation; import and export trade business; Internet industry; real estate development and leasing, parking lot management; education, health; ecological agriculture..
Shareholdings of other domestic and overseas listed companies that controlled and participated in during the reporting period	Holding 0.24% of the shares of Bank of Communications Co., Ltd.; holding 5.16% of the shares of Huachuang Yangan Co., Ltd.; holding 1.45% of the shares of Bank of Guiyang Co., Ltd.; holding 11.55% of the shares of Guizhou Radio and Television Information Network Co., Ltd.; holding 12% of the shares of Bank of Guizhou Co., Ltd.

###### B. Natural person

Applicable N/A

###### C. Special instructions for the fact that the Company does not have controlling shareholders

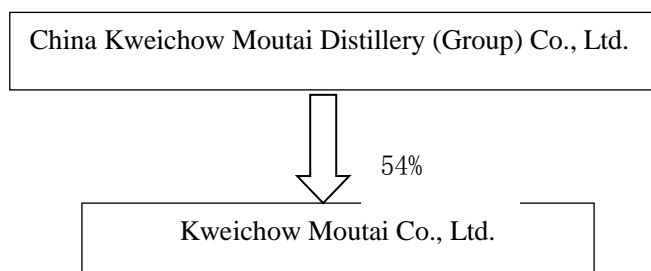
Applicable N/A

###### D. Explanation on changes of controlling shareholders during the reporting period

Applicable N/A

###### E. Block diagram of the property rights and control relationship between the Company and the controlling shareholders

Applicable N/A



##### 4.2 The actual controller

###### A. Legal person

Applicable N/A

Name	State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province
The person in charge or the legal representative of the entity	Xiao Kailin

###### B. Natural persons

Applicable N/A

###### C. Special instructions for the fact that the Company does not have an actual controller

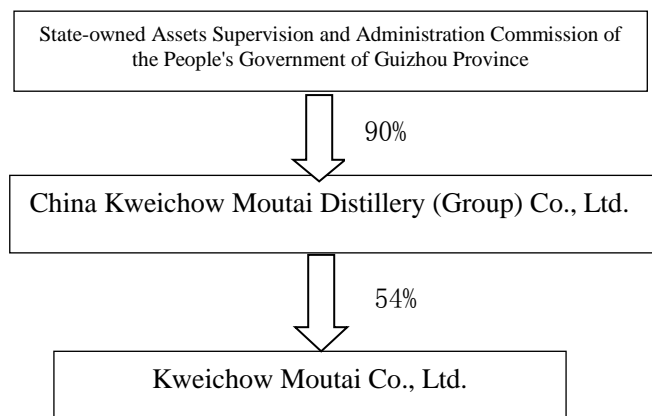
Applicable N/A

**D. Explanation on the change of the Company's control during the reporting period**

Applicable N/A

**E. Block diagram of the property rights and control relationship between the Company and the actual controller**

Applicable N/A

**F. The actual controller controls the Company through trust or other asset management methods**

Applicable N/A

**4.3 Other information about the controlling shareholder and actual controller**

Applicable N/A

**5. The accumulative number of pledged shares of the Company's controlling shareholder or the largest shareholder and its persons acting in concert account for more than 80% of the Company's shares held by them**

Applicable N/A

**6. Other legal person shareholders holding more than 10% of the shares**

Applicable N/A

**7. Explanation of share restriction and reduction**

Applicable N/A

**8. The specific implementation of share repurchase during the reporting period**

Applicable N/A

**Section VIII Preferred Shares**

Applicable N/A

**Section IX Information about Bond****1. Corporate bonds, company bonds and non-financial corporate debt financing instruments**

Applicable N/A

**2. Convertible corporate bonds**

□Applicable √N/A

## Section X Financial Report

### 1. Audit report

√Applicable □N/A

### 2. Financial statements

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2021

Prepared by: Kweichow Moutai Co., Ltd.

Unit: CNY

Item	Notes	December 31, 2021	December 31, 2020
<b>CURRENT ASSETS</b>			
Cash and Cash equivalents	1	51,810,243,607.11	36,091,090,060.90
Settlements Provision			
Loans to banks and other financial institutions	2	135,067,287,778.03	118,199,586,541.06
Financial assets held for trading			
Derivative financial assets			
Notes receivable	3		1,532,728,979.67
Accounts receivable	4		
Financing receivables			
Prepayments	5	389,109,841.28	898,436,259.15
Insurance premium receivable			
Due from reinsurers			
Reinsurance contract reserves receivable			
Other receivables	6	33,158,974.32	34,488,582.19
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under agreements to resell			
Inventories	7	33,394,365,084.83	28,869,087,678.06
Contract assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	8	71,527,560.74	26,736,855.91
Total current assets		220,765,692,846.31	185,652,154,956.94
<b>NON-CURRENT ASSETS</b>			
Loans and advances	9	3,425,175,000.00	2,953,036,834.80
Debt investment	10	170,468,623.71	20,143,397.78
Other debt investments			
Long-term receivables			
Long-term equity investments			
Other equity instruments investments			
Other non-current financial assets	11		9,830,052.91
Investment properties	12	5,242,431.75	
Fixed assets	13	17,472,173,182.85	16,225,082,847.29



Construction in progress	14	2,321,988,541.82	2,447,444,843.03
Productive biological assets			
Oil and gas assets			
Right-of-use asset	15	362,785,970.23	
Intangible assets	16	6,208,358,330.24	4,817,170,981.91
Development expenditures			
Goodwill			
Long-term prepaid expenses	17	139,342,455.82	147,721,526.43
Deferred tax assets	18	2,237,206,443.84	1,123,225,086.37
Other non-current assets	19	2,059,761,333.33	
Total non-current assets		34,402,502,313.59	27,743,655,570.52
Total assets		255,168,195,159.90	213,395,810,527.46
<b>Current liabilities</b>			
Short-term borrowings			
Borrowing from the central bank			
Deposits and balances from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	20	2,009,832,495.56	1,342,267,668.12
Receipts in advance			
Contract liabilities	21	12,718,465,288.02	13,321,549,147.69
Financial assets sold under agreements to buy			
Customer deposits and balances from banks and other financial institutions	22	21,763,575,647.32	14,241,859,949.77
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Payroll and employee benefits payable	23	3,677,845,718.53	2,981,125,503.86
Taxes payable	24	11,979,802,144.01	8,919,821,015.58
Other payables	25	4,124,404,781.29	3,257,245,259.42
Including: Interest payable			
Dividend payable			
Fees and commission payable			
Payable reinsurance			
Liabilities classified as held for sale			
Current portion of non-current liabilities	26	104,319,886.87	
Other current liabilities	27	1,535,976,293.22	1,609,801,368.51
Total current liabilities		57,914,222,254.82	45,673,669,912.95
<b>Non-current liabilities</b>			
Insurance reserves			
Long-term borrowings			
Bonds payable			
Including: Preference share			
Perpetual debt			

Lease liabilities	28	296,466,199.74	
Long-term Payable			
Long-term payroll and employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities	18		1,457,513.23
Other non-current liabilities			
Total non-current liabilities		296,466,199.74	1,457,513.23
Total liabilities		58,210,688,454.56	45,675,127,426.18
<b>SHAREHOLDERS' EQUITY :</b>			
Paid-in capital	29	1,256,197,800.00	1,256,197,800.00
Other equity instruments			
Including: Preference share			
Perpetual debt			
Capital reserve	30	1,374,964,415.72	1,374,964,415.72
Less: treasury shares			
Other comprehensive income	31	-13,017,880.78	-5,331,367.75
Special reserve			
Surplus reserve	32	25,142,832,818.16	20,174,922,608.93
General risk reserve	33	1,061,529,724.00	927,577,822.67
Retained earnings	34	160,716,861,920.19	137,594,403,807.99
Equity attributable to owners of the parent		189,539,368,797.29	161,322,735,087.56
Non-controlling interests		7,418,137,908.05	6,397,948,013.72
Total shareholders' equity		196,957,506,705.34	167,720,683,101.28
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>255,168,195,159.90</b>	<b>213,395,810,527.46</b>

Legal Representative: Ding Xiongjun  
Chief Accountant: Jiang Yan  
Head of Accounting Department: Cai Congying

### COMPANY STATEMENT OF FINANCIAL POSITION

December 31, 2021

Prepared by: Kweichow Moutai Co., Ltd.

Unit: CNY

Item	Notes	December 31, 2021	December 31, 2020
<b>CURRENT ASSETS</b>			
Cash and Cash equivalents		79,115,779,990.88	50,925,698,935.43
Financial assets held for trading			
Derivative financial assets			
Notes receivable			142,286,376.00
Accounts receivable	1	1,480,080,983.77	9,203,780,107.14
Financing receivables			
Prepayments		355,933,658.53	858,363,840.62
Other receivables	2	9,210,501.43	42,323,669.01
Including: Interest receivable			
Dividends receivable			
Inventories		32,424,250,538.15	28,162,833,603.66
Contract assets			

Assets classified as held for sale			
Current portion of non-current assets			
Other current assets		74,711.92	
Total current assets		113,385,330,384.68	89,335,286,531.86
<b>NON-CURRENT ASSETS</b>			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investments	3	1,624,535,587.55	1,624,535,587.55
Other equity instruments investments			
Other non-current financial assets			9,830,052.91
Investment properties			
Fixed assets		16,992,010,693.65	15,742,514,190.13
Construction in progress		2,280,929,738.91	2,447,444,843.03
Productive biological assets			
Oil and gas assets			
Right-of-use asset		249,696,982.21	
Intangible assets		6,207,018,624.16	4,815,945,940.55
Development expenditures			
Goodwill			
Long-term prepaid expenses		137,500,000.25	147,500,000.21
Deferred tax assets		639,335,397.34	521,030,214.32
Other non-current assets		2,059,761,333.33	
Total non-current assets		30,190,788,357.40	25,308,800,828.70
Total assets		143,576,118,742.08	114,644,087,360.56
<b>Current liabilities</b>			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		1,859,402,871.20	1,077,677,482.55
Receipts in advance			
Contract liabilities		142,568.14	557,514,370.46
Payroll and employee benefits payable		3,551,461,301.23	2,846,669,812.23
Taxes payable		6,857,150,756.70	5,032,321,722.08
Other payables		1,374,157,867.96	926,532,063.22
Including: Interest payable			
Dividend payable			
Liabilities classified as held for sale			
Current portion of non-current liabilities		63,501,723.59	
Other current liabilities		18,533.86	
Total current liabilities		13,705,835,622.68	10,440,715,450.54
<b>Non-current liabilities</b>			
Long-term borrowings			

Bonds payable			
Including: Preference share			
Perpetual debt			
Lease liabilities		225,090,785.68	
Long-term Payable			
Long-term payroll and employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities			1,457,513.23
Other non-current liabilities			
Total non-current liabilities		225,090,785.68	1,457,513.23
Total liabilities		13,930,926,408.36	10,442,172,963.77
<b>SHAREHOLDERS' EQUITY :</b>			
Paid-in capital		1,256,197,800.00	1,256,197,800.00
Other equity instruments			
Including: Preference share			
Perpetual debt			
Capital reserve		1,374,303,082.72	1,374,303,082.72
Less: treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve		25,142,832,818.16	20,174,922,608.93
Retained earnings		101,871,858,632.84	81,396,490,905.14
Total shareholders' equity		129,645,192,333.72	104,201,914,396.79
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>143,576,118,742.08</b>	<b>114,644,087,360.56</b>

Legal Representative: Ding Xiongjun  
Chief Accountant: Jiang Yan  
Head of Accounting Department: Cai Congying

### CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

Prepared by: Kweichow Moutai Co., Ltd.

Unit: CNY

Item	Notes	2021	2020
I. Total revenue		109,464,278,563.89	97,993,240,501.21
Including: Operating proceeds	35	106,190,154,843.76	94,915,380,916.72
Interest income	36	3,274,123,720.13	3,077,859,584.49
Net earned premiums			
Net fee and commission revenue	36		
II. Total operating costs		34,776,902,467.47	31,305,130,587.56
Including: Operating costs	35	8,983,377,809.96	8,154,001,476.28
Interest expenses	36	173,897,197.98	111,128,537.31
Fees and commission expenses	36	115,082.12	105,888.96
Surrenders			
Net payments for insurance claims			

Net provision of insurance reserve			
Policyholder dividends			
Reinsurance expenses			
Taxes and surcharges	37	15,304,469,070.03	13,886,517,290.78
Selling expenses	38	2,737,369,434.78	2,547,745,650.95
General and administrative expenses	39	8,450,274,065.03	6,789,844,289.39
R&D expenses	40	61,923,213.59	50,398,036.33
Financial expenses	41	-934,523,406.02	-234,610,582.44
Including: Interest expense		13,529,867.76	
Interest income		944,578,412.02	278,697,733.32
Add: Other income	42	20,515,911.19	13,138,152.69
Investment income/(loss)	43	58,255,937.39	305,631.46
Including: Share of profits or loss of associates and joint ventures			
Gain from derecognition of financial assets measured at amortized cost			
Exchange gains or losses			
Net exposure hedging gains/ (losses)			
Gain/ (loss) on the changes in fair value	44	-2,244,726.29	4,897,994.43
Credit impairment losses	45	-13,022,441.19	-71,371,809.85
Assets impairment losses			
Gain/ (loss) from disposal of assets			
III. Operating profit		74,750,880,777.52	66,635,079,882.38
Add: Non-operating income	46	68,989,219.74	11,051,136.15
Less: Non-Operating costs	47	291,838,102.50	449,189,027.42
IV. Profit/(loss) before tax		74,528,031,894.76	66,196,941,991.11
Less: Income tax expense	48	18,807,501,938.30	16,673,612,108.71
V. Net profit /(loss)		55,720,529,956.46	49,523,329,882.40
(1) Categorized by operation continuity			
1. Net profit from continuing operations		55,720,529,956.46	49,523,329,882.40
2. Net profit from discontinuing operations			
(2) Categorized by ownership			
1. Net profit attributable to owners of the parent		52,460,144,378.16	46,697,285,429.81
2. Net profit attributable to non-controlling interests		3,260,385,578.30	2,826,044,452.59
VI. Other comprehensive income, net of tax	49	-7,686,513.03	1,867,354.04
(1) Other comprehensive income, net of tax, attributable to owners of the parent		-7,686,513.03	1,867,354.04
1. Other comprehensive income that will not be reclassified to profit or loss			
1.1 Remeasurement gains or losses of a defined benefit plan			
1.2 Other comprehensive income using the equity method that will not be reclassified to profit or loss			
1.3 Changes in fair value of other equity instrument investments			
1.4 Changes in fair value of enterprise's own credit risk			
2. Other comprehensive income to be reclassified to profit or loss		-7,686,513.03	1,867,354.04
2.1 Other comprehensive income that can be reclassified to profit or loss in equity method			
2.2 Changes in fair value of other debt investments			

2.3 Amount of financial assets reclassified into other comprehensive income			
2.4 Provision for credit impairment of other debt investments			
2.5 Cash flow hedging reserves			
2.6 Exchange differences on translation of foreign currency financial statements		-7,686,513.03	1,867,354.04
2.7 Others			
(2) Other comprehensive income, net of tax, attributable to non-controlling interests			
VII. Total comprehensive income		55,712,843,443.43	49,525,197,236.44
(1) Total comprehensive income attributable to owners of the parent		52,452,457,865.13	46,699,152,783.85
(2) Total comprehensive income attributable to non-controlling interests		3,260,385,578.30	2,826,044,452.59
VIII. Earnings per share			
(1) Basic earnings per share (CNY / share)		41.76	37.17
(2) Diluted earnings per share (CNY / share)		41.76	37.17

Legal Representative: Ding Xiongjun

Chief Accountant: Jiang Yan

Head of Accounting Department: Cai Congying

### INCOME STATEMENT OF COMPANY

For the year ended 31 December 2021

Prepared by: Kweichow Moutai Co., Ltd.

Unit: CNY

Item	Notes	2021	2020
I. Total revenue	4	37,344,898,964.17	27,474,592,438.64
Less: Total operating costs	4	8,991,912,828.37	7,770,822,451.00
Taxes and surcharges		14,172,007,646.53	12,801,958,138.67
Selling expenses		562,890,060.03	102,662,855.84
Administrative expenses		7,891,014,092.82	5,485,599,325.68
Research and development expenses		61,923,213.59	50,398,036.33
Finance expenses		-1,229,581,298.58	-910,287,572.32
Including: Interest expenses (expressed with positive value)		9,093,212.00	
Interest income (expressed with positive value)		1,228,595,916.86	943,450,751.53
Add: Other income		6,279,409.80	5,371,922.84
Investment income/(loss)	5	44,799,409,723.82	34,474,979,155.43
Including: Share of profits or loss of associates and joint ventures			
Gain from derecognition of financial assets measured at amortized cost			
Net exposure hedging gains/ (losses)			
Gain/ (loss) on the changes in fair value		-2,244,726.29	4,897,994.43
Credit impairment losses		-85,848.47	-1,545,197.60
Assets impairment losses			
Gain/ (loss) from disposal of assets			
II. Operating profit/Loss		51,698,090,980.27	36,657,143,078.54
Add: Non-operating income		51,287,742.20	6,486,699.48
Less: Non-operating costs		265,265,782.93	336,421,577.72
III. Profit/(loss) before tax		51,484,112,939.54	36,327,208,200.30

Less: Income tax expense		1,805,010,847.21	534,972,481.19
IV. Net profit /(loss)		49,679,102,092.33	35,792,235,719.11
(1) Net profit from continuing operations		49,679,102,092.33	35,792,235,719.11
(2) Net profit from discontinuing operations			
V. Other comprehensive income, net of tax			
(1) Other comprehensive income, net of tax			
1. Other comprehensive income that will not be reclassified to profit or loss			
2. Other comprehensive income using the equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of enterprise's own credit risk			
(2) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income that can be reclassified to profit or loss in equity method			
2. Changes in fair value of other debt investments			
3. Change in the fair value of available-for-sale financial assets			
4. Amount of financial assets reclassified into other comprehensive income			
5. Reclassification of held-to-maturity investments as available-for-sale financial assets			
6. Exchange differences on translation of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		49,679,102,092.33	35,792,235,719.11
VII. Earnings per share			
(1) Basic earnings per share (CNY / share)		39.55	28.49
(2) Diluted earnings per share (CNY / share)		39.55	28.49

Legal Representative: Ding Xiongjun  
Chief Accountant: Jiang Yan  
Head of Accounting Department: Cai Congying

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

Prepared by: Kweichow Moutai Co., Ltd.

Unit: CNY

Item	Notes	2021	2020
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from the sale of goods and the rendering of services		119,320,536,796.65	107,024,384,560.17
Net increase in customer bank deposits and due to banks and other financial institutions		7,511,166,145.93	3,189,100,199.87
Net increase in loans from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash premiums received on original insurance contracts			
Net cash received from re-insurance business			
Net increase in deposits and investments from			

insurers			
Cash received from interest, fees and commission		3,145,747,032.91	3,075,945,383.34
Net increase in funds deposit			
Net increase in repurchase business funds			
Net income from securities trading brokerage business			
Tax refunds received			
Cash received relating to other operating activities	50 (1)	1,643,536,862.48	221,421,226.63
Sub-total of cash inflows		131,620,986,837.97	113,510,851,370.01
Cash paid for purchase of goods and services		7,745,959,630.90	7,230,646,129.19
Net increase in loans and payments on behalf of customers		484,244,272.00	2,978,755,728.00
Net increase in deposits with central bank and other financial institutions		559,089,326.28	-2,506,406,682.56
Payments for claims for original insurance contracts			
Net increase in funds lent		-400,000,000.00	200,000,000.00
Cash paid for interest, fees and commission		163,462,728.48	107,241,768.26
Commissions on insurance policies paid			
Cash paid to and on behalf of employee		10,061,366,201.66	8,161,813,197.26
Cash paid for taxes		44,609,684,025.28	41,622,706,350.37
Cash paid relating to other operating activities	50 (2)	4,368,504,506.00	4,047,026,186.46
Sub-total of cash outflows		67,592,310,690.60	61,841,782,676.98
Net cash flows from operating activities		64,028,676,147.37	51,669,068,693.03
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash received from disposal of investments		6,079,930.68	314,906,521.48
Cash received from investment income		860,000.00	
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets		2,463,474.29	495,904.85
Cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities	50 (3)	9,983,452.63	6,675,319.03
Sub-total of cash inflows		19,386,857.60	322,077,745.36
Purchase of property, plant and equipment, intangible assets and other non-current assets		3,408,784,532.01	2,089,769,498.78
Cash paid for investments		2,150,000,000.00	20,000,000.00
Net increase in secured loans			
Net cash paid for acquisition of a subsidiary and other operating units			
Cash paid relating to other investing activities	50 (4)	23,048,029.93	17,535,402.30
Sub-total of cash outflows		5,581,832,561.94	2,127,304,901.08
Net cash flows from investing activities		-5,562,445,704.34	-1,805,227,155.72
<b>III. Cash flows from financing activities</b>			
Cash received from investment			
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries			
Proceeds from borrowings			
Cash receipts relating to other financing activities			
Subtotal of cash inflows			
Repayments for debts			
Cash payments for distribution of dividends or		26,476,019,839.37	24,091,029,750.51



profit and interest expenses			
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		2,240,195,683.97	2,704,262,179.11
Cash payments relating to other financing activities	50 (5)	88,121,549.59	36,507,157.75
Subtotal of cash outflows		26,564,141,388.96	24,127,536,908.26
Net cash flows from financing activities		-26,564,141,388.96	-24,127,536,908.26
<b>IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		-2,026,542.60	380,639.36
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		31,900,062,511.47	25,736,685,268.41
Add: Cash and cash equivalents at beginning of year		146,740,524,868.05	121,003,839,599.64
<b>VI. CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		178,640,587,379.52	146,740,524,868.05

Legal Representative: Ding Xiongjun  
Chief Accountant: Jiang Yan  
Head of Accounting Department: Cai Congying

### COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

Prepared by: Kweichow Moutai Co., Ltd.

Unit: CNY

Item	No tes	2021	2020
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from the sale of goods and the rendering of services		48,582,727,792.21	29,748,943,961.12
Tax refunds received			
Cash received relating to other operating activities		1,330,181,729.83	669,399,842.28
Sub-total of cash inflows		49,912,909,522.04	30,418,343,803.40
Cash paid for purchase of goods and services		7,730,438,800.94	7,196,881,556.42
Cash paid to and on behalf of employee		9,421,372,112.36	7,615,738,706.94
Cash paid for taxes		17,808,661,856.89	16,700,898,450.93
Cash paid relating to other operating activities		2,170,307,857.51	948,160,346.44
Sub-total of cash outflows		37,130,780,627.70	32,461,679,060.73
Net cash flows from operating activities		12,782,128,894.34	-2,043,335,257.33
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash received from disposal of investments		6,079,930.68	314,906,521.48
Cash received from investment income		44,741,153,786.43	34,940,030,979.52
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets		2,453,676.06	
Cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities		9,983,452.63	6,675,319.03
Sub-total of cash inflows		44,759,670,845.80	35,261,612,820.03
Purchase of property, plant and equipment, intangible assets and other non-current assets		3,349,912,221.23	2,081,844,620.34
Cash paid for investments		2,000,000,000.00	4,507,157.75
Cash Paid for disposal of subsidiaries and other business units			
Cash paid relating to other investing activities		23,048,029.93	17,535,402.30
Sub-total of cash outflows		5,372,960,251.16	2,103,887,180.39

Net cash flows from investing activities		39,386,710,594.64	33,157,725,639.64
<b>III. Cash flows from financing activities</b>			
Cash received from investment			
Proceeds from borrowings			
Cash receipts relating to other financing activities			
Subtotal of cash inflows			
Repayments for debts			
Cash payments for distribution of dividends or profit and interest expenses		24,235,824,155.40	21,386,767,571.40
Cash payments relating to other financing activities		53,056,483.06	
Subtotal of cash outflows		24,288,880,638.46	21,386,767,571.40
Net cash flows from financing activities		-24,288,880,638.46	-21,386,767,571.40
<b>IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		27,879,958,850.52	9,727,622,810.91
Add: Cash and cash equivalents at beginning of year		50,053,974,421.28	40,326,351,610.37
<b>VI. CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		77,933,933,271.80	50,053,974,421.28

Legal Representative: Ding Xiongjun

Chief Accountant: Jiang Yan

Head of Accounting Department: Cai Congying

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

Prepared by: Kweichow Moutai Co., Ltd.

Unit: CNY

Item	2021													Non-controlling interests	Total shareholders' equity
	Equity attributable to owners of the parent														
	Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
preference share		Perpetual debt	Others												
1. Balance at the end of previous year	1,256,197,800.00				1,374,964,415.72		-5,331,367.75		20,174,922,608.93	927,577,822.67	137,594,403,807.99		161,322,735,087.56	6,397,948,013.72	167,720,683,101.28
Add: changes in accounting policies															
Corrections of prior period errors															
Business combination under common control															
Others															
2. Balance at the beginning of the year	1,256,197,800.00				1,374,964,415.72		-5,331,367.75		20,174,922,608.93	927,577,822.67	137,594,403,807.99		161,322,735,087.56	6,397,948,013.72	167,720,683,101.28
3. Increase/(decrease) during the period							-7,686,513.03		4,967,910,209.23	133,951,901.33	23,122,458,112.20		28,216,633,709.73	1,020,189,894.33	29,236,823,604.06
(1) Total comprehensive income							-7,686,513.03				52,460,144,378.16		52,452,457,865.13	3,260,385,578.30	55,712,843,443.43
(2) Shareholders' contributions and reduction															
(i) Shareholders' contributions in ordinary share															
(ii) Other equity instruments															



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(ii) Utilisation																		
(6) Others																		
4. Balance at the end of the period	1,256,197,800.00				1,374,964,415.72		-13,017,880.78		25,142,832,818.16	1,061,529,724.00	160,716,861,920.19		189,539,368,797.29	7,418,137,908.05	196,957,506,705.34			

Item	2020											
	Equity attributable to owners of the parent											
	Share capital	Other equity instruments			Capital reserve	Share capital	Other equity instruments	Capital reserve	Share capital	Other equity instruments	Capital reserve	Share capital
preference share		Perpetual debt	Others									
1. Balance at the end of previous year	1,256,197,800.00				1,374,964,415.72		-7,198,721.79		16,595,699,037.02	898,349,936.77	115,892,337,407.39	
Add: changes in accounting policies												
Corrections of prior period errors												
Business combination under common control												
Others												
2. Balance at the beginning of the year	1,256,197,800.00				1,374,964,415.72		-7,198,721.79		16,595,699,037.02	898,349,936.77	115,892,337,407.39	
3. Increase/(decrease) during the period							1,867,354.04		3,579,223,571.91	29,227,885.90	21,702,066,400.60	
(1) Total comprehensive income							1,867,354.04				46,697,285,429.81	
(2) Shareholders' contributions and reduction												
(i) Shareholders' contributions in ordinary share												
(ii) Other equity instruments contributions												
(iii) Amount of share-based payments recognized in equity												
(iv) Others												
(3) Profit distribution									3,579,223,571.91	29,227,885.90	-24,995,219,029.21	
(i) Transfer to surplus reserve									3,579,223,571.91		-3,579,223,571.91	
(ii) Transfer to general reserve										29,227,885.90	-29,227,885.90	
(iii) Distribution to shareholders											-21,386,767.571.40	
(iv) Others												
(4) Transfer within equity												
(i) Capital reserves converted to share capital												
(ii) Surplus reserves converted to share capital												
(iii) Loss made up by surplus reserves												
(iv) Changes in the defined												

benefit plan transferred to retained earnings												
(v) Other comprehensive income transferred to retained earnings												
(vi) Others												
(5) Special reserve												
(i) Additions												
(ii) Utilisation												
(6) Others												
4. Balance at the end of the period	1,256,197,800.00				1,374,964,415.72		-5,331,367.75		20,174,922,608.93	927,577,822.67	137,594,403.807.99	

Legal Representative: Ding Xiongjun  
Chief Accountant: Jiang Yan  
Head of Accounting Department: Cai Congying

### COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

Prepared by: Kweichow Moutai Co., Ltd.

Unit: CNY

Item	2021										
	Share capital	Other equity instruments			Capital reserve	Less : treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
1. Balance at the end of previous year	1,256,197,800.00				1,374,303,082.72				20,174,922,608.93	81,396,490,905.14	104,201,914,396.79
Add: changes in accounting policies											
Corrections of prior period errors											
Others											
2. Balance at the beginning of the year	1,256,197,800.00				1,374,303,082.72				20,174,922,608.93	81,396,490,905.14	104,201,914,396.79
3. Increase/(decrease) during the period									4,967,910,209.23	20,475,367,727.70	25,443,277,936.93
(1) Total comprehensive income										49,679,102,092.33	49,679,102,092.33
(2) Shareholders' contributions and reduction											
(i) Shareholders' contributions in ordinary share											
(ii) Other equity instruments contributions											



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1. Balance at the end of previous year	1,256,197,800.00				1,374,303,082.72				16,595,699,037.02	70,570,246,329.34	89,796,446,249.08
Add: changes in accounting policies											
Corrections of prior period errors											
Others											
2. Balance at the beginning of the year	1,256,197,800.00				1,374,303,082.72				16,595,699,037.02	70,570,246,329.34	89,796,446,249.08
3. Increase/(decrease) during the period									3,579,223,571.91	10,826,244,575.80	14,405,468,147.71
(1) Total comprehensive income										35,792,235,719.11	35,792,235,719.11
(2) Shareholders' contributions and reduction											
(i) Shareholders' contributions in ordinary share											
(ii) Other equity instruments contributions											
(iii) Amount of share-based payments recognized in equity											
(iv) Others											
(3) Profit distribution									3,579,223,571.91	-24,965,991,143.31	-21,386,767,571.40
(i) Transfer to surplus reserve									3,579,223,571.91	-3,579,223,571.91	
(ii) Distribution to shareholders										-21,386,767,571.40	-21,386,767,571.40
(iii) Others											
(4) Transfer within equity											
(i) Capital reserves converted to share capital											
(ii) Surplus reserves converted to share capital											
(iii) Loss made up by surplus reserves											
(iv) Changes											



in the defined benefit plan transferred to retained earnings											
(v) Other comprehensive income transferred to retained earnings											
(vi) Others											
(5). Special reserve											
(i). Additions											
(ii). Utilisation											
(6) Others											
4. Balance at the end of the period	1,256,197,800.00				1,374,303,082.72				20,174,922,608.93	81,396,490,905.14	104,201,914,396.79

Legal Representative: Ding Xiongjun

Chief Accountant: Jiang Yan

Head of Accounting Department: Cai Congying

### 3. Company Profile

#### 3.1 Company Overview

√applicable   □Non-applicable

Kweichow Moutai Co., Ltd. is established after being approved by Guizhou Provincial People's Government in its document of (1999) No. 291, Reply on Approving the Establishment of Kweichow Moutai Co., Ltd.. As an incorporated company, its main promoter is China Kweichow Moutai Distillery (Group) Co., Ltd., with Kweichow Moutai Distillery (Group) Technology Development Co., Ltd., Guizhou Textile Collective Industry Association, Research Institute of Tsinghua University in Shenzhen, China National Research Institute of Food and Fermentation Industries, Beijing Sugar Tobacco & Wine Group Co., Ltd., Jiangsu CANDY & WINE & TOBACCO Parent Co., Shanghai Jieqiang Tobacco Sugar & Wine (Group) Co., Ltd. as co-founders.

The company was established on November 20, 1999. Its registered capital at its establishment was CNY 185 million. After being approved by CSRC with the document of [2001] No.41 and Ministry of Finance with the document of [2001] No. 56, the corporation publicly offered 71,500,000 A shares (including 6,500,000 state-owned shares) at Shanghai Stock Exchange on July 31, 2001, marking a total capital of its shares at 250,000,000 shares. On August 20, 2001, the corporation completed registration for alternation of registered capital from Administration for Industry & Commerce of Guizhou Province.

According to the plan of profit distribution and converting capital reserves into share capital audited and approved by the 2001 Annual General Meeting, the corporation set the total share capital at the end of 2001- 250,000,000 shares as the baseline, and distributed dividends (CNY 6 every 10 shares, tax inclusive) to all shareholders, and converted capital reserves into increased share capital at a 10:1 ratio, totally increasing 25,000,000 shares. After this profit distribution, the total capital share increased from 250,000,000 shares to 275,000,000 shares. On February 13, 2003, the corporation completed registration for alternation of registered capital from Administration for Industry & Commerce of Guizhou Province.

According to the plan of profit distribution audited and approved by the 2002 Annual General Meeting, the corporation set the total share capital at the end of 2002- 275,000,000 shares as the baseline, and distributed dividends (CNY 2 every 10 shares, tax inclusive) to all shareholders. With the same baseline, the corporation distributed bonus shares (1 bonus share every 10 share) to all shareholders. After this profit distribution, the total capital share increased from 275,000,000 shares to 302,500,000 shares. On June 10, 2004, the corporation completed registration for alternation of registered capital from Administration for Industry & Commerce of Guizhou Province.

According to the plan of profit distribution and converting capital reserves into share capital audited and approved by the 2003 Annual General Meeting, the corporation set the total share capital at the end of 2003- 302,500,000 shares as the baseline, and distributed dividends (CNY 3 every 10 shares, tax inclusive) to all shareholders, and converted capital reserves into increased share capital at a 10:3 ratio. After this profit distribution, the total capital share increased from 302,500,000 shares to 393,250,000 shares. On June 24, 2005, the corporation completed registration for alternation of registered capital from Administration for Industry & Commerce of Guizhou Province.

According to the plan of profit distribution and converting capital reserves into share capital audited and approved by the 2004 Annual General Meeting, the corporation set the total share capital at the end of 2004- 393,250,000 shares as the baseline, and distributed dividends (CNY 5 every 10 shares, tax inclusive) to all shareholders, and converted capital reserves into increased share capital at a 10:2 ratio. After this profit distribution, the total capital share increased from 393,250,000 shares to 471,900,000 shares. On January 11, 2006, the corporation completed registration for alternation of registered capital from Administration for Industry & Commerce of Guizhou Province.

According to the *Reform Plan of Equity Division of Kweichow Moutai Co., Ltd. (Revised Version)* audited and approved by the second provisional General Meeting and the Meeting of relevant shareholders, the corporation set the total share capital at the end of 2005- 471,900,000 shares as the

baseline, and converted every 10 capital reserves into 10 increased share capital. After this profit distribution, the total capital share increased from 471,900,000 shares to 943,800,000 shares. On November 17, 2006, the corporation completed registration for alternation of registered capital from Administration for Industry & Commerce of Guizhou Province.

According to the 2010 annual plan for profit distribution audited and approved by the 2010 Annual General Meeting, the corporation set the total share capital at the end of 2010- 943,800,000 shares as the baseline, and distributed dividends (CNY 23 every 10 shares, tax inclusive) and bonus share (1 bonus share for every 10 shares) to all shareholders. After this profit distribution, the total capital share increased from 943,800,000 shares to 1,038,180,000 shares. On October 27, 2011, the corporation completed registration for alternation of registered capital from Administration for Industry & Commerce of Guizhou Province.

According to the 2013 annual plan for profit distribution audited and approved by the 2013 Annual General Meeting, the corporation set the total share capital at the end of 2013- 1,038,180,000 shares as the baseline, and distributed dividends (CNY 43.74 every 10 shares, tax inclusive) and bonus share (1 share every 10 shares) to all shareholders. After this profit distribution, the total capital share increased from 1,038,180,000 shares to 1,141,998,000 shares. On August 5, 2014, the corporation completed registration for alternation of registered capital from Administration for Industry & Commerce of Guizhou Province.

According to the 2014 annual plan for profit distribution audited and approved by the 2014 Annual General Meeting, the corporation set the total share capital at the end of 2014- 1,141,998,000 shares as the baseline, and distributed dividends (CNY 43.74 every 10 shares, tax inclusive) and bonus share (1 share every 10 shares) to all shareholders. After this profit distribution, the total capital share increased from 1,141,998,000 shares to 1,256,197,800 shares. On October 29, 2015, the corporation completed registration for alternation of registered capital from Administration for Industry & Commerce of Guizhou Province.

The corporate's business scope includes: production and marketing of Moutai wine and wines of series, production and marking of beverage, food and package materials, the development of anti-counterfeit technology and the research and development of IT-related products, the service of management of hotel, housing, catering, entertainment, bath and parking lot, and vehicle transporting (dangerous chemicals not included) and maintenance.

### **3.2 Scope of consolidated financial statements**

applicable Non-applicable

This year, eight subsidiaries were included in the consolidated financial statement, including Guizhou Moutai Chiew Import And Export Co., Ltd., Guizhou Xijiu Sales Co., Ltd., Kweichow Moutai Group Finance Co., Ltd., Moutai Custom Marketing (Guizhou) Co., Ltd., Beijing Friendship Messenger Trading Co., Ltd., Kweichow Moutai Paris Trading, Guizhou Laymau Wine Industry Co., Ltd. and Kweichow Moutai-Flavor Liquor Marketing Co., Ltd.

## **4. Basis of preparation of financial statements**

### **4.1 Basis of preparation of financial statements**

The company has prepared its financial statements on a going concern basis.

### **4.2 Going concern**

applicable non-applicable

Since the date of this report, there are no events resulting in significant uncertainties over going concern of the operation of this company for at least 12 months.

## **5. Significant accounting policies and accounting estimates**

Specific accounting policies and accounting estimates:

applicable non-applicable

**5.1 Statement of compliance with accounting standards for business enterprises**

The financial statements have been prepared in accordance with the requirements of accounting standards for business enterprises, which truly and completely reflect the Company's financial status, operating results, changes in shareholders' equity, cash flow and other relevant information.

**5.2 Accounting period**

The accounting year of the Company is from 1 January to 31 December.

**5.3 Operating cycle**

applicable non-applicable

The Company sets 12 months as an operating cycle.

**5.4 Reporting Currency**

The Company's functional currency is CNY.

**5.5 Accounting treatments of "Business combination involving entities under common control" and "Business combination involving entities not under common control"**

applicable non-applicable

**(1) Business combination involving entities under common control**

For business combination involving entities under common control, assets and liabilities obtained by the combining party through business combination shall be measured at the book value of the combined company at the combination date. The capital reserve (stock premium or capital premium) is adjusted according to the difference between the book value of net asset acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the capital reserve (stock premium or capital premium) is insufficient to offset, the retained earnings shall be adjusted.

**(2) Business combination not under common control**

For business combination involving entities not under common control, the combination cost is calculated at fair value of the assets, liabilities incurred or assumed and the equity securities issued by the combining party on combination date in the purpose of gaining the combined party's control. For business combination involving entities not under common control that are achieved step by step in multiple exchanges and transactions, different approaches in accounting treatment are adopted for individual financial statements and combination financial statements as follows.

A. For individual financial statements, the initial investment cost of the investment is calculated as the sum of the book value of the combined party's equity investment held by the combining party before the combination date and the increased investment cost on the combination date. If the combined party's equity held by the combining party entails other comprehensive profits, then the profits (e.g. the part of the difference of fair value of saleable financial assets that is calculated in capital reserves, the same for the follows) shall be calculated as the investment profits of the current period.

B. For combination financial statements, the combined party's equity held by the combining party before the combination date shall be recalculated in fair value of the equity on combination date. The margin of its fair value and book value shall be calculated into the investment profits of the current period. If the combined party's equity held by the combining party entails other comprehensive profits, then the profits shall be calculated as the investment profits of the current period of the combination date. Fees, commissions, and other transaction expenses and other relevant administration expense paid for combination shall be calculated into current profits or losses as they occur. Transaction fees of equity securities and debt securities paid by the combining party for combination consideration shall be included in the initial measurement amount of equity or debt securities. The Company shall recognize the difference of the combination costs in excess of the fair value of the net identifiable asset acquired from the acquiree through combination as goodwill. After the review, if the combination costs are still in short of the fair value of the net identifiable asset acquired from the acquiree through combination, include the difference in the current profits or losses.

**5.6 Base of consolidated financial statements**

applicable non-applicable

The combination financial statements of the Company comply with ‘Norms for Enterprise Accounting No.33- Combination Financial Statements’ and relevant regulations. At combination, all major internal transactions and businesses within combination range have been offset. The subsidiary’s shareholder’s equity that is not owned by the parent company shall be listed individually in the shareholder’s equity item in the combination financial statements as minor shareholder equity. When composing combination financial statements, necessary adjustments shall be made according to the Company’s accounting policies and accounting period if the accounting policies and accounting period of the subsidiary corporation is different from those of the Company. For subsidiary corporations acquired by combination under common control, their operating results and cash flow shall be included in the financial statement in the current period. Adjustments shall be made in relevant projects in the last year’s financial statements. The statement entity formed after the combination remains since the ultimate controlling part takes control. For subsidiary corporations acquired by combination not under common control, their operating results and cash flow shall be included in the financial statement since the Company takes control.

**5.7 Cash and cash equivalents**

Cash equivalents include Cash on hand, Bank balances, other monetary funds, provision at central bank retrievable at any time, deposits with other banks, placements with banks, buying securities and return sale within the same industry and other investments featuring short investment period (generally due within three months since purchase), high mobility, easy convertibility to cash with known amount and low risk of value change.

**5.8 Foreign operations and foreign currency translation**

applicable non-applicable

**(1) Foreign currency operations**

The amount in the foreign currency shall be translated into CNY currency according to the middle rate of exchange rate in foreign currency market on the day of transaction. At the end of the period, the balance of monetary foreign currency account shall be translated into CNY currency according to the middle rate of exchange rate at the end of the period. The difference between the translated CNY balance and the original book balance shall be calculated as exchange gains or lost, and recorded into items like ‘finance expense’ and ‘construction in progress’. For non-monetary foreign currency projects calculated with historical cost, the spot exchange rate on transaction day is employed, and the amount of reporting currency stay unchanged.

**(2) Foreign currency translation**

Assets and liabilities in the balance sheets shall be translated at the spot exchange rates on balance sheet date. Shareholders’ equity items, except for the item of “undistributed profits”, are translated at the spot exchange rates on the dates when the transactions occur. Revenue and expense items in the income statement are translated at the spot exchange rates on the dates when the transactions occur or at the exchange rate determined in a systematical and reasonable method and similar to the spot exchange rate on the day when the transactions occur. Differences arising from the above translations of foreign currency financial statements are separately listed under other comprehensive income in the consolidated balance sheet. Cash flow projects operated overseas shall be translated at approximate exchange rate of spot rate on the date of cash flow. The amount of cash affected by fluctuations of exchange rate shall be separately listed in the table of cash flow.

**5.9 Financial instruments**

applicable non-applicable

**(1) Recognition and derecognition of financial instruments**

When the Company becomes a party to a financial instrument contract, the related financial asset or financial liability should be recognized. Transaction of financial assets by regular means shall be recognized and derecognized according to accounting on transaction date. Regular means refers to gaining or giving financial assets within the time period designated by law or regulations according to contract items. Transaction date refers to the date that the Company promises to purchase or sell financial assets.

Derecognition of financial assets (or part of financial assets) shall be conducted- written off from the account and asset liability list, if it meets following conditions: A. expiration of the right to acquire cash flow of financial assets; B. Transfer of the right to obtain cash flow of financial assets, and (a) substantively transferring almost all risks and rewards of the possession of financial assets, or (b) though substantively neither transferring nor retaining almost all risks and rewards of the possession of financial assets, relinquishing the control over the financial assets.

## **(2) Classification and measurement of financial assets**

Based on the business model of financial asset management and the contract cash flow characteristics of financial assets, the Company classifies financial assets into: financial assets measured at amortized cost; financial assets measured at fair value with their changes included into other comprehensive income; and financial assets measured at fair value with their changes included into current profits/losses. The following measurement of financial assets depends on its classification.

### **A. Financial assets measured at amortized cost**

The business model in which the Company manages financial assets measured at amortized cost aims to receive contract cash flow. Furthermore, the characteristics of the contract cash flow of such financial assets are consistent with basic borrowing and lending arrangements, which means that cash flow generated on a specific date serves only as payment for principal and interests based on the amount of unpaid principal. The Company adopts the effective interest method for such financial interests, performs subsequent measurement of them at amortized cost, and includes the gains or losses from derecognition, changes or impairment of them into current profits/losses.

### **B. Financial assets at fair value at fair value through other comprehensive income**

The financial assets that meet the following conditions are of this category: The business model in which the Company manages such financial assets both aims to receive contract cash flow and for the purpose of sale; furthermore, the characteristics of the contract cash flow of such financial assets are consistent with basic borrowing and lending arrangements. The Company measure such financial assets at fair value and include their changes into other comprehensive income, but record impairment losses or gains, exchange gains or losses and interest income calculated in the effective interest method into current profits/losses.

### **C. Equity instrument investments at fair value at fair value through other comprehensive income**

The Company irrevocably chooses to designate part of non-transactional equity instrument investments as financial assets calculated with fair value whose changes are included in other comprehensive income, and only relevant dividend income is calculated into current profits or losses. Changes in fair value are recognized as other comprehensive income. When the financial asset is derecognized, cumulative gains or losses should be transferred into retained earnings.

### **D. Financial assets at fair value at fair value through current profits/losses**

For financial assets other than the above financial assets measured at amortized cost and financial assets measured at fair value with their changes included into other comprehensive income, the Company classifies them as financial assets measured at fair value with their changes included into current profits/losses. In addition, at the initial recognition, the Company specifies partial financial assets as financial assets measured at fair value with their changes included into current profits/losses, in order to eliminate or substantially reduce accounting mismatch. For such financial assets, the Company performs subsequent measurement using fair value and records changes in the fair value into current profits/losses.

When and only when the Company changes its business mode for management of financial assets, will be influenced relevant financial assets be reclassified. For financial assets measured at fair value with their changes included into current profits/losses, relevant transaction fees are calculated into current profits or losses; while for other financial assets, relevant transaction fees are included into the initial recognition amount.

### **(3) Classification and measurement of financial liabilities**

At their initial recognition, financial liabilities are divided into financial liabilities measured at amortized cost and financial liabilities measured at fair value with their changes included into current profits or losses.

Financial liabilities meeting the following conditions are specified as financial liabilities measured at fair value with their changes included into current profits or losses at initial measurement: (A) The specification can eliminate or notably reduce account mismatch; (B) Based on risk management or investment strategy from official documents, management and business evaluation are conducted on financial liability combination or financial asset and financial liability combination on the basis of fair value, which are reported to key management personnel inside the company; (C) The financial liabilities include embedded derivatives that need to be separated.

The Company recognize the classification of financial liabilities at initial recognition. For financial liabilities measured at fair value with their changes included into current profits or losses, relevant transaction fees are calculated into current profits or losses; while for other financial liabilities, relevant transaction fees are included into the initial recognition amount.

The subsequent measurement of financial liabilities depends on its classification:

#### **A. Financial liabilities measured at amortized cost**

For financial liabilities of this category, effective interest rate is adopted, and subsequent measurement is performed at amortized cost.

#### **B. Financial liabilities measured at fair value with their changes included into current profits or losses**

Financial liabilities measured at fair value with their changes included into current profits/losses include trading financial liabilities (including derivatives classified as financial liabilities) and the financial liabilities specified to be measured at fair value with their changes included into current profits/losses at the initial recognition.

### **(4) Offsetting of financial instruments**

Financial assets and financial liabilities meeting the following conditions simultaneously shall be listed in balance sheet in their net amounts after manual offset: The Company has the legal right to offset recognized financial assets and financial liabilities and may execute the legal right currently and simultaneously; The Company plans to settle or simultaneously encash the financial assets in net amounts and pay off the financial liabilities.

### **(5) Impairment of financial assets**

For financial assets measured at amortized cost and debt instrument investment measured at fair value with its changes included into other comprehensive income, the Company recognizes the provision for loss based on the expected credit loss.

When assessing expected credit loss, the Company considers reasonable and well-founded information on past matters, present conditions and forecast of future economic conditions, sets the risk of default as

the weight, and calculates the weighted amount of the difference of present value between the cash flow according to the contract and the cash flow expected to be gained in practice.

On each balance sheet date, the Company calculates expected credit loss for financial instruments at different stages. If the credit risk of financial instrument hasn't substantially increased since the initial recognition, then it is in the first stage, and the Company will measure the loss provision at the amount equivalent to the expected credit loss for the next 12 months. If the credit risk has substantially increased since the initial recognition without credit impairment, then the financial instrument is in the second stage, and the Company will measure the loss provision at the amount equivalent to the expected credit loss for the entire duration. If credit impairment has occurred since the initial recognition, then the financial instrument is in the third stage, and the Company will measure the loss provision by the amount equivalent to the expected credit loss for the entire duration.

For financial instruments featuring relatively low credit risk on asset balance date, the Company assumes no substantial increase of credit risk since the initial recognition, and will measure the loss provision at the amount equivalent to the expected credit loss for the next 12 months.

For financial instruments that are in the first stage or second stage, or featuring relatively low credit risk, the Company will calculate the interest income according to the book balance and the effective interest rate without deducting provision. For financial instruments that are in the third stage, the Company will calculate the interest income according to the amortization cost and the effective interest rate, deducting provision from the book balance.

For notes receivable and accounts receivable formed in daily operations like sale of product and provision of labor, regardless of substantial financing component, the Company will measure the loss provision by the amount equivalent to the expected credit loss for the entire duration

When the information about the expected credit loss of a single financial asset cannot be evaluated at a reasonable cost, the Company shall divide the accounts receivables portfolio according to credit risk characteristics and measure the expected credit loss based on portfolios. The foundation to determine portfolio and provision means are as follow:

Bank acceptances portfolios	Bank acceptances
Accounts receivable portfolios	Accounts receivable of related party within range of merge
Other accounts retrievable portfolios	Other accounts retrievable with lower credit risk (e.g. advances to employees, deposit, security fund)
Other accounts retrievable portfolios	Other accounts retrievable of related party within range of merge
Other portfolios	Other accounts apart from above portfolios

For accounts retrievable divided as portfolio and accounts retrievable formed in daily operations like sale of product and provision of labor, the Company calculates the expected credit loss through the comparative table of accounts retrievable and accounts retrievable age and the expected credit loss rate over the entire duration based on the current situation and prediction of future economic situation consulting historical credit loss experience. For other notes retrievable and accounts retrievable classified as portfolio, the company will calculate the expected credit loss through the exposure at default and expected credit loss rate for the following 12 months or over the entire duration based on the current situation and prediction of future economic situation consulting historical credit loss experience.

The Company calculates provision withdrawn or reversed into profits/ losses of the current period. For liability instruments in fair value whose changes are included in other comprehensive profits, the Company calculates impairment losses or income into profits/ losses of the current period, while adjusting other comprehensive profits.

## **(6) Transfer of financial assets**



If almost all the risks and rewards in respect of the ownership of the financial asset are transferred, the financial asset shall be derecognized; if they are retained, the financial asset shall not be derecognized.

If almost all the risks and rewards in respect of the ownership of the financial asset are neither transferred nor retained, the Company will conduct further evaluation: If the enterprise does not retain control over the asset, then its financial assets shall be derecognized, and the rights and obligations produced or retained during transfer shall be separately recognized as assets or liabilities. If the enterprise retains control over the asset, then relevant financial assets shall be recognized according to the degree to which it continues to be involved in the transferred financial assets, and relevant liabilities shall be recognized.

If the enterprise continues to involve itself by obligation of guarantee for transferred financial assets, then the lower one of the book value and guarantee amount of financial assets on transfer date shall be selected and recognized as the transferred financial assets. The relevant liabilities are determined as the sum of guarantee amount and fair value of guarantee contract (usually the consideration received from obligation of guarantee). The guarantee amount refers to the highest amount repayable among the considerations an enterprise receives.

### 5.10 Inventory

applicable N/A

#### (1) Classification of inventory

Inventories are classified as: raw materials, semi-finished goods, goods in progress, finished goods, and revolving materials.

#### (2) Measurement method of dispatched inventories

The planned cost is used for daily accounting of raw materials, and the difference of material cost should be carried forward on a monthly basis to adjust the dispatch cost into the actual cost. The semi-finished goods and finished goods shall be accounted according to the actual cost, and the moving weighted average method shall be used in accounting for costs of sales.

#### (3) Basis to determine net realizable values of inventories and method of write-down of inventories

At the end of the period, inventory is measured according to the lower of cost and net realizable value. The difference between cost of one inventory and net realizable value is higher than the write-down of inventories.

#### (4) Inventory system

The Company adopts perpetual inventory system

#### (5) Amortization method of low-cost consumables and packing materials

One-time amortization method is adopted.

### 5.11 Long-term equity investment

applicable N/A

#### (1) Judgment criteria of control and significant influence

The majority of long-term equity investments of the Company are investments to subsidiaries. Subsidiaries refer to invested parties upon which the Company can exert control. Control refers to the fact that the investing party has power over the invested party, enjoys variable returns and can influence the return amount by exercising power over the invested party. The term 'significant influence' refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies.

#### (2) Determination of the investment cost

A. Long-term equity investments resulting from combination

For business combination under common control, for the long-term equity investments obtained by cash paid, non-monetary assets paid or assumed liabilities as consideration by the acquirer, on the merger date, the initial investment cost of long-term equity investment shall be taken as the share of the owner's equity of the investee in the book value of the final control party's consolidated financial statements. According to the margin amount between initial investment cost and cash payment, non-monetary asset paid or assumed liabilities, capital reserve should be written down. If the capital reserve is not sufficient to be written down, then the retained earnings shall be written down. For investments obtained by equity securities issued by the acquirer, on the merger date, the initial investment cost of long-term equity investment shall be taken as the share of the owner's equity of the investee in the book value of the final control party's consolidated financial statements. Setting total book value of issued shares as share capital, according to the difference between the initial investment cost and total book value of issued shares, capital reserve shall be written down; if the capital reserve is not sufficient to be written down, then the retained earnings shall be written down.

For business combination not under common control, on the merger date, the combination cost according to 'Business Accounting Norms No.20- Business combinations' should be calculated as the initial investment cost of long-term equity investment.

#### B. Other long-term equity investments not resulting from combination

For the long-term equity investments obtained by cash paid, the Company recognizes their fair value as the initial investment costs. For the long-term equity investments acquired by the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued.

#### (3) Subsequent measurement and recognition of profits and losses

The investments of subsidiaries are measured with the cost method, and shall be adjusted according to equity law according to initial investment cost when making the combination financial statements. Costs shall be added or retrieved in adjustment of long-term equity investments. The cash dividends or profits declared by the investee shall be recognized as the investment income of the current period.

For long-term equity investments measured under the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, initial investment cost shall be calculated as long-term equity investment cost; if the initial investment costs are lower than the investor's attributable share of the fair value of the investee's identifiable net assets, the margin shall be calculated into profits/ losses of the current period, and long-term equity investment cost shall be increased. The Company shall, according to the shares of net profits and other comprehensive income realized by the investee that shall be enjoyed or borne by the Company, recognize the profit and loss on the investments of the current period. When recognizing the net losses of the invested party, the losses should be limited to zero at least according to book value and other long-term equities of long-term equity investment. Nonetheless, if the Company bears the obligation for additional losses and meets conditions to recognize expected liabilities, then it shall continue to recognize investment losses and calculate it into liabilities. When recognizing the net profits and losses and other comprehensive income of the investee that the Company shall enjoy or bear, the Company shall calculate the part is enjoys or bears according to share-holding ratio on the basis that the Company's share-holding ratio remains the same, and include the part directly into share-holders' equities, and make adjustments to book value of long-term equity investments. For the part of the interest or dividend from the invested party that is favorable for declaration and distribution, the book value of long-term equity investments shall be reduced accordingly. For unachieved internal transaction profits and losses between the Company and the invested party, the part of the Company shall be calculated according to the ratio that should be shared or born by the company and be offset, on the basis of which the recognition of investment profits/ losses shall be conducted. The part of asset impairment incurred in internal transaction loss shall not be offset.

### 5.12 Investment property

#### (1) When adopting cost model:

### Method of depreciation or amortization

The company shall deduct expected net residual value (residual value rate: 5%) and cumulative impairment provision from the cost of investment property, and conduct depreciation or amortization using straight-line method within the service life (20 years).

#### 5.13 Fixed assets

##### (1) Recognition of fixed assets

applicable  non-applicable

Fixed assets refer to tangible assets with relatively high unit value, which are held for the purpose of producing commodities, providing services, renting or business management with useful life exceeding one accounting year.

##### (2) Method of depreciation

applicable  non-applicable

Category	Depreciation method	Estimated useful life (Year)	Residual value rate	Annual depreciation rate
Buildings	Straight-line method	20	5%	4.75%
Machinery and equipment	Straight-line method	10	5%	9.5%
Electronic equipment and others	Straight-line method	5	5%	19%
Vehicles	Straight-line method	5	5%	19%

- A. After January 1<sup>st</sup>, 2014, the amount less than CNY 1,000,000 spent on newly-purchased equipment and apparatus for the special use of R&D shall be calculated into cost of the current period.
- B. After January 1<sup>st</sup>, 2014, the amount more than CNY 1,000,000 spent on newly-purchased equipment and apparatus for the special use of R&D, shall be depreciated according to the following table:

Asset category	Estimated useful life (Year)
Machine equipment	6 years
Electronic equipment	2 years

##### (3) (3)Method of impairment test and provision for impairment for fixed assets

At the end of the period, check on fixed assets shall be implemented item by item. If the recoverable amount is lower than book value because of outdated technology, impairment or long-term idle condition, the Company shall calculate the difference between recoverable amount and book value as the provision for impairment for fixed assets. Provision for impairment for fixed assets shall be conducted in terms of individual asset.

#### 5.14 Construction in progress

Applicable  N/A

Accounting method for construction in progress: each construction in progress is initially measured at the actual cost.

(1) The construction in progress shall be transferred to fixed assets in the following conditions:

- A. The acquired fixed assets are ready for use;
- B. The physical construction of the construction in progress has been completed or substantially completed;
- C. The acquired fixed assets conform to the design requirements or contract requirements, they can be used normally, and it needs little or no expenditure on the acquired construction in progress.

(2) The new construction, reconstruction and expansion projects of the company's fixed assets are included in the construction in progress according to the actual expenditure incurred. Borrowing interest and foreign exchange gains and losses incurred in the construction of borrowed loans can be capitalized and included in the cost of construction in progress before the fixed assets reach the intended usable state if the fixed assets meet the capitalization conditions.

(3) On the balance sheet date, the construction in progress shall be checked by items. If there is evidence that the construction in progress is impaired, the provision for impairment shall be made based on the difference between the recoverable amount and the carrying amount.

The main factors in making provision for impairment of construction in progress are as follows:

- A. Suspended construction for a long time and is not expected to restart construction in the next three years;
- B. The constructed projects are backward in terms of technology and performance, and it is uncertain for the economic benefits brought to the enterprise;
- C. Other circumstances sufficient to prove that the construction in progress has been impaired.

### 5.15 Borrowing costs

Applicable N/A

The principle to confirm the capitalization of borrowing costs is as follows: the borrowing costs such as interest on borrowings, amortization of discounts or premiums, auxiliary costs, and exchange differences due to foreign currencies incurred by the Company due to borrowings, which can be directly attributed to the acquisition & construction or production of assets that meet the capitalization conditions, shall be capitalized and included in the cost of the asset; other borrowing costs shall be recognized as expenses in the period in which they are incurred and included in profit or loss.

Determination method of capitalization period:

(1) Begin capitalization: borrowing costs can only begin to be capitalized if the following three conditions are all met simultaneously

- A. Asset expenditure has occurred;
- B. The borrowing costs have been incurred;
- C. The acquisition & construction or production activities to make the asset ready for its intended use or sale have begun.

(2) Suspension of capitalization: if the acquisition and construction of fixed assets is suspended abnormally, and the suspension lasts for more than 3 months, the capitalization of borrowing costs will be suspended, and the borrowing costs incurred during the interruption period will be recognized as current expenses until the assets are acquisition and construction activities resumed.

(3) Stop capitalization: when the acquired and constructed fixed assets reach the intended usable state, stop the capitalization of borrowing costs.

The calculation method of the capitalized amount of borrowing costs:

A. If a special loan is borrowed for the acquisition, construction or production of assets that meet the capitalization conditions, the interest expense actually incurred in the current period of the special loan shall be determined after deduction of the interest income obtained by depositing the unused loan funds in the bank or by temporary investment;

B. If general borrowings are occupied for the purpose of acquisition, construction or production of assets that meet the capitalization conditions, the Company shall calculate and determine amount of interest of general borrowings to be capitalized based on weighted average number of asset expenditures over which the accumulated asset expenditure exceeds the special borrowings multiplied by the

capitalization rate of the occupied general borrowings. The capitalization rate is calculated based on the weighted average rate of borrowings, and the auxiliary expenses incurred by general borrowings shall not be capitalized.

### 5.16 Intangible assets

(1) Valuation method, service life, impairment test

Applicable N/A

A. Pricing of intangible assets: intangible assets are initially measured at the cost when they are actually acquired. For the intangible assets developed by the Company, the expenditures in the research stage shall be included in the current profit and loss when incurred; the expenditures in the development stage shall be recognized as intangible assets (patented technology and non-patented technology) if the following conditions are all met simultaneously:

- a. It is technically feasible to complete the intangible asset so that it can be used or sold;
- b. There is intention to complete the intangible asset for use or sales.
- c. The usefulness of methods for intangible assets to generate economic benefits include that there is a potential market for the products manufactured by applying the intangible assets or that there is a potential market for the intangible assets themselves;
- d. It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources.
- e. The expenditure attributable to the intangible asset during its development phase can be measured reliably.

B. Amortization of intangible assets: The intangible assets are amortized in the straight-line method over the beneficial years from the month of acquisition, and intangible assets with indefinite useful lives are not amortized.

C. On the balance sheet date, each intangible asset should be checked, and if there is any sign of impairment, an impairment provision should be made based on the difference between the recoverable amount and the carrying amount.

(2). Accounting policy for internal research and development expenditures

Applicable N/A

### 5.17 Long-term prepaid expenses

Applicable N/A

Long-term prepaid expenses are expenses that have occurred but should be borne by the current and subsequent periods for a period of more than one year.

### 5.18 Employee benefits

The Company's employee benefits refer to various forms of remuneration and compensation given by the Company to the employees for obtaining services provided by employees or for termination of labor relations, including short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. The benefits provided by the Company to employees' spouses, children, dependents, survivors of deceased employees and other beneficiaries also belong to employee benefits.

(1) Accounting treatment of short-term benefits

Applicable N/A

Short-term benefits are the benefits that the Company expects to pay in full within 12 months after the end of the annual reporting period in which the employee provides relevant services, excluding the compensation for the employment termination. The Company's short-term remuneration specifically includes: employee wages, bonuses, allowances and subsidies, employee welfare expenses, social insurance premiums such as medical insurance premiums, work-related injury insurance premiums and

maternity insurance premiums, housing provident fund, labor union funds and employee education funds, short-term paid absences, short-term profit-sharing plans, non-monetary benefits, and other short-term benefits.

During the accounting period in which the employees provide services, the Company recognizes the actual short-term benefits as liabilities, and includes the current profits and losses or relevant asset costs according to the beneficiaries of the services provided by the employees. Non-monetary short-term benefits shall be measured at fair value.

(2) Accounting treatment of post-employment benefits

Applicable N/A

Post-employment benefits refer to various forms of benefits provided by the Company in order to obtain the services provided by the employees after the employees retire or terminate the labor relationship with the enterprise.

Defined contribution plan: The contributions to be paid to a separate entity in exchange for the services provided by employees during the accounting period on the balance sheet date are recognized as employee compensation liabilities, and are included in the current profit and loss or related asset costs.

(3) Accounting treatment of termination benefits

Applicable N/A

Employee benefits liabilities shall be recognized and included into profit or loss for the current period on the earlier date of the two following circumstances:

- a. When the Company is not able to withdraw the benefits from termination of employment or resignation persuasion unilaterally;
- b. When the Company recognizes costs and fees relevant to reforming the termination benefits payment.

(4) Accounting treatment method of other long-term employee benefits

Applicable N/A

## 5.19 Revenue

(1) Accounting policies adopted for revenue recognition and measurement

Applicable N/A

Revenue refers to the total inflow of economic benefits that are formed in the daily activities of the Company and will lead to an increase in owners' equity and have nothing to do with the capital invested by the owners.

When the Company has fulfilled its performance obligations in the contract, that is, recognized the Revenue when the customer obtains control over the relevant commodities, which means that the customer is able to dominate the use of the commodity and obtain almost all economic benefits from it. After the Company delivers the product to the customer as agreed in the contract, the Revenue is recognized based on the net amount after deducting the consideration payable to the customer. The Company recognizes the amount of contract consideration that has been collected from the customer as a contract liability before entering into a contract with the customer, having received the order but not delivering the product to the customer.

(2) Differences in accounting policies for Revenue recognition due to the adoption of different business models for similar businesses

Applicable N/A

## 5.20 Government grants

Applicable N/A

Government grants refer to the monetary or non-monetary assets that the Company obtains from the government for free, but does not include the capital invested by the government as the owner of the Company. Government grants are divided into asset-related government grants and income-related government grants. Government grants can only be confirmed if they meet the following conditions at the same time:

(1) Judgment basis and accounting treatment method of government grants related to assets

Government grants related to assets shall be written off against the carrying amount of related assets or recognized as deferred income. If government grants related to assets are recognized as deferred income, they shall be included in profit or loss in stages within the useful life of the relevant assets in a reasonable and systematic manner. Government grants measured at the nominal amount are directly included in the current profit and loss. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the undistributed balance of relevant deferred income shall be transferred to the profit and loss of the current period of asset disposal.

(2) Judgment basis and accounting treatment method of government grants related to income

Government grants related to income shall be dealt with according to the following circumstances:

A. If it is used to compensate the Company's relevant expenses or losses in future periods, it should be recognized as deferred income and included into the current profit and loss or written off of the related costs when the relevant expenses, losses are recognized;

B. If it is used to compensate the Company's relevant expenses or losses incurred, it is directly included into the current profit and loss or written off of the related costs.

(3) Government grants related to the daily activities of the Company shall be included in other income or written off relevant costs according to the nature of economic business. Government grants unrelated to the daily activities of the Company shall be included in non-operating income and expenditure.

### 5.21 Deferred tax assets/Deferred tax liabilities

Applicable N/A

On the balance sheet date, according to the deductible temporary differences and taxable temporary differences of asset and liability items, the applicable tax rate is used to calculate the amount of deferred tax assets and deferred tax liabilities.

### 5.22 Lease

(1) Accounting treatment of operating lease

Applicable N/A

(2) Accounting treatment of financial lease

Applicable N/A

(3) Determination and accounting treatment of lease under the new lease standards

Applicable N/A

A. As the lessee

On the contract start date, the Company evaluates whether the contract is a lease or includes a lease. If one party in the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract is a lease or includes a lease. In order to determine whether the contract transfers the right to control the use of the identified asset for a certain period, the Company evaluates whether the customer in the contract is entitled to receive substantially all the economic benefits arising from the use of the identified asset during the period of use, and has the right to dominate the use of the identified asset during the period of use. The general accounting treatment is as follows:

On the commencement date of the lease term, the Company recognizes its right to use the leased asset during the lease term as a right-of-use asset, including the initial measurement amount of the lease liabilities; for the lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, the following items should be deducted, including the relevant amount of the lease incentive that has been enjoyed, the initial direct expenses incurred by the lessee, and the costs of the lessee for dismantling and removing the leased asset, restoring the site where the leased asset is located, or restoring the leased asset to the state agreed in the lease terms.

On the commencement date of the lease term, the Company recognizes the present value of unpaid lease payments as lease liabilities, excluding short-term lease and low-value assets lease. When calculating the present value of lease payments, the Company takes the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the lessee is used as the discount rate.

The Company subsequently adopts the straight-line method to depreciate the right-of-use assets, calculates the interest expenses of the lease liabilities in each period of the lease term, and includes them in the current profit and loss, unless otherwise stipulated to be included in the cost of the relevant assets. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss when they are actually incurred, unless otherwise stipulated to be included in the cost of the relevant asset.

The Company does not recognize right-of-use assets and lease liabilities for short-term lease and low-value asset lease. In each period of the lease term, it is included in the relevant asset cost or current profit and loss on a straight-line basis.

#### B. As the lessor

As a lessor, a financial lease refers to substantially transfer almost all the risks and rewards related to the ownership of the leased asset on the lease commencement date, and all other leases are operating leases.

a. Rental income from operating leases is recognized as current profit and loss on a straight-line basis over each period of the lease term.

b. On the start date of the lease term, the Company recognizes the finance lease receivables for the finance lease, and derecognizes the finance lease assets. During the initial measurement of the finance lease receivables, the net investment in the lease is taken as the entry value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term which is discounted at the interest rate implicit in the lease.

### 5.23 Changes in significant accounting policies and accounting estimates

#### (1) Changes in significant accounting policies

Applicable N/A

The Ministry of Finance revised and issued *Accounting Standards for Business Enterprises No. 21 - Leases* (hereinafter referred to as *New Lease Standards*) in December 2018. The Company will implement and follow the new lease standards from January 1, 2021. No adjustment will be made to the comparative financial statements, and the above accounting policies have been approved by the Company's board of directors.

When measuring the lease liability, the Company discounts the lease payments at the incremental borrowing rate at 1 January 2021.

	Unit: CNY
Undiscounted amount of operating lease commitments on January 1, 2021	639,664,840.54
Incremental borrowing rate on January 1, 2021	3.20%-3.40%
Lease liabilities discounted at the incremental borrowing rate	536,281,365.04



on January 1, 2021	
including: lease liabilities due within one year	121,378,096.65
Lease liabilities due over one year	414,903,268.39

Please refer to this section for the changes in the corresponding accounting statement items: V. Significant accounting policies and accounting estimates; 23. Changes in significant accounting policies and accounting estimates; (3) Adjustments to the financial statements at the beginning of the execution year of any new standard governing leases from 2021.

(2) Changes in significant accounting estimates

Applicable N/A

(3) Adjustments to the financial statements at the beginning of the execution year of any new standard governing leases from 2021

Applicable N/A

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unit: CNY

Item	31 December 2020	January 1, 2021	Adjustments
<b>CURRENT ASSETS</b>			
Cash and Cash equivalents	36,091,090,060.90	36,091,090,060.90	
Settlements Provision			
Loans to banks and other financial institutions	118,199,586,541.06	118,199,586,541.06	
Financial assets held for trading			
Derivative financial assets			
Notes receivable	1,532,728,979.67	1,532,728,979.67	
Accounts receivable			
Financing receivable			
Prepayments	898,436,259.15	898,436,259.15	
Insurance premium receivable			
Due from reinsurers			
Reinsurance contract reserves receivable			
Other receivables	34,488,582.19	34,488,582.19	
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under agreements to resell			
Inventories	28,869,087,678.06	28,869,087,678.06	
Contract assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	26,736,855.91	26,736,855.91	
Total current assets	185,652,154,956.94	185,652,154,956.94	
<b>NON-CURRENT ASSETS</b>			
Loans and advances	2,953,036,834.80	2,953,036,834.80	
Debt investment	20,143,397.78	20,143,397.78	
Other debt investments			
Long-term receivables			
Long-term equity investments			
Other equity instruments investments			

Other non-current financial assets	9,830,052.91	9,830,052.91	
Investment properties			
Fixed assets	16,225,082,847.29	16,225,082,847.29	
Construction in progress	2,447,444,843.03	2,447,444,843.03	
Productive biological assets			
Oil and gas assets			
Right-of-use asset		536,281,365.04	536,281,365.04
Intangible assets	4,817,170,981.91	4,817,170,981.91	
Development expenditures			
Goodwill			
Long-term prepaid expenses	147,721,526.43	147,721,526.43	
Deferred tax assets	1,123,225,086.37	1,123,225,086.37	
Other non-current assets			
Total non-current assets	27,743,655,570.52	28,279,936,935.56	536,281,365.04
Total assets	213,395,810,527.46	213,932,091,892.50	536,281,365.04
<b>Current liabilities</b>			
Short-term borrowings			
Borrowing from the central bank			
Deposits and balances from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	1,342,267,668.12	1,342,267,668.12	
Receipts in advance			
Contract liabilities	13,321,549,147.69	13,321,549,147.69	
Financial assets sold under agreements to buy			
Customer deposits and balances from banks and other financial institutions	14,241,859,949.77	14,241,859,949.77	
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Payroll and employee benefits payable	2,981,125,503.86	2,981,125,503.86	
Taxes payable	8,919,821,015.58	8,919,821,015.58	
Other payables	3,257,245,259.42	3,257,245,259.42	
Including: Interest payable			
Dividend payable			
Fees and commission payable			
Payable reinsurance			
Liabilities classified as held for sale			
Current portion of non-current liabilities		121,378,096.65	121,378,096.65
Other current liabilities	1,609,801,368.51	1,609,801,368.51	
Total current liabilities	45,673,669,912.95	45,795,048,009.60	121,378,096.65
<b>Non-current liabilities</b>			
Insurance reserves			
Long-term borrowings			

Bonds payable			
Including: Preference share			
Perpetual debt			
Lease liabilities		414,903,268.39	414,903,268.39
Long-term Payable			
Long-term payroll and employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities	1,457,513.23	1,457,513.23	
Other non-current liabilities			
Total non-current liabilities	1,457,513.23	416,360,781.62	414,903,268.39
Total liabilities	45,675,127,426.18	46,211,408,791.22	536,281,365.04
<b>SHAREHOLDERS' EQUITY :</b>			
Paid-in capital	1,256,197,800.00	1,256,197,800.00	
Other equity instruments			
Including: Preference share			
Perpetual debt			
Capital reserve	1,374,964,415.72	1,374,964,415.72	
Less: treasury shares			
Other comprehensive income	-5,331,367.75	-5,331,367.75	
Special reserve			
Surplus reserve	20,174,922,608.93	20,174,922,608.93	
General risk reserve	927,577,822.67	927,577,822.67	
Retained earnings	137,594,403,807.99	137,594,403,807.99	
Equity attributable to owners of the parent	161,322,735,087.56	161,322,735,087.56	
Non-controlling interests	6,397,948,013.72	6,397,948,013.72	
Total shareholders' equity	167,720,683,101.28	167,720,683,101.28	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>213,395,810,527.46</b>	<b>213,932,091,892.50</b>	<b>536,281,365.04</b>

Adjustment of each item:

√Applicable □N/A

The Ministry of Finance revised and issued *Accounting Standards for Business Enterprises No. 21 - Leases* (Cai Kuai (2018) No. 35) in December 2018. The Company will implement and follow the new lease standards from January 1, 2021. The Company separately lists the right-of-use assets and lease liabilities in the balance sheet in accordance with the provisions of the new standard. According to the linking regulations, the enterprise that implements this new standard for the first time shall adjust the amount of retained earnings at the beginning of the period and other relevant items in the financial statements according to the cumulative impact of the first implementation of this new standard, and not adjust the comparative financial data.

COMPANY STATEMENT OF FINANCIAL POSITION

Unit: CNY

Item	31 December 2020	January 1, 2021	Adjustments
<b>CURRENT ASSETS</b>			
Cash and Cash equivalents	50,925,698,935.43	50,925,698,935.43	
Financial assets held for trading			
Derivative financial assets			
Notes receivable	142,286,376.00	142,286,376.00	
Accounts receivable	9,203,780,107.14	9,203,780,107.14	
Financing receivables			
Prepayments	858,363,840.62	858,363,840.62	

Other receivables	42,323,669.01	42,323,669.01	
Including: Interest receivable			
Dividends receivable			
Inventories	28,162,833,603.66	28,162,833,603.66	
Contract assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets			
Total current assets	89,335,286,531.86	89,335,286,531.86	
<b>NON-CURRENT ASSETS</b>			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investments	1,624,535,587.55	1,624,535,587.55	
Other equity instruments investments			
Other non-current financial assets	9,830,052.91	9,830,052.91	
Investment properties			
Fixed assets	15,742,514,190.13	15,742,514,190.13	
Construction in progress	2,447,444,843.03	2,447,444,843.03	
Productive biological assets			
Oil and gas assets			
Right-of-use asset		470,585,429.10	470,585,429.10
Intangible assets	4,815,945,940.55	4,815,945,940.55	
Development expenditures			
Goodwill			
Long-term prepaid expenses	147,500,000.21	147,500,000.21	
Deferred tax assets	521,030,214.32	521,030,214.32	
Other non-current assets			
Total non-current assets	25,308,800,828.70	25,779,386,257.80	470,585,429.10
Total assets	114,644,087,360.56	115,114,672,789.66	470,585,429.10
<b>Current liabilities</b>			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	1,077,677,482.55	1,077,677,482.55	
Receipts in advance			
Contract liabilities	557,514,370.46	557,514,370.46	
Payroll and employee benefits payable	2,846,669,812.23	2,846,669,812.23	
Taxes payable	5,032,321,722.08	5,032,321,722.08	
Other payables	926,532,063.22	926,532,063.22	
Including: Interest payable			
Dividend payable			

Liabilities classified as held for sale			
Current portion of non-current liabilities		101,062,708.92	101,062,708.92
Other current liabilities			
Total current liabilities	10,440,715,450.54	10,541,778,159.46	101,062,708.92
<b>Non-current liabilities</b>			
Long-term borrowings			
Bonds payable			
Including: Preference share			
Perpetual debt			
Lease liabilities		369,522,720.18	369,522,720.18
Long-term Payable			
Long-term payroll and employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities	1,457,513.23	1,457,513.23	
Other non-current liabilities			
Total non-current liabilities	1,457,513.23	370,980,233.41	369,522,720.18
Total liabilities	10,442,172,963.77	10,912,758,392.87	470,585,429.10
<b>SHAREHOLDERS' EQUITY :</b>			
Paid-in capital	1,256,197,800.00	1,256,197,800.00	
Other equity instruments			
Including: Preference share			
Perpetual debt			
Capital reserve	1,374,303,082.72	1,374,303,082.72	
Less: treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve	20,174,922,608.93	20,174,922,608.93	
Retained earnings	81,396,490,905.14	81,396,490,905.14	
Total shareholders' equity	104,201,914,396.79	104,201,914,396.79	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>114,644,087,360.56</b>	<b>115,114,672,789.66</b>	<b>470,585,429.10</b>

Adjustment of each item:

√Applicable □N/A

The Ministry of Finance revised and issued *Accounting Standards for Business Enterprises No. 21 - Leases* (Cai Kuai (2018) No. 35) in December 2018. The Company will implement and follow the new lease standards from January 1, 2021. The Company separately lists the right-of-use assets and lease liabilities in the balance sheet in accordance with the provisions of the new standard. According to the linking regulations, the enterprise that implements this new standard for the first time shall adjust the amount of retained earnings at the beginning of the period and other relevant items in the financial statements according to the cumulative impact of the first implementation of this new standard, and not adjust the comparative financial data.

(4) Explanation on adjustment of previous comparative financial data for implementation of the new lease standards for the first time from 2021

□Applicable √N/A

**6. Tax****6.1 Main taxes and tax rates**

Main taxes and tax rates

√Applicable □N/A

Tax	Tax basis	Tax rate
VAT	Calculation of output tax and input tax on product sales revenue	13%
Consumption tax	Taxable price and sales volume of sales revenue of alcoholic products	20%、CNY 0.5 /500ml
City construction and maintenance tax	Turnover tax payable	7%
Enterprise income tax	Taxable income	25%
Education surcharges	Turnover tax payable	3%
Local education surcharges	Turnover tax payable	2%

Disclosure of taxpayers with different corporate income tax rates

√Applicable □N/A

Tax entity	Income tax rate (%)
Kweichow Moutai Paris Trading Co., Ltd.	26.5、27.5

**6.2 Tax benefits**

□Applicable √N/A

**7. Notes to consolidated financial statements****7.1 Cash and Cash equivalents**

√Applicable □N/A

Unit: CNY

Item	Closing balance	Opening balance
Cash on hand	9,500.00	9,554.00
Bank balances	51,810,234,107.11	36,091,080,506.90
Other monetary fund		
Total	51,810,243,607.11	36,091,090,060.90
including: total amount deposited abroad	20,665,732.96	17,011,338.58

Cash and cash equivalents with restrictions on use

Item	Closing balance	Opening balance
Statutory deposit reserve with the central bank	6,381,004,565.81	6,821,915,239.53

**7.2 Loans to banks and other financial institutions**

Unit: CNY

Item	Closing balance	Opening balance
Deposits with other banks	135,071,807,332.94	117,800,411,402.21
Loans to banks and other financial institutions		402,680,555.57
Less: impairment	4,519,554.91	3,505,416.72
Carrying amount	135,067,287,778.03	118,199,586,541.06

Loans to banks and other financial institutions with restrictions on use

Item	Closing balance	Opening balance
------	-----------------	-----------------

Deposits with other banks that can not be withdrawn at any time	1,000,000,000.00	
---	------------------	--

**7.3 Notes receivable****(1) Categories of notes receivable**

√Applicable □N/A

Unit: CNY

Item	Closing balance	Opening balance
Bank acceptances		1,532,728,979.67
Total		1,532,728,979.67

**7.4 Accounts receivable****(1) Disclosed by aging**

√Applicable □N/A

Unit: CNY

Aging	Book balance at the end of the reporting period
Within 1 year	
1 to 2 years	
2 to 3 years	
More than 3 years	
3 to 4 years	
4 to 5 years	
More than 5 years	3,097,678.25
Total	3,097,678.25

**(2) Disclosed by bad debt provision methods**

√Applicable □N/A

Unit: CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually										
Bad debt provision assessed by groups	3,097,678.25	100.00	3,097,678.25	100.00		3,243,804.43	100.00	3,243,804.43	100.00	
Including: bad debt provision assessed by groups	3,097,678.25	100.00	3,097,678.25	100.00		3,243,804.43	100.00	3,243,804.43	100.00	
Total	3,097,678.25	/	3,097,678.25	/		3,243,804.43	/	3,243,804.43	/	

Bad debt provision assessed by groups:

√Applicable □N/A

Items assessed by groups: aging of accounts

Unit: CNY

Name	Closing balance		
	Accounts receivable	Bad debt provision	Proportion (%)
Within 1 year			
1-2 years			
2-3 years			
3-4 years			
4-5 years			
More than 5 years	3,097,678.25	3,097,678.25	100.00
Total	3,097,678.25	3,097,678.25	100.00

Recognition criteria and explanations for bad debt provision assessed by groups:

 Applicable  N/A

Refer to the disclosure of other receivables if bad debt provision is made based on the general ECL model:

 Applicable  N/A**(3) Bad debt provision** Applicable  N/A

Unit: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Other changes	
Bad debt provision assessed by groups	3,243,804.43		47,413.76	98,712.42		3,097,678.25
Total	3,243,804.43		47,413.76	98,712.42		3,097,678.25

**(4) Accounts receivable written off at the end of the reporting period** Applicable  N/A

Unit: CNY

Item	Amount of write-off
Actual write-off of accounts receivable	98,712.42

Significant write-off of accounts receivable

 Applicable  N/A

Explanations on write-off of accounts receivable:

 Applicable  N/A**(5) Top five accounts receivable based on debtors** Applicable  N/A

Unit: CNY

Entity	Closing balance	Proportion to total closing balance of accounts receivable (%)	Closing balance of bad debt provision
Yunnan Kunming Yuanwei Economic and Trade Co., Ltd.	847,620.00	27.36	847,620.00
Tianjin Feimeng Industrial Co., Ltd.	784,900.00	25.34	784,900.00
Shanghai International Famous Wine Development Co., Ltd.	375,776.00	12.13	375,776.00
Shenzhen Friendship Shopping Mall	194,200.00	6.27	194,200.00
Shenzhen Grain and Oil Import and Export Corporation Beijing Branch	109,504.86	3.54	109,504.86
Total	2,312,000.86	74.64	2,312,000.86



**7.5 Prepayments****(1) Aging analysis of prepayments**

√ Applicable □ N/A

Unit: CNY

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	377,984,374.85	97.14	136,773,510.50	15.22
1-2 years	1,575,835.77	0.40	609,099,761.73	67.79
2-3 years	1,343,437.85	0.35	122,235,839.95	13.61
More than 3 years	8,206,192.81	2.11	30,327,146.97	3.38
Total	389,109,841.28	100.00	898,436,259.15	100.00

**(2) Top five prepayments based on the payers**

√ Applicable □ N/A

Entity	Closing balance	Proportion to the total closing balance of prepayment (%)
Renhuai Municipal People's Government	173,000,000.00	44.46
Xishui County People's Government	130,339,307.06	33.50
Guizhou Renhuai Grain and Oil Collection and Storage Co., Ltd.	50,300,844.00	12.93
iSoftStone Information Technology (Group) Co., Ltd.	2,269,329.41	0.58
Guizhou Radio and Television Station	1,698,113.21	0.43
Total	357,607,593.68	91.90

**7.6 Other receivables****Presentation of items**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	33,158,974.32	34,488,582.19
Total	33,158,974.32	34,488,582.19

**Other receivables****(1) Disclosure by aging**

√ Applicable □ N/A

Unit: CNY

Aging	Book balance at the end of the reporting period
Within 1 year	29,081,462.35
Subtotal of within 1 year	29,081,462.35
1-2 years	1,695,588.73
2-3 years	1,499,488.43
3-4 years	967,917.47
4-5 years	37,951.22
More than 5 years	5,100,600.00
Total	38,383,008.20

**(2) Details of classification by nature**

√ Applicable □ N/A

Unit: CNY

Nature	Book balance at the end of the reporting period	Book balance at the beginning of the reporting period
Petty cash	16,271,192.50	10,399,194.10
Current Account	22,111,815.70	29,458,352.01
Total	38,383,008.20	39,857,546.11

**(3) Details of bad debt provision**

√ Applicable □ N/A

Unit: CNY

Bad debt provision	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not impaired)	Lifetime ECL (impaired)	
As at 1 January 2021	211,315.55	5,157,648.37		5,368,963.92
Changes due to financial instruments recognised as at 1 January 2021				
--Transfer to stage II				
--Transfer to stage III				
--Reverse to stage II				
--Reverse to stage I				
Provision	81,250.63	13,662.43		94,913.06
Reversal	211,398.75	18,414.35		229,813.10
Elimination				
Write-off		10,030.00		10,030.00
Other changes				
As at 31 December 2021	81,167.43	5,142,866.45		5,224,033.88

Explanations on significant changes in the book balance of other receivables where there are changes in provision for the current period:

□ Applicable √ N/A

**(1). Bad debt provision**

√ Applicable □ N/A

Unit: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Other changes	
Bad debt provision assessed by aging groups	5,368,963.92	94,913.06	229,813.10	10,030.00		5,224,033.88
Total	5,368,963.92	94,913.06	229,813.10	10,030.00		5,224,033.88

Significant recovery or reversal of bad debt provision for the current period:

□ Applicable √ N/A

**(2). Other receivables written off as at the end of the current period**

√ Applicable □ N/A

Unit: CNY

Item	Amount of write-off
Actual write-off of other receivables	10,030.00

Significant write-off of other receivables:

□ Applicable √ N/A

Explanations on write-off of other receivables:

□ Applicable √ N/A

**(3). Top five other receivables based on debtors**

√ Applicable □ N/A

Unit: CNY

Entity	Nature	Closing balance	Aging	Proportion to the total closing balance of other receivables (%)	Bad debt provision
11th Construction Engineering Co., Ltd. of Guizhou Construction Engineering Group	Current Account	1,584,682.49	Within 1 year	4.13	
Guizhou Kailin Xifeng Synthetic Ammonia Co., Ltd.	Current Account	1,000,000.00	Within 1 year	2.61	52,000.00
Xinghe Industry (Shenzhen) Co., Ltd.	Current Account	869,520.12	Within 1 year	2.27	
Guiyang Urban Construction Investment (Group) Co., Ltd.	Current Account	801,039.00	2-3 years	2.09	
Shenzhen Jinzhaolin Trading Co., Ltd.	Current Account	781,672.56	Within 1 year	2.04	
<b>Total</b>	/	<b>5,036,914.17</b>	/	<b>13.14</b>	<b>52,000.00</b>

A. The receivable of the 11th Construction Engineering Co., Ltd. of Guizhou Construction Engineering Group is the payment for office fit-out from majority-owned subsidiary Guizhou Laymau Wine Industry Co., Ltd..

B. The receivable of Guizhou Kailin Xifeng Synthetic Ammonia Co., Ltd. is the deposit paid to the supplier.

C. The receivable of Xinghe industry (Shenzhen) Co., Ltd. is the rental deposit paid by majority-owned subsidiary Kweichow Moutai Sales Co., Ltd.

D. The receivable of Guiyang Urban Construction Investment (Group) Co., Ltd. is the rental deposit paid by majority-owned subsidiary Kweichow Moutai Sales Co., Ltd.

E. The receivable of Shenzhen Jinzhaolin Trading Co., Ltd. is the prepayment for promotion from majority-owned subsidiary Guizhou Laymau Wine Industry Co., Ltd., and the relevant notes were entered in the books of account in January 2022.

**7.7 Inventories****(1). Categories of inventories**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance			Opening balance		
	Book balance	Write-down of inventories/impairment provision of contract performance costs	Carrying amount	Book balance	Write-down of inventories/impairment provision of contract performance costs	Carrying amount
Raw materials	4,019,538,465.82		4,019,538,465.82	3,485,831,193.61		3,485,831,193.61
Goods in progress	14,310,650,087.51	1,283,984.83	14,309,366,102.68	11,941,066,479.64	1,283,984.83	11,939,782,494.81
Finished goods	1,319,352,631.84		1,319,352,631.84	1,047,225,896.31		1,047,225,896.31

Semi-finished goods	13,746,107,884.49		13,746,107,884.49	12,396,248,093.33		12,396,248,093.33
Total	33,395,649,069.66	1,283,984.83	33,394,365,084.83	28,870,371,662.89	1,283,984.83	28,869,087.678.06

**(2). Write-down of inventories and impairment provision of contract performance costs**

√ Applicable □ N/A

Unit: CNY

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Others	Reversal or elimination	Others	
Goods in progress	1,283,984.83					1,283,984.83
Total	1,283,984.83					1,283,984.83

**7.8 Other current assets**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
VAT not deducted at the end of the reporting period	67,014,310.91	22,218,754.41
Prepaid income tax	4,513,249.83	4,518,101.50
Total	71,527,560.74	26,736,855.91

**7.9 Loans and advances**

Unit: CNY

Item	Closing balance	Opening balance
Loans and advances	3,425,175,000.00	2,953,036,834.80

Item	Closing balance	Opening balance
Total amount of loans and advances	3,513,000,000.00	3,028,755,728.00
Less: provision for loan impairment	87,825,000.00	75,718,893.20
Carrying amount of loans and advances	3,425,175,000.00	2,953,036,834.80

**7.10 Debt investment****(1). Debt investment**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Guiyang GYB Financial Leasing Co., LTD.	20,153,150.69	11,340.00	20,141,810.69	20,155,277.78	11,880.00	20,143,397.78
Bank of Guiyang Co. Ltd.	50,232,273.98	28,350.00	50,203,923.98			

Bank of Guizhou Co., Ltd.	100,179,589.04	56,700.00	100,122,889.04			
Total	170,565,013.71	96,390.00	170,468,623.71	20,155,277.78	11,880.00	20,143,397.78

(2). **Provision for impairment**

√ Applicable □ N/A

Unit: CNY

Provision for impairment	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL (not impaired)	Lifetime ECL (impaired)	
As at 1 January 2021	11,880.00			11,880.00
Balance at 1 January 2021 in the current period				
--Transfer to stage II				
--Transfer to stage III				
--Reverse to stage II				
--Reverse to stage I				
Provision	85,050.00			85,050.00
Reversal	540.00			540.00
Elimination				
Write-off				
Other changes				
As at 31 December 2021	96,390.00			96,390.00

Explanations on significant changes in the book balance of debt investments where there are changes in provision for the current period:

□ Applicable √ N/A

**7.11 Other non-current financial assets**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Kweichow Moutai Distillery (Group) Foreign Investment Cooperation Management Co., Ltd.		9,830,052.91
Total		9,830,052.91

**7.12 Investment properties**

Measurement of investment properties

(1). **Investment properties measured at cost**

(2). Unit: CNY

Item	Buildings	Land use rights	Construction in progress	Total
I. Cost				
1. Opening balance				
2. Increase in the current period	6,023,231.76			6,023,231.76
(1) Purchases				
(2) Transfer from inventories\fixed assets\construction in progress	6,023,231.76			6,023,231.76
(3) Increase arising from business combination				
3. Decrease in the current period				
(1) Disposal				

(2) Other transfer-out				
4. Closing balance	6,023,231.76			6,023,231.76
<b>II. Accumulated depreciation and amortization</b>				
1. Opening balance				
2. Increase in the current period	780,800.01			780,800.01
(1) Depreciation or amortization	286,459.93			286,459.93
(2) Transfer from inventories\fixed assets\construction in progress	494,340.08			494,340.08
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	780,800.01			780,800.01
<b>III. Provision for impairment</b>				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance				
<b>IV. Carrying amount</b>				
1. Carrying amount at the end of the reporting period	5,242,431.75			5,242,431.75
2. Carrying amount at the beginning of the reporting period				

(1). **Investment property of which certificates of title have not been obtained**

□ Applicable √ N/A

Others

□ Applicable √ N/A

**7.13 Fixed assets****Presentation of items**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Fixed assets	17,472,173,182.85	16,225,082,847.29
Disposal of fixed assets		
Total	17,472,173,182.85	16,225,082,847.29

**Fixed assets**(1). **Details of fixed assets**

√ Applicable □ N/A

Unit: CNY

Item	Buildings	Machinery and equipment	Vehicles	Electronic equipment and others	Total
<b>I. Cost:</b>					
1. Opening Balance	22,132,224,920.44	1,999,629,112.98	276,593,468.31	777,794,492.36	25,186,241,994.09
2. Increase in the current period	2,450,899,506.50	78,839,832.19	49,663,726.77	49,862,986.39	2,629,266,051.85
(1) Additions	41,200,048.72	651,810.69	18,738,972.91	11,099,469.07	71,690,301.39
(2) Transfer from construction in progress	2,409,699,457.78	78,188,021.50	30,924,753.86	38,763,517.32	2,557,575,750.46
(3) Increase arising from business combination					

(4) Foreign currency translation					
3. Decrease in the current period	84,725,840.68	45,204,306.62	17,725,859.31	9,249,576.82	156,905,583.43
(1) Disposal or retirement	51,624,105.92	45,204,306.62	17,725,859.31	9,247,071.17	123,801,343.02
(2) Foreign currency translation	7,014,133.31			2,505.65	7,016,638.96
(3) Transfer to investment properties	6,023,231.76				6,023,231.76
(4) Transfer to construction in progress	20,064,369.69				20,064,369.69
4. Closing balance	24,498,398,586.26	2,033,264,638.55	308,531,335.77	818,407,901.93	27,658,602,462.51
II. Accumulated depreciation					
1. Opening balance	6,893,835,855.08	1,261,486,281.12	204,581,877.52	600,187,916.28	8,960,091,930.00
2. Increase in the current period	1,131,097,966.69	137,766,944.46	22,208,035.32	53,474,504.99	1,344,547,451.46
(1) Provision	1,131,097,966.69	137,766,944.46	22,208,035.32	53,474,504.99	1,344,547,451.46
(2) Foreign currency translation					
3. Decrease in the current period	56,316,578.05	38,665,455.21	16,158,488.77	8,136,796.57	119,277,318.60
(1) Disposal or retirement	47,039,249.90	38,665,455.21	16,158,488.77	8,134,978.48	109,998,172.36
(2) Foreign currency translation	1,243,683.79			1,818.09	1,245,501.88
(3) Transfer to investment properties	494,340.08				494,340.08
(4) Transfer to construction in progress	7,539,304.28				7,539,304.28
4. Closing balance	7,968,617,243.72	1,360,587,770.37	210,631,424.07	645,525,624.70	10,185,362,062.86
III. Provision for impairment					
1. Opening balance		1,060,865.02		6,351.78	1,067,216.80
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal or retirement					
4. Closing balance		1,060,865.02		6,351.78	1,067,216.80
IV. Carrying amount					
1. Carrying amount at the end of the reporting period	16,529,781,342.54	671,616,003.16	97,899,911.70	172,875,925.45	17,472,173,182.85
2. Carrying amount at the beginning of the reporting period	15,238,389,065.36	737,081,966.84	72,011,590.79	177,600,224.30	16,225,082,847.29

(2). **Fixed assets of which certificates of title have not been obtained**

√ Applicable □ N/A

Unit: CNY

Item	Carrying amount	Reasons why certificates of title have not been obtained
Second phase of the "12th Five Year Plan" 10,000 ton Moutai liquor project (2012): technical transformation project that added 2,500 tons of Moutai liquor production capacity	558,732,546.81	In procedure
Technological transformation project launched in 2011 that added 2,000 tons of Moutai Prince production capacity and supporting facilities	346,872,092.02	In procedure
Technological transformation project launched in 2012 that added 2,800 tons of Moutai Prince production capacity and supporting facilities	217,128,781.77	In procedure
Moutai Huanshan liquor storage area project	473,072,853.57	In procedure
Technological transformation project for Moutai flavor liquor series and supporting facilities	930,374,657.42	In procedure

**7.14 Construction in progress**

**Presentation of items**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Construction in progress	2,321,988,541.82	2,447,444,843.03
Materials for construction of fixed assets		
<b>Total</b>	<b>2,321,988,541.82</b>	<b>2,447,444,843.03</b>

## Construction in progress

(1). Construction in progress

√ Applicable □ N/A

Unit: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Construction in progress	2,321,988,541.82		2,321,988,541.82	2,447,444,843.03		2,447,444,843.03
<b>Total</b>	<b>2,321,988,541.82</b>		<b>2,321,988,541.82</b>	<b>2,447,444,843.03</b>		<b>2,447,444,843.03</b>

(2). **Changes in significant construction in progress**

√ Applicable □ N/A



Unit:CNY

Item	Budget	Opening balance	Increase in the current period	Transfer to fixed asset	Other decreases	Closing balance	Amount injected as a proportion of budget amount (%)	Construction progress	Amount of accumulated capitalized interest
Prepaid expenses		197,400,282.45	221,393.58	133,370,392.21		64,251,283.82			
Technological transformation project for Moutai flavor liquor series and supporting facilities (6,400 tons)	3,454,160,000.00	38,657,886.81	28,641,680.46	67,299,567.27			55	100%	
Moutai Huanshan liquor storage area project	1,602,000,000.00	63,605,346.05	32,058,971.17	86,726,408.66		8,937,908.56	80	100%	
Phase I Moutai liquor technological transformation project in Zhonghua Area	3,797,000,000.00	3,487,111.66		3,487,111.66			104	100%	
“12th Five-Year Plan” expansion and technological transformation project: Phase II Moutai liquor technological transformation project in Zhonghua Area	2,667,325,000.00	109,555,579.84	31,181,870.16	109,426,929.74		31,310,520.26	99	100%	
Technological transformation project for the starter-making production room that produces 4,000 tons of Moutai liquor annually in Plot 7 and supporting facilities	289,000,000.00						93	100%	
Landslide control, slope protection and anti-sliding support project in the liquor production area between Zhonghua Hengyi Road and Henger Road	450,000,000.00	98,061,623.74		91,960,188.09		6,101,435.65	58	100%	

Hengsi Road (link between Tanmao Express and Zhonghua Area) Project in Zhonghua Area	356,320,000.00	246,738,070.34		235,921,809.08		10,816,261.26	69	90%	
“13th Five-Year Plan” project for the construction of the first batch of liquor storehouses in Zhonghua Area	189,000,000.00						41	100%	
Embankment reinforcement and renovation project in the plant area	218,210,000.00		1,481,132.07	1,481,132.07			49	100%	
Upgrading and renovation of the network of pipes for separating clean and dirty water in the old plant area	199,000,000.00						63	100%	
No. 4 liquor making workshop maintenance and renovation project	39,590,000.00		1,296,275.23	1,296,275.23			43	100%	
Moutai Cultural and Sports Center	261,000,000.00	131,543,467.87	5,224,689.66	136,768,157.53			64	100%	
Link between Plot 7 and Tanmao Express Road	28,830,000.00		10,873,850.61	10,873,850.61			81	100%	
“13th Five-Year Plan” Moutai liquor technological transformation project in Zhonghua Area and supporting facilities	3,559,000,000.00	665,093,144.27	248,107,359.05	709,623,093.98		203,577,409.34	57	95%	
Moutai plant water supply network renovation project	60,100,000.00	29,487,939.19	1,944,954.12			31,432,893.31	57	90%	
30,000-ton technological transformation project for Moutai flavor liquor series and supporting facilities	8,384,000,000.00	674,837,982.48	1,621,224,919.20	681,700,000.00		1,614,362,901.68	45	58%	
Fire station in Tanchang Area and supporting facilities	84,590,000.00		13,071,450.13	13,071,450.13			51	100%	

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Liquor making workshop cooling water recycling project	430,000,000.00	83,082,357.83	59,025,806.64			142,108,164.47	35	90%	
3000T/H sewage treatment plant upgrading and renovation in the Dadi Area of Plant 201	47,940,000.00		22,914,131.90	22,914,131.90			51	90%	
Phase I of the packaging logistics park project	7,833,000,000.00		141,509.43			141,509.43			
Upgrading and renovation of the network of pipes for separating clean and dirty water, river dredging and riverbed repair at Plant 301 of Heyixing Liquor Branch	26,200,000.00		4,954,128.43			4,954,128.43	21	35%	
Upgrading and renovation of the network of pipes for separating clean and dirty water in the Dadi Area of Plant 201 of Heyixing Liquor Branch	33,420,000.00		7,706,422.00			7,706,422.00	26	40%	
Others		105,894,050.50	342,048,905.41	251,655,252.30		196,287,703.61			
Total	34,009,685,000.00	2,447,444,843.03	2,432,119,449.25	2,557,575,750.46		2,321,988,541.82	/	/	

**7.15 Right-of-use asset**

√ Applicable □ N/A

Unit: CNY

Item	Buildings	Machinery and equipment	Total
<b>I. Cost</b>			
1. Opening balance	525,953,161.51	10,328,203.53	536,281,365.04
2. Increase in the current period	83,679,272.44	9,525,145.70	93,204,418.14
3. Decrease in the current period	198,301,402.36	2,142,838.02	200,444,240.38
4. Closing balance	411,331,031.59	17,710,511.21	429,041,542.80
<b>II. Accumulated depreciation</b>			
1. Opening balance			
2. Increase in the current period	96,795,992.07	4,812,054.11	101,608,046.18
3. Decrease in the current period	35,173,903.78	178,569.83	35,352,473.61
4. Closing balance	61,622,088.29	4,633,484.28	66,255,572.57
<b>III. Provision for impairment</b>			
1. Opening balance			
2. Increase in the current period			
(1) Provision			
3. Decrease in the current period			
(1) Disposal			
4. Closing balance			
<b>IV. Carrying amount</b>			
1. Carrying amount at the end of the reporting period	349,708,943.30	13,077,026.93	362,785,970.23
2. Carrying amount at the beginning of the reporting period	525,953,161.51	10,328,203.53	536,281,365.04

**7.16 Intangible assets**(1). **Intangible assets**

√ Applicable □ N/A

Unit: CNY

Item	Land use rights	Software development fees	Total
<b>I. Cost</b>			
1. Opening balance	5,463,040,902.80	49,294,481.51	5,512,335,384.31
2. Increase in the current period	1,514,894,351.39	377,415.91	1,515,271,767.30
(1) Additions	1,514,894,351.39	377,415.91	1,515,271,767.30
(2) Internal R&D			
(3) Increase arising from business combination			
3. Decrease in the current period			

period			
(1) Disposal			
4. Closing balance	6,977,935,254.19	49,671,897.42	7,027,607,151.61
II. Accumulated amortization			
1. Opening balance	659,517,220.54	35,647,181.86	695,164,402.40
2. Increase in the current period	120,559,705.74	3,524,713.23	124,084,418.97
(1) Provision	120,559,705.74	3,524,713.23	124,084,418.97
3. Decrease in the current period			
(1) Disposal			
4. Closing balance	780,076,926.28	39,171,895.09	819,248,821.37
III. Provision for impairment			
1. Opening balance			
2. Increase in the current period			
(1) Provision			
3. Decrease in the current period			
(1) Disposal			
4. Closing balance			
IV. Carrying amount			
1. Carrying amount at the end of the reporting period	6,197,858,327.91	10,500,002.33	6,208,358,330.24
2. Carrying amount at the beginning of the reporting period	4,803,523,682.26	13,647,299.65	4,817,170,981.91

## (2). Land use rights of which certificates of title have not been obtained

√ Applicable □ N/A

Unit: CNY

Item	Carrying amount	Reasons why certificates of title have not been obtained
Moutai Huanshan liquor storage area project	144,000,000.00	In procedure
Phase I and phase II Moutai liquor technological transformation project in Zhonghua Area	2,108,400,462.64	In procedure
Second phase of the "12th Five Year Plan" 10,000 ton Moutai liquor project (2012): technical transformation project that added 2,500 tons of Moutai liquor production capacity	330,000,000.00	In procedure
Maoyuan Road construction and Plot 5 liquor storehouse construction project	363,071,300.00	In procedure
Technological transformation project for the starter-making production room in Plot 7 and supporting facilities	250,000,000.00	In procedure
The first batch of construction projects in Tanchang Area of the circular economy science and technology demonstration park	428,000,000.00	In procedure
Technological transformation project for Moutai flavor liquor series and supporting facilities	352,681,578.55	In procedure

2,000-ton Moutai Prince technological transformation project and 2,800-ton Moutai Prince technological transformation project	30,000,000.00	In procedure
“13th Five-Year Plan” Moutai liquor technological transformation project in Zhonghua Area and supporting facilities	215,259,100.00	In procedure
30,000-ton technological transformation project for Moutai flavor liquor series and supporting facilities	841,671,558.95	Under construction
Moutai international hotel construction project	673,430,000.00	In procedure

**7.17 Long-term prepaid expenses**

√ Applicable □ N/A

Unit: CNY

Item	Opening balance	Increase in the current period	Amortization for the current period	Other reductions	Closing balance
Zhongshu Urban Area - Moutai Road reconstruction project	147,500,000.21		9,999,999.96		137,500,000.25
Cost of major repairs to fixed assets	221,526.22	1,238,679.26	473,849.77		986,355.71
Office fit out cost		1,070,124.90	214,025.04		856,099.86
Total	147,721,526.43	2,308,804.16	10,687,874.77		139,342,455.82

Note: The company and Renhuai Urban Development, Construction, Investment and Operation Co., Ltd. jointly completed transfer and amortization for the Zhongshu Urban Area - Moutai Road reconstruction project according to the resolution of the third meeting of the second board of directors in 2013.

**7.18 Deferred tax assets/deferred tax liabilities****(1). Deferred tax assets before offset**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	66,916,641.87	16,729,160.47	55,903,585.82	13,975,896.46
Unrealized profit of internal transactions	6,303,346,118.88	1,575,836,529.72	2,342,118,180.24	585,529,545.06
Accrued but unpaid achievements-related wages	214,872,045.38	53,718,011.35	214,872,045.38	53,718,011.35
Others	2,363,690,969.19	590,922,742.30	1,880,006,533.97	470,001,633.50
Total	8,948,825,775.32	2,237,206,443.84	4,492,900,345.41	1,123,225,086.37

**(2). Deferred tax liabilities before offset**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance		Opening balance	
	Taxable temporary	Deferred tax	Taxable temporary	Deferred tax liabilities

	differences	liabilities	differences	
Assets appreciation arising from business combination not under common control				
Changes in fair value of other debt investments				
Changes in fair value of in other equity instruments investments				
Changes in fair value of other non-current financial assets			5,830,052.91	1,457,513.23
Total			5,830,052.91	1,457,513.23

(3). **Deferred tax assets or liabilities presented at the net amount after offset** Applicable  N/A(4). **Unrecognized deferred tax assets** Applicable  N/A(5). **Deductible losses for which deferred tax assets are not recognized will be expired in the following year** Applicable  N/A**7.19 Other non-current assets** Applicable  N/A

Unit: CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Contract acquisition cost						
Contract performance cost						
Return cost receivable						
Contract assets						
Certificates of deposit	2,059,761,333.33		2,059,761,333.33			
Total	2,059,761,333.33		2,059,761,333.33			

**7.20 Accounts payable**(1). **Presentation of accounts payable** Applicable  N/A

Unit: CNY

Item	Closing balance	Opening balance
Trade accounts payable	2,009,832,495.56	1,342,267,668.12
Total	2,009,832,495.56	1,342,267,668.12

**7.21 Contract liabilities**(1). **Contract liabilities** Applicable  N/A

Unit: CNY

Item	Closing balance	Opening balance
Prepayments	12,718,465,288.02	13,321,549,147.69
Total	12,718,465,288.02	13,321,549,147.69

**7.22 Customer deposits and balances from banks and other financial institutions**

Unit: CNY

Item	Closing balance	Opening balance
Customer deposits	21,763,575,647.32	14,241,859,949.77
Total	21,763,575,647.32	14,241,859,949.77

**7.23 Payroll and employee benefits payable****(1). Presentation of payroll and employee benefits payable**

√ Applicable □ N/A

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term benefits	2,913,327,473.61	9,590,272,175.88	8,828,323,955.46	3,675,275,694.03
II. Post-employment benefits – Defined contribution plan	67,754,030.25	1,334,433,592.43	1,399,631,419.95	2,556,202.73
III. Termination benefits	44,000.00	23,539,812.68	23,569,990.91	13,821.77
Total	2,981,125,503.86	10,948,245,580.99	10,251,525,366.32	3,677,845,718.53

**(2). Presentation of short-term benefits**

√ Applicable □ N/A

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	2,850,160,827.76	7,809,070,214.14	7,048,507,477.75	3,610,723,564.15
II. Staff welfare		262,186,601.48	262,150,146.28	36,455.20
III. Social security contributions	44,906,932.03	712,049,379.23	721,269,656.87	35,686,654.39
Including: Medical insurance	42,487,600.55	670,551,507.08	677,354,054.02	35,685,053.61
Work injury insurance	2,419,331.48	41,497,872.15	43,915,602.85	1,600.78
IV. Housing funds	28,716.00	625,836,484.57	625,865,200.57	
V. Labor union and employee education costs	18,230,997.82	159,114,141.49	150,130,150.32	27,214,988.99
VI. Short-term paid leave				
VII. Short-term profit-sharing plan				
VIII. Others		22,015,354.97	20,401,323.67	1,614,031.30
Total	2,913,327,473.61	9,590,272,175.88	8,828,323,955.46	3,675,275,694.03

Note: "Others" is labor remuneration.

**(3). Defined contribution plan**

√ Applicable □ N/A

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
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1. Basic pension insurance	57,703,888.44	804,095,643.58	861,707,086.62	92,445.40
2. Unemployment insurance	2,523,534.73	35,105,421.07	37,626,810.21	2,145.59
3. Enterprise annuity	7,526,607.08	495,232,527.78	500,297,523.12	2,461,611.74
Total	67,754,030.25	1,334,433,592.43	1,399,631,419.95	2,556,202.73

**7.24 Taxes payable**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Value added tax	1,933,633,784.18	1,643,379,279.88
Consumption tax	4,123,882,929.27	4,459,274,304.55
Enterprise income tax	5,254,498,943.15	2,424,108,672.50
Individual income tax	84,112,032.43	33,289,158.95
City construction and maintenance tax	343,737,264.76	215,690,203.31
Education surcharges	135,636,926.73	80,876,611.91
Local education surcharges	91,717,665.75	55,207,436.90
Stamp duty	11,280,516.53	6,963,385.30
Property tax	721,095.74	1,018,686.72
Land use tax	9,420.06	13,275.56
Others	571,565.41	
Total	11,979,802,144.01	8,919,821,015.58

**7.25 Other payables****Presentation of items**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Interest payable		
Dividends payable		
Other payables	4,124,404,781.29	3,257,245,259.42
Total	4,124,404,781.29	3,257,245,259.42

**Other payables****(1). Other payables presented by nature**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Material quality deposit	286,891,441.71	276,381,894.05
Project quality deposit	103,727,351.31	122,107,035.45
Dealer deposit	2,016,098,008.20	1,636,956,073.84
Current Account	1,717,687,980.07	1,221,800,256.08
Total	4,124,404,781.29	3,257,245,259.42

**(2). Significant other payables aged over 1 year**

□ Applicable √ N/A

Others:

□ Applicable √ N/A

**7.26 Current portion of non-current liabilities**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Lease liabilities due within one year	104,319,886.87	121,378,096.65
Total	104,319,886.87	121,378,096.65

**7.27 Other current liabilities**

Other current liabilities

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Pending output VAT	1,535,976,293.22	1,609,801,368.51
Total	1,535,976,293.22	1,609,801,368.51

**7.28 Lease liabilities**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
Long-term lease liabilities	296,466,199.74	414,903,268.39
Total	296,466,199.74	414,903,268.39

**7.29 Paid-in capital**

√ Applicable □ N/A

Unit: CNY

	Opening balance	Changes in the current period (+, -)					Closing balance
		New shares issued	Share donation	Capitalization of capital reserve	Others	Subtotal	
Number of shares	1,256,197,800.00						1,256,197,800.00

**7.30 Capital reserve**

√ Applicable □ N/A

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium	1,374,048,653.54			1,374,048,653.54
Other capital reserves	915,762.18			915,762.18
Total	1,374,964,415.72			1,374,964,415.72

**7.31 Other comprehensive income**

√ Applicable □ N/A

Unit: CNY

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the prior	Less: Amount included in other comprehensive income in the prior	Less: Income tax expenses	Attributable to the Company after tax	Attributable to minority interests after tax	

			periods that is transfere d to profit or loss for the current period	periods that is transfere d to retained earnings for the current period				
I. Other comprehe nsive income that cannot be reclassifie d to profit or loss								
Including: Remeasur ement of changes in defined benefit plan								
Other comprehe nsive income that cannot be transferred to profit or loss under equity method								
Changes in fair value of in other equity instrument s investmen ts								
Changes in fair value of the Company' s own credit risk								
II. Other comprehe nsive	-5,331,3 67.75	-7,686,5 13.03				-7,686,5 13.03		-13,017,8 80.78

income to be reclassified to profit or loss								
Including: Other comprehensive income that may be transferred to profit or loss under equity method								
Changes in fair value of other debt investments								
Amount of financial assets reclassified to other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedging reserves								
Exchange differences on translation of foreign currency financial statements	-5,331,367.75	-7,686,513.03				-7,686,513.03		-13,017,880.78
Total other comprehensive income	-5,331,367.75	-7,686,513.03				-7,686,513.03		-13,017,880.78

**7.32 Surplus reserve**

√ Applicable □ N/A

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	20,174,922,608.93	4,967,910,209.23		25,142,832,818.16
Discretionary surplus reserve				
Reserve fund				
Enterprise development fund				
Others				
Total	20,174,922,608.93	4,967,910,209.23		25,142,832,818.16

**7.33 General risk reserve**

Unit: CNY

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
General risk reserve	927,577,822.67	133,951,901.33		1,061,529,724.00
Total	927,577,822.67	133,951,901.33		1,061,529,724.00

Note: The general risk reserve was set aside by Kweichow Moutai Group Finance Co., Ltd., a majority-owned subsidiary of the Company, in accordance with the provisions of the Measures for the Administration of the Setting Aside of Reserves for Financial Enterprises (Cai Jin [2012] No. 20) promulgated by the Ministry of Finance.

**7.34 Retained earnings**

√ Applicable □ N/A

Unit: CNY

Item	Current period	Prior period
Before adjustment: retained earnings of the prior period	137,594,403,807.99	115,892,337,407.39
Adjustment: Total retained earnings at the beginning of the reporting period (increase "+", decrease "-")		
After adjustment: retained earnings at the beginning of the reporting period	137,594,403,807.99	115,892,337,407.39
Add: Net profit attributable to owners of the Company for the current period	52,460,144,378.16	46,697,285,429.81
Less: Transfer to statutory surplus reserve	4,967,910,209.23	3,579,223,571.91
Transfer to discretionary surplus reserve		
Transfer to general risk reserve	133,951,901.33	29,227,885.90
Declaration of dividends on ordinary shares	24,235,824,155.40	21,386,767,571.40
Conversion of ordinary shares' dividends into share capital		
Retained earnings at the end of the reporting period	160,716,861,920.19	137,594,403,807.99

**7.35 Operating proceeds and costs of sales**(1). **Operating proceeds and costs of sales**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period		Amount incurred in the prior period	
	Revenue	Cost	Revenue	Cost
Main	106,059,290,342.18	8,890,990,510.72	94,821,999,102.45	8,083,371,418.24

business				
Others	130,864,501.58	92,387,299.24	93,381,814.27	70,630,058.04
Total	106,190,154,843.76	8,983,377,809.96	94,915,380,916.72	8,154,001,476.28

Note: Other operating proceeds and costs are mainly the revenue and costs of Moutai International Hotel.

(2). **Description of contractual obligations**

√ Applicable □ N/A

Revenue is recognized when the customer obtains control of the goods specified in the contract and the Company fulfills its obligations under the contract.

(3). **Description of apportionment to remaining contractual obligations**

√ Applicable □ N/A

The amount of revenue corresponding to contractual obligations that have not yet been performed or have not been fulfilled at the end of the reporting period is CNY 12,718,465,288.02.

**7.36 Interest income, interest expense, net fee and commission revenue, and fees and commission expenses**

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest income	3,274,123,720.13	3,077,859,584.49
Fees and commission revenue		
Interest expense	173,897,197.98	111,128,537.31
Fees and commission expense	115,082.12	105,888.96

**7.37 Taxes and surcharges**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Consumption tax	12,056,605,155.34	10,958,391,087.32
City maintenance and construction tax	1,734,297,928.93	1,574,078,013.46
Education surcharges	743,270,540.94	670,869,561.91
House property tax	158,049,318.08	142,475,530.38
Land use tax	38,625,999.87	34,836,782.87
Vehicle and vessel usage tax	393,682.35	269,578.61
Stamp duty	75,936,478.31	58,095,473.30
Local education surcharges	495,513,694.19	447,326,056.68
Environmental protection tax	187,817.17	175,206.25
Others	1,588,454.85	
Total	15,304,469,070.03	13,886,517,290.78

**7.38 Selling expenses**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Advertising and marketing expenses	2,362,973,054.42	2,189,674,995.48
Transportation expenses and	15,581,555.64	12,762,118.95

transportation insurance expenses		
Marketing travel expenses and office expenses	65,584,708.40	56,919,357.36
Others	293,230,116.32	288,389,179.16
Total	2,737,369,434.78	2,547,745,650.95

**7.39 General and administrative expenses**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Payroll and employee benefits	3,964,469,622.29	3,279,447,243.22
Trademark licensing fees	1,332,728,678.71	1,195,642,243.60
Depreciation on fixed assets	394,652,013.52	371,103,457.14
Environmental remediation expenses	125,256,351.95	76,743,481.36
Company expenses	186,406,218.53	176,360,506.15
Amortization of intangible assets	124,084,418.97	110,349,099.00
Property insurance	62,245,135.74	60,322,596.02
Raw material base expenses	228,662,175.32	179,552,860.11
Rent for the use of property	20,126,797.76	22,870,672.67
Business reception expenses	9,841,359.31	9,973,302.25
Intermediary expenses	28,716,580.54	21,222,461.03
Rent for the use of land	2,636,686.30	4,361,551.06
Board expenses	4,722,307.27	3,815,997.52
Others	1,965,725,718.82	1,278,078,818.26
Total	8,450,274,065.03	6,789,844,289.39

**7.40 R&D expenses**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Payroll and employee benefits	22,645,218.77	20,873,377.72
Consumable	4,300,483.79	3,971,325.60
R&D cooperation expenses	26,605,729.70	19,270,124.21
Depreciation on fixed assets	4,758,510.21	5,122,301.55
Company expenses	1,898,827.45	318,214.08
Others	1,714,443.67	842,693.17
Total	61,923,213.59	50,398,036.33

**7.41 Financial expenses**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expense (lease liabilities)	13,529,867.76	
Interest income	-944,578,412.02	-278,697,733.32
Others	-3,474,861.76	44,087,150.88
Total	-934,523,406.02	-234,610,582.44

**7.42 Other income**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred	Amount
------	-----------------	--------

	in the current period	incurred in the prior period
Financial support for the economic development of Shanghai Pudong New Area	4,677,000.00	2,794,000.00
Incentives given by Jinan municipal government for innovation and development	2,630,000.00	2,010,000.00
Incentives given by Changsha Municipal Development and Reform Bureau to support industrial development	2,030,000.00	
Incentives for key enterprises given by Beijing Xicheng District Development and Reform Commission	1,200,000.00	
Funds earmarked by Guiyang Municipal Bureau of Commerce for foreign economic and trade development	300,000.00	
Funds earmarked by Nanning Municipal Bureau of Commerce for service industry development	240,000.00	
Incentives given by Guiyang city to support the stable development of above-norm wholesale, retail and catering enterprises in response to COVID-19 and encourage them to reach their design capacity and increase efficiency	200,000.00	
Incentives given by Taohua town government of Xihu District, Nanchang	190,000.00	
Town-level financial incentives given by Nanchang city	35,000.00	
Incentives for “four above” enterprises given by Zhengzhou city	80,000.00	
Incentives for best progressive enterprises given by the bureau of commerce of Chaoyang District, Changchun	80,000.00	
Incentives given by Wuhan city to encourage enterprises to meet retail sales targets and go above the norm	80,000.00	
“Sales competition month” incentives and incentives for “four above” enterprises given by Gulou District, Nanjing	61,000.00	
Nanning city’s support for the development of above-norm commercial and trade enterprises and other for-profit service industries above designated size	50,000.00	
District-level incentives for high quality development given by Hefei city	30,000.00	
Grants for COVID-19 prevention and control	20,000.00	
Funds earmarked by Changsha city for guiding service industries	20,000.00	
Incentives for contributions given by Beijing Xicheng District Government		1,000,000.00
Subsidies given by Guizhou Provincial Department of Commerce for increases in imports and exports		767,000.00
Rent subsidies given by the investment attraction service center of Guanshanhu District, Guiyang		500,000.00
Incentives given by Jinan Municipal Bureau of Commerce to promote trade during the pandemic		100,000.00
Incentives for for-profit service industries given by Nanning city		50,000.00
Incentives given by Shanxi Yangqu Industrial Park for outstanding contributions		50,000.00
Incentives given by the bureau of commerce of Guanshanhu District, Guiyang		50,000.00
Training grants given by Guiyang Employment and Vocational Skills Development Center		11,500.00
Refund of service charges for withholding individual income tax	8,537,082.76	5,805,652.69
Additional value-added tax credit	55,828.43	
Total	20,515,911.19	13,138,152.69



**7.43 Investment income**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Income from long-term equity investments under equity method		
Investment income on disposal of long-term equity investments		237,455.55
Investment income from holding held-for-trading financial assets		
Dividend income from holding investments in other equity instruments		
Interest income from holding debt investments		
Interest income from holding other debt investments		
Investment income from disposal of held-for-trading financial assets		
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Income from debt restructuring		
Investment income from disposal of other non-current financial assets	-1,505,395.94	68,175.91
Interest income from holding certificates of deposit	59,761,333.33	
Total	58,255,937.39	305,631.46

**7.44 Gains from changes in fair value**

√ Applicable □ N/A

Unit: CNY

Source resulting in gains from changes in fair values	Amount incurred in the current period	Amount incurred in the prior period
Held-for-trading financial assets		
Including: Gains from changes in fair values arising from derivatives		
Held-for-trading financial liabilities		
Investment properties carried at fair value		
Other non-current financial assets	-2,244,726.29	4,897,994.43
Total	-2,244,726.29	4,897,994.43

**7.45 Credit impairment losses**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Bad debt provision of notes receivable		
Bad debt provision of accounts receivable	47,413.76	
Bad debt provision of other receivables	134,900.04	3,060,659.45
Impairment on debt investments	-84,510.00	-11,880.00
Impairment on other debt investments		
Bad debt provision of long-term		

receivables		
Impairment on contract assets		
Others	-13,120,244.99	-74,420,589.30
Total	-13,022,441.19	-71,371,809.85

Note: "Others" is mainly the provision for impairment of loans issued by the company's majority-owned subsidiary Kweichow Moutai Group Finance Co., Ltd.

#### 7.46 Non-operating income

Non-operating income

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss in the current period
Total gains on disposal of non-current assets	3,437.33	13,939.82	3,437.33
Including: Gains on disposal of fixed assets	3,437.33	13,939.82	3,437.33
Gains on disposal of intangible assets			
Gains on exchange of non-monetary assets			
Donations received			
Government grants			
Gains on fines and damages	66,338,633.29	5,853,430.16	66,338,633.29
Others	2,647,149.12	5,183,766.17	2,647,149.12
Total	68,989,219.74	11,051,136.15	68,989,219.74

#### 7.47 Non-operating costs

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss in the current period
Total losses on disposal of non-current assets	11,924,267.10	114,053.74	11,924,267.10
Including: Losses on disposal of fixed assets	11,924,267.10	114,053.74	11,924,267.10
Losses on disposal of intangible assets			
Losses on exchange of non-monetary assets			
Donations to third parties	271,167,088.19	443,979,504.00	271,167,088.19
Amercement outlay	200,000.00		200,000.00
Others	8,546,747.21	5,095,469.68	8,546,747.21
Total	291,838,102.50	449,189,027.42	291,838,102.50

#### 7.48 Income tax expense

(1). Income tax expenses

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Current tax expenses	19,922,940,809.01	16,768,125,335.29
Deferred tax expenses	-1,115,438,870.71	-94,513,226.58

Total	18,807,501,938.30	16,673,612,108.71
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**(2). Reconciliation of income tax expenses to the accounting profit**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period
Total profit	74,528,031,894.76
Income tax expenses calculated at statutory/applicable tax rate	18,632,007,973.69
Effect of different tax rates applicable to subsidiaries	123,348.19
Effect of adjustment to income tax of prior periods	
Effect of non-taxable income	
Effect of non-deductible costs, expenses and losses	175,756,116.42
Effect of using deductible losses for which deferred tax assets were previously not recognized	-385,500.00
Effect of deductible temporary differences or deductible losses unrecognized in the current period	
Income tax expense	18,807,501,938.30

Others:

□ Applicable √ N/A

**7.49 Other comprehensive income**

√ Applicable □ N/A

See Note 31 Other Comprehensive Income for details

**7.50 Items of the cash flow statement****(1). Cash received relating to other operating activities**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest income from self-owned funds	549,608,351.20	53,004,711.11
Other income received	1,093,928,511.28	168,416,515.52
Total	1,643,536,862.48	221,421,226.63

**(2). Cash paid relating to other operating activities**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Advertising and publicity expenses paid	1,047,792,182.25	1,192,070,830.64
Transportation expenses and transportation insurance expenses paid	238,511,859.13	363,860,058.26
Property insurance premiums paid	56,151,552.10	74,790,069.53
Other expenses paid	3,026,048,912.52	2,416,305,228.03
Total	4,368,504,506.00	4,047,026,186.46

**(3). Cash received relating to other investing activities**

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current	Amount incurred in the prior
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	period	period
Performance bond received for capital construction	9,983,452.63	6,675,319.03
Total	9,983,452.63	6,675,319.03

## (4). Cash paid relating to other investing activities

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Refunded performance bond for capital construction	23,048,029.93	17,535,402.30
Total	23,048,029.93	17,535,402.30

## (5). Cash payments relating to other financing activities

√ Applicable □ N/A

Unit: CNY

Item	Amount incurred in the current period	Amount incurred in the prior period
Amount paid to repay lease liabilities	88,121,549.59	
Disposal of equity interests in Tier-3 subsidiaries		32,000,000.00
Acquisition of minority shareholders equity interests in subsidiaries		4,507,157.75
Total	88,121,549.59	36,507,157.75

**7.51 Supplementary information to the cash flow statement**

## (1). Supplementary information to the cash flow statement

√ Applicable □ N/A

Unit: CNY

Supplementary information	Current period	Prior period
<b>1. Reconciliation of net profit to cash flow from operating activities:</b>		
Net profit	55,720,529,956.46	49,523,329,882.40
Add: Provision for impairment losses of assets		
Credit impairment losses	13,022,441.19	71,371,809.85
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	1,344,833,911.39	1,195,956,468.60
Amortization of right-of-use assets	101,608,046.18	
Amortization of intangible assets	124,084,418.97	110,349,099.00
Amortization of long-term prepaid expenses	10,687,874.77	10,562,811.76
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by “—”)		
Losses on retirement of fixed assets (gains are indicated by “—”)	11,920,829.77	100,113.92
Losses on changes in fair values (gains are indicated by “—”)	2,244,726.29	-4,897,994.43
Financial expenses (income is indicated by “—”)	13,529,867.76	
Losses arising from investments (gains are indicated by “—”)	-58,255,937.39	-305,631.46
Decrease in deferred tax assets (increase is indicated by “—”)	-1,113,981,357.47	-23,278,138.80
Increase in deferred tax liabilities (decrease is indicated by “—”)	-1,457,513.23	-71,235,087.78
Decrease in inventories (increase is indicated by “—”)	-4,525,277,406.77	-3,584,166,871.73
Decrease in receivables from operating activities (increase is indicated by “—”)	504,305,749.89	-504,008,375.44
Increase in payables from operating activities (decrease is indicated by “—”)	11,880,880,539.56	4,945,290,607.14

Others		
Net cash flow from operating activities	64,028,676,147.37	51,669,068,693.03
<b>2. Significant investing and financing activities that do not involve cash receipts and payments:</b>		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets acquired under finance leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	178,640,587,379.52	146,740,524,868.05
Less: Opening balance of cash	146,740,524,868.05	121,003,839,599.64
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	31,900,062,511.47	25,736,685,268.41

**(2). Composition of cash and cash equivalents**

√ Applicable □ N/A

Unit: CNY

Item	Closing balance	Opening balance
I. Cash	178,640,587,379.52	146,740,524,868.05
Including: Cash on hand	9,500.00	9,554.00
Bank balances	42,099,344,994.22	27,989,073,619.13
Other monetary funds		
Deposits with the central bank	2,705,674,089.61	1,054,398,626.03
Deposits with other banks	133,835,558,795.69	117,697,043,068.89
Placements with banks		
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	178,640,587,379.52	146,740,524,868.05
Including: Restricted cash and cash equivalents of the Company and subsidiaries within the Group		

Others:

□ Applicable √ N/A

**7.52 Notes to items in the statement of changes in owners' equity**

Describe matters such as the names and the adjustment amount of the items included in "others" in respect of adjustments to the closing balances of the prior reporting period:

□ Applicable √ N/A

**7.53 Assets with restricted ownership or right-of-use**

√ Applicable □ N/A

Unit: CNY

Item	Carrying amount at the end of the reporting period	Reasons of restriction
Cash and Cash equivalents	6,381,004,565.81	Cash and Cash equivalents deposited in the central bank's statutory deposit reserve
Loans to banks and other financial institutions	1,000,000,000.00	Interbank deposits that cannot be withdrawn in advance
Total	7,381,004,565.81	/

**7.54 Foreign currency monetary items**

**(1). Foreign currency monetary items**

√ Applicable □ N/A

Unit: CNY

Item	Closing balances of foreign currencies	Exchange rates for translation	Closing balance of RMB
Cash and Cash equivalents			
Including: USD			
EUR	2,862,408.82	7.2197	20,665,732.96
HKD			

**(2). Description of foreign operations: for significant foreign operations, major domicile and functional currency and its basis of selection shall be disclosed, and reasons for foreign operations changing their functional currencies shall also be disclosed.**

√ Applicable □ N/A

The Company's wholly-owned subsidiary, Kweichow Moutai Paris Trading, is registered in Paris, France, and its functional currency is Euro.

**7.55 Government grants****(1). Basic information of government grants**

√ Applicable □ N/A

Unit: CNY

Category	Amount	Presenting items	Amount included in profit or loss
Financial support for the economic development of Shanghai Pudong New Area	4,677,000.00	Other income	4,677,000.00
Incentives given by Jinan municipal government for innovation and development	2,630,000.00	Other income	2,630,000.00
Incentives given by Changsha Municipal Development and Reform Bureau to support industrial development	2,030,000.00	Other income	2,030,000.00
Incentives for key enterprises given by Beijing Xicheng District Development and Reform Commission	1,200,000.00	Other income	1,200,000.00
Funds earmarked by Guiyang Municipal Bureau of Commerce for foreign economic and trade development	300,000.00	Other income	300,000.00
Funds earmarked by Nanning Municipal Bureau of Commerce for service industry development	240,000.00	Other income	240,000.00
Incentives given by Guiyang city to support the stable development of above-norm wholesale, retail and catering enterprises in response to COVID-19 and encourage them to reach their design capacity and increase efficiency	200,000.00	Other income	200,000.00
Incentives given by Taohua town government of Xihu District, Nanchang	190,000.00	Other income	190,000.00
Town-level financial incentives given by Nanchang city	35,000.00	Other income	35,000.00
Incentives for "four above" enterprises given by Zhengzhou city	80,000.00	Other income	80,000.00
Incentives for best progressive enterprises given by the bureau of commerce of Chaoyang District, Changchun	80,000.00	Other income	80,000.00
Incentives given by Wuhan city to encourage enterprises to meet retail sales targets and go above	80,000.00	Other income	80,000.00

the norm			
“Sales competition month” incentives and incentives for “four above” enterprises given by Gulou District, Nanjing	61,000.00	Other income	61,000.00
Nanning city’s support for the development of above-norm commercial and trade enterprises and other for-profit service industries above designated size	50,000.00	Other income	50,000.00
District-level incentives for high quality development given by Hefei city	30,000.00	Other income	30,000.00
Grants for COVID-19 prevention and control	20,000.00	Other income	20,000.00
Funds earmarked by Changsha city for guiding service industries	20,000.00	Other income	20,000.00

(2). **Return of government grants**

□ Applicable √ N/A

**8. Equity in other entities****8.1 Equity in subsidiaries****A. Composition of the Group**

√Applicable □N/A

Subsidiary	Main place of business	Place of registration	Business nature	Shareholding ratio		Acquisition method
				Directly	Indirectly	
GUIZHOU MOUTAI CHIEW IMPORT AND EXPORT CO., LTD.		Guiyang, Guizhou		70		Investment
Kweichow Moutai Sales Co., Ltd.		Renhuai, Guizhou		95		Investment
Kweichow Moutai Group Finance Co., Ltd.		Renhuai, Guizhou		51		Investment
Moutai Custom Marketing (Guizhou) Co., Ltd.		Guiyang, Guizhou		70		Investment
Beijing Friendship Messenger Trading Co., Ltd.		Beijing		70		Investment
Kweichow Moutai Paris Trading		Paris, France		100		Investment
Guizhou Laymau Wine Industry Co., Ltd.		Guiyang, Guizhou		43		Investment
Kweichow Moutai-Flavor Liquor Marketing Co., Ltd.		Renhuai, Guizhou		100		Investment

The basis for holding half or less voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

The Company holds 43% of the equity in Guizhou Laymau Wine Industry Co., Ltd., but may actually control this company, in that the Company has a majority of the board members in Guizhou Laymau Wine Industry Co., Ltd..

**B. important non-wholly owned subsidiaries**

√Applicable □N/A

Unit: CNY

Subsidiary	Shareholding of minority shareholders	Profit and loss attributable to minority	Dividends declared and distributed to minority	Closing balance of minority shareholders'
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	proportion	shareholders in the current period	shareholders in the current period	equity for the period
Kweichow Moutai Sales Co., Ltd.	5%	2,401,959,199.09	2,124,324,789.09	2,839,006,474.21

Explanation of the difference between the shareholding proportion of minority shareholders and the voting right proportion of subsidiaries:

√Applicable □N/A

Others:

√Applicable □N/A

### C. Major financial information of significant non-wholly owned subsidiaries

√Applicable □N/A

Unit: CNY 10,000

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Kweichow Moutai Sales Co., Ltd.	7,588,967.01	62,919.92	7,651,886.93	1,968,312.40	5,561.59	1,973,873.99	7,829,326.95	47,568.47	7,876,895.42	2,754,151.29		2,754,151.29

Subsidiary	Current period				Prior period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Kweichow Moutai Sales Co., Ltd.	9,061,083.73	4,803,918.40	4,803,918.40	3,616,271.47	8,224,889.10	4,423,287.59	4,423,287.59	4,794,099.85

### 9. Risks relevant to financial instruments

√Applicable □N/A

The main financial instruments of the Company include other non-current financial assets, cash and cash equivalents etc. These financial instruments are created mainly for the operating financing of the Company. The Company has many other financial assets and liabilities, such as accounts receivable, other receivables, accounts payable and other payables, which are directly produced as a result of operation.

The major risks caused by the financial instruments of the Company are credit risk, liquidity risk, exchange rate risk and interest rate risk.

#### 9.1 Credit risk

The financial assets of the Company include cash and cash equivalents, accounts receivable, other receivables etc. The credit risk in these financial assets originates from breach of the agreement by the counter party. The maximum risk exposure is equivalent to the carrying amount of these instrument.

No guaranty is required as the Company only trades with the recognized and reputable third parties. The credit risk is managed by customers in a centralized manner. The Company faces a low credit risk as it collects accounts in advance during sales.



**9.2 Liquidity risk**

Liquidity risk refers to the risk of shortage of funds when the enterprise performs its obligation of settlement through delivery of cash or other financial assets.

The policy of the Company is to ensure that it has sufficient cash to repay the debts due. The subsidiaries shall be responsible for their own cash flow predictions. The finance department of the Company shall constantly monitor the short-term and long-term funds demands at the group level to maintain the fund demands according to the summary of the cash flow predictions of the subsidiaries.

**9.3 Exchange rate risk**

The foreign exchange fluctuation risk faced by the Company is mainly related to the operating activities of the Company (when the receipts and payments are not settled in a foreign currency other than the functional currency of the Company) and its net investment in overseas subsidiaries. The foreign exchange risk sustained by the Company is mainly related to the United States dollars and Euro. The Company's major business activities are priced and settled in CNY except for those settled in USD and EUR.

**9.4 Interest rate risk**

Interest rate risk refers to the risk of fluctuation in the fair value of the financial instruments or the future cash flow due to the change in the market interest rate. The risk of fluctuation in the market interest rate faced by the Company is mainly related to the liabilities with the interest accrued at a floating interest rate. As at December 31, 2021, the Company has no liabilities with the interest accrued at a floating interest rate.

**10. Disclosure of fair value****10.1 Fair value of assets and liabilities measured at fair value at the end of the period**

√Applicable N/A

**10.2 The basis for determining the market price of continuous and non-continuous level 1 fair value measurement items**

√Applicable N/A

**10.3 Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 2 fair value measurement items**

√Applicable N/A

**10.4 Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 3 fair value measurement items**

√Applicable N/A

**10.5 Continuous level 3 fair value measurement items, adjustment information between the opening and closing carrying amount and sensitivity analysis of unobservable parameters**

√Applicable N/A

**10.6 Continuous fair value measurement items, if there is a conversion between various levels during the current period, the reasons for the conversion and the policy for determining the timing of the conversion**

√Applicable N/A

**10.7 Changes in valuation technology during the current period and reasons for the changes**

√Applicable N/A

**10.8 The fair value of financial assets and financial liabilities not measured at fair value**

√Applicable □N/A

**11.Related parties and related party transactions****11.1 The Company's parent company**

√Applicable □N/A

Unit: CNY 10,000

Parent company	Place of registration	Business nature	Registered capital	Shareholding ratio of parent company to the Company	Proportion of voting rights of parent company to the company
China Kweichow Moutai Distillery (Group) Co., Ltd.	Guiyang, Guizhou		1,000,000	54.00	54.00

**11.2 Subsidiaries of the Company**

√Applicable □N/A

Please refer to "VIII. Equity in other entities" for the details of the subsidiaries of the Company

**11.3 Other related parties**

√Applicable □N/A

Name of other related parties	Relationship with the company
Beijing Moutai Trading Co., Ltd.	Wholly-owned subsidiary of the parent company
ChangLi Moutai Wine Trade Co., Ltd.	Other
Shanghai Moutai Trading Co., Ltd.	Other
Guizhou Fuming Packaging Co. Ltd	Other
Guizhou Hengdao Forestry and Agriculture Technology Development Co., Ltd.	Other
Guizhou Jiuyuan Property Co., Ltd.	Other
Guizhou Kunen Bioengineering Co., Ltd.	Other
Kweichow Moutai (group) International Travel Service Co., Ltd.	Other
Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.	Wholly-owned subsidiary of the parent company
Kweichow Moutaichun Marketing Company	Other
Health Industry Co., Ltd. of Kweichow Moutai Group.	Other
KWEICHOW MOUTAI WINERY(GROUP)BAIJIN LIQUOR SALES CO., LTD.	Other
Kweichow Moutai Winery(Group)Baijin Liquor Co., Ltd..	Other
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	Other
Kweichow Moutai Winery (Group) Health Wine Co., Ltd.	Wholly-owned subsidiary of the parent company
Kweichow Moutai Distillery Group Changli Winery Co., Ltd.	Majority-owned subsidiary of the parent company
Kweichow Moutai Distillery (Group) Foreign Investment Cooperation Management Co., Ltd.	Majority-owned subsidiary of the parent company

Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	Other
Kweichow Moutai Distillery (Group) Guiyang Business Co., Ltd.	Wholly-owned subsidiary of the parent company
Kweichow Moutai Distillery (Group) Sanya Investment Co., Ltd.	Other
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	Majority-owned subsidiary of the parent company
Guizhou Maotai Distillery(Group) Xijiu Co., Ltd.	Wholly-owned subsidiary of the parent company
Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	Wholly-owned subsidiary of the parent company
Kweichow Moutai Distillery (Group) Real Estate Investment Development Co., Ltd.	Wholly-owned subsidiary of the parent company
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Majority-owned subsidiary of the parent company
Guizhou Maotai Ecological Agriculture Sales Co., Ltd.	Other
Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	Other
Kweichow Zunyi Moutai Airport Co., Ltd.	Majority-owned subsidiary of the parent company
Guizhou Renhuai Shenren Packaging and Printing Co., Ltd.	Other
Guizhou Xijiu Sales Co., Ltd.	Other
Gui Zhou New Huaxi Glass Co., Ltd	Other
Moutai & CCB Trust (Guizhou) Investment Fund (Limited Partnership)	Majority-owned subsidiary of the parent company
Moutai & CCB Trust (Guizhou) Investment Fund Management Co., Ltd.	Majority-owned subsidiary of the parent company
Shanghai Kweichow Moutai Industrial Co., Ltd.	Wholly-owned subsidiary of the parent company
Shanghai Rencai Printing Affairs Co., Ltd.	Other
Tianchao Shangpin Liquor Industry(Guizhou) Co., Ltd.	Other
Hotel Management Company Of Moutai Group	Wholly-owned subsidiary of the parent company
Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	Other
China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	Wholly-owned subsidiary of the parent company
Chinese-Foreign Venture Dragon And Lion Cap Co., Ltd Zhuhai S.E.Z	Majority-owned subsidiary of the parent company
Moutai Financial Leasing Co., Ltd	Wholly-owned subsidiary of the parent company
Kweichow Moutai Group Marketing Co., Ltd.	Wholly-owned

	subsidiary of the parent company
Huagui Life Insurance Co., Ltd.	Joint stock company of the parent company
Guiyang GYB Financial Leasing Co., Ltd.	Joint stock company of the parent company
Zhongshan Sanrun Printing Consumables Co., Ltd.	Other
Bank of Guizhou Co., Ltd.	Other
Guizhou Zunpeng Liquor Industry Co., Ltd.	Other
Kweichow Moutai Distillery (Group) Guiding Jingqi Glasswork Co., Ltd.	Other
Kweichow Moutai Distillery (Group) Lvsheng Organic Fertilizer Co., Ltd.	Other
Guizhou Renhuai Renshuai Liquor Industry Co., Ltd.	Other

## Others

- (1) ChangLi Moutai Wine Trade Co., Ltd. is a wholly-owned subsidiary of Kweichow Moutai Distillery Group Changli Winery Co., Ltd.;
- (2) Shanghai Moutai Trading Co., Ltd. is a wholly-owned subsidiary of Shanghai Kweichow Moutai Industrial Co., Ltd.;
- (3) Guizhou Fuming Packaging Co.Ltd is a majority-owned subsidiary of Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.;
- (4) Guizhou Hengdao Forestry and Agriculture Technology Development Co., Ltd. is a majority-owned subsidiary of Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.;
- (5) Guizhou Jiu yuan Property Co., Ltd. is a majority-owned subsidiary of China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.;
- (6) Guizhou Kunen Bioengineering Co., Ltd. is a majority-owned subsidiary of Kweichow Moutai Distillery (Group) Foreign Investment Cooperation Management Co., Ltd.;
- (7) Kweichow Moutai (group) International Travel Service Co., Ltd. is a wholly-owned subsidiary of China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.;
- (8) Kweichow Moutaichun Marketing Company is a wholly-owned subsidiary of Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.;
- (9) Health Industry Co., Ltd. of Kweichow Moutai Group. is a majority-owned subsidiary of Kweichow Moutai Winery (Group) Health Wine Co., Ltd.;
- (10) KWEICHOW MOUTAI WINERY (GROUP) BAIJIN LIQUOR SALES CO., LTD. is a wholly-owned subsidiary of Kweichow Moutai Winery(Group) Baijin Liquor Co., Ltd.;
- (11) KWEICHOW MOUTAI WINERY (GROUP) BAIJIN LIQUOR CO., LTD. is a majority-owned subsidiary of Kweichow Moutai Winery (Group) Health Wine Co., Ltd.;
- (12) Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd. is a wholly-owned subsidiary of Kweichow Moutai Winery (Group) Health Wine Co., Ltd.;
- (13) Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd. is a wholly-owned subsidiary of Kweichow Moutai Distillery (Group) Real Estate Investment Development Co., Ltd.;
- (14) Kweichow Moutai Distillery (Group) Sanya Investment Co., Ltd. is a wholly-owned subsidiary of Kweichow Moutai Distillery (Group) Real Estate Investment Development Co., Ltd.;
- (15) Guizhou Maotai Ecological Agriculture Sales Co., Ltd. is a wholly-owned subsidiary of Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.;
- (16) Kweichow Moutai Logistics Park Grain Storage Co., Ltd. is a majority-owned subsidiary of Kweichow Moutai Distillery (Group) Logistics Co., Ltd.;
- (17) Guizhou Renhuai Shenren Packaging and Printing Co., Ltd. is a majority-owned subsidiary of Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.;
- (18) GUIZHOU XIJIU SALES CO., LTD. is a wholly-owned subsidiary of GUIZHOU MAOTAI DISTILLERT (GROUP) XIJIU CO., LTD.;
- (19) GUI ZHOU NEW HUAXI GLASS CO., LTD is a majority-owned subsidiary of Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.;
- (20) Shanghai Rencai Printing Affairs Co., Ltd. is an associate of Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.;
- (21) Tianchao Shangpin Liquor Industry (Guizhou) Co., Ltd. is a majority-owned subsidiary of Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.;

- (22) Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd. is a wholly-owned subsidiary of Kweichow Zunyi Moutai Airport Co., Ltd.;
- (23) Zhongshan Sanrun Printing Consumables Co., Ltd. is a majority-owned subsidiary of CHINESE-FOREIGN VENTURE DRAGON AND LION CAP CO., LTD ZHUHAI S.E.Z;
- (24) Bank of Guizhou Co., Ltd. is an associate of the parent company;
- (25) Guizhou Zunpeng Liquor Industry Co., Ltd. is a majority-owned subsidiary of Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.;
- (26) Kweichow Moutai Distillery (Group) Guiding Jingqi Glasswork Co., Ltd. is a wholly-owned subsidiary of Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.;
- (27) Kweichow Moutai Distillery (Group) Lvsheng Organic Fertilizer Co., Ltd. is a majority-owned subsidiary of Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.;
- (28) Guizhou Renhuai Renshuai Liquor Industry Co., Ltd. is a wholly-owned subsidiary of Kweichow Moutai Winery (Group) Health Wine Co., Ltd.;

#### 11.4 Related party transaction

##### A. Related party transactions of purchase and sales of goods, render and accept services

Purchase of goods / accept of services

√Applicable □N/A

Unit: CNY

Related party	Related party transaction	Current period	Prior period
China Kweichow Moutai Distillery (Group) Co., Ltd.	Right to use the trademark	1,332,728,678.71	1,195,642,243.74
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	Goods transportation service	215,293,693.93	238,165,178.44
Guizhou Renhuai Shenren Packaging and Printing Co., Ltd.	Purchase of goods	242,357,820.96	186,661,814.93
Chinese-Foreign Venture Dragon And Lion Cap Co., Ltd Zhuhai S.E.Z	Purchase of goods	186,644,711.14	185,429,878.58
Shanghai Rencai Printing Affairs Co., Ltd.	Purchase of goods	12,490,908.50	159,859,493.05
Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	Purchase of goods	150,339,280.00	136,786,770.00
Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	Purchase of goods	109,617,071.39	111,857,416.69
Guizhou Fuming Packaging Co.Ltd	Purchase of goods	73,963,369.22	57,005,297.86
Gui Zhou New Huaxi Glass Co., Ltd	Purchase of goods	60,580,925.36	54,943,356.56
Guizhou Maotai Ecological Agriculture Sales Co., Ltd.	Purchase of goods		2,576,091.90
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	Purchase of goods	2,892,054.00	
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	Purchase of goods	2,203,000.00	
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Purchase of goods	1,766,767.13	
China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	Purchase of goods	33,274.34	
Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	Purchase of offices	9,741,492.16	
China Kweichow Moutai Distillery (Group) Co., Ltd.	Comprehensive service fee	379,394.43	76,169,819.49
Huagui Life Insurance Co., Ltd.	Purchase of insurances	477,500.00	22,998,000.57
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Labor cost	201,743,603.42	172,331,684.53
Hotel Management Company Of Moutai Group	Labor cost	61,437,621.87	60,660,418.26

Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	Labor cost	95,320,754.85	
Kweichow Moutai (group) International Travel Service Co., Ltd.	Labor cost	24,511,528.39	23,004,681.50
Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	Labor cost	15,019,725.64	
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	Labor cost	4,091,215.49	
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	Labor cost	573,223.59	
China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	Labor cost		3,360.00
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	Acceptance of water supply services	3,925,458.51	7,800,185.70

Sales of goods / render of services

√Applicable □N/A

Unit: CNY

Related party	Related party transaction	Current period	Prior period
Kweichow Moutai Group Marketing Co., Ltd.	Sales of goods	5,193,690,831.85	4,611,179,958.71
Kweichow Zunyi Moutai Airport Co., Ltd.	Sales of goods		183,857,776.11
China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	Sales of goods	4,778,230.09	179,759,579.66
Beijing Moutai Trading Co., Ltd.	Sales of goods	2,729,246.02	174,659,531.86
Shanghai Moutai Trading Co., Ltd.	Sales of goods	5,526,159.30	113,817,222.12
Shanghai Kweichow Moutai Industrial Co., Ltd.	Sales of goods	1,309,890.28	107,038,224.75
Hotel Management Company of Moutai Group	Sales of goods	19,511,175.24	19,990,384.98
China Kweichow Moutai Distillery (Group) Co., Ltd.	Sales of goods	7,293,281.43	14,798,007.04
Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	Sales of goods	315,142.49	2,843,124.81
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	Sales of goods	3,372,637.17	
Kweichow Moutai Winery (Group) Health Wine Co., Ltd.	Sales of goods	1,723,539.82	
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Sales of goods		1,191,902.06
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	Provision of vapor service		2,745,540.73
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Labor cost	682,486.89	
Guizhou Maotai Distillery (Group) Xijiu Co., Ltd.	Labor cost	560,412.74	
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	Labor cost	27,771.05	
Guizhou Renhuai Shenren Packaging and Printing Co., Ltd.	Labor cost		14,507.24

Description of related party transactions of purchase and sales of goods, render and accept services

√Applicable □N/A

## B. Related entrusted management / contracting and entrusted management / outsourcing

Entrusted management / contracting of the Company

√Applicable □N/A

Description of related trusteeship / contract

√Applicable □N/A

Entrusted management / outsourcing of the Company

√Applicable □N/A

Description of related management / outsourcing

√Applicable □N/A

### C. Related lease

The Company as the lessor:

√Applicable □N/A

Unit: CNY

Lessee	Types of leased assets	Lease income in the current period	Lease income in the prior period
China Kweichow Moutai Distillery (Group) Co., Ltd.	Plant and buildings	330,275.22	
Kweichow Moutai Group Marketing Co., Ltd.	Plant and buildings	495,146.47	
Guizhou Kunen Bioengineering Co., Ltd.	Plant and buildings, machinery and equipment		6,422,018.35

The Company as the lessee:

√Applicable □N/A

Unit: CNY

Lessor	Types of leased assets	Lease expenses in the current period	Lease expenses in the prior period
China Kweichow Moutai Distillery (Group) Co., Ltd.	Plant and buildings	21,301,731.00	21,545,894.21
China Kweichow Moutai Distillery (Group) Co., Ltd.	Land use rights	5,422,655.73	4,361,551.06
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	Plant and buildings, machinery and equipment	11,712,556.79	12,572,144.06
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	Plant and buildings, machinery and equipment	3,000,000.00	
Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	Plant and buildings	1,691,467.44	
Kweichow Moutai Distillery (Group) Real Estate Investment Development Co., Ltd.	Plant and buildings		312,794.29
Kweichow Zunyi Moutai Airport Co., Ltd.	Plant and buildings	236,674.53	78,891.51

According to relevant provisions in Accounting Standards for Business Enterprises No. 21 - Leases (Cai Kuai [2018] No. 35) amended and promulgated the Ministry of Finance in 2018, the Company presented the accounting treatment of the leasing businesses in the items including right-of-use assets, lease liabilities and current portion of non-current liabilities as of January 1, 2021 according to the new leasing standards.

Description of related lease

√Applicable □N/A

**D. Funds borrowing from related parties**

√Applicable □N/A

Unit: CNY

Related party	Amount	Starting date	Expiry date	Description
<b>Lending</b>				
Guiyang GYB Financial Leasing Co., Ltd.	200,000,000.00	2021-01-12	2021-04-14	
Guiyang GYB Financial Leasing Co., Ltd.	100,000,000.00	2021-01-26	2021-04-16	
Guiyang GYB Financial Leasing Co., Ltd.	100,000,000.00	2021-02-05	2021-04-27	
Guiyang GYB Financial Leasing Co., Ltd.	100,000,000.00	2021-04-21	2021-07-15	
Guiyang GYB Financial Leasing Co., Ltd.	130,000,000.00	2021-04-30	2021-07-23	
Guiyang GYB Financial Leasing Co., Ltd.	100,000,000.00	2021-04-28	2021-07-23	
Guiyang GYB Financial Leasing Co., Ltd.	70,000,000.00	2021-07-08	2021-10-08	
Guiyang GYB Financial Leasing Co., Ltd.	100,000,000.00	2021-07-15	2021-10-14	
Guiyang GYB Financial Leasing Co., Ltd.	230,000,000.00	2021-07-23	2021-08-23	

The funds lent by Kweichow Moutai Group Finance Co., Ltd. a majority-owned company of the Company, to Guiyang GYB Financial Leasing Co., Ltd. has been due and recovered, and the interest income recognized in the current period is CNY 11,130,600.

**E. Remuneration of key management personnel**

□Applicable √N/A

**F. Other related party transactions**

√Applicable □N/A

a. Kweichow Moutai Group Finance Co., Ltd. a majority-owned company of the Company, has businesses with its related parties in terms of deposit, loan, discount and letter of guarantee.

“Customer deposits and balances from banks and other financial institutions” mean the deposit balances and accrued interests of the related parties at Kweichow Moutai Group Finance Co., Ltd.; “Interest expenses” mean the interests on deposits payable by Kweichow Moutai Group Finance Co., Ltd. to the related parties; “Interest income” means the interest collected by Kweichow Moutai Group Finance Co., Ltd. from the related parties for its provision of the loan transaction; “Loans and advances” mean the loan balances provided by Kweichow Moutai Group Finance Co., Ltd. to the related parties. (Unit: CNY)

## (1) Customer deposits and balances from banks and other financial institutions

Related party	December 31, 2021
Guizhou Xijiu Sales Co., Ltd.	9,734,392,686.40
China Kweichow Moutai Distillery (Group) Co., Ltd.	2,495,925,365.33
Kweichow Moutai Group Marketing Co., Ltd.	4,125,683,019.60
Kweichow Moutaichun Marketing Company	611,840,193.66
Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	1,717,927,696.48
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	703,943,274.58
Guizhou Renhuai Shenren Packaging and Printing Co., Ltd.	210,256,768.22



China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	218,557,849.69
ChangLi Moutai Wine Trade Co., Ltd.	285,759,553.99
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	53,805,881.56
Beijing Moutai Trading Co., Ltd.	32,451,635.50
Shanghai Moutai Trading Co., Ltd.	46,676,247.54
KWEICHOW MOUTAI WINERY(GROUP)BAIJIN LIQUOR SALES CO., LTD.	63,730,740.85
Guizhou Maotai Ecological Agriculture Sales Co., Ltd.	36,003,808.59
Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	129,905,237.28
Shanghai Kweichow Moutai Industrial Co., Ltd.	15,967,961.65
Guizhou Zunpeng Liquor Industry Co., Ltd.	118,316,553.92
Health Industry Co., Ltd. of Kweichow Moutai Group.	39,369,350.32
Kweichow Moutai Distillery (Group) Real Estate Investment Development Co., Ltd.	18,266,371.84
Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	16,156,106.85
Chinese-Foreign Venture Dragon And Lion Cap Co., Ltd Zhuhai S.E.Z	59,468,124.71
Guizhou Fuming Packaging Co., Ltd	11,770,678.41
Guizhou Jiuyuan Property Co., Ltd.	28,325,260.27
Gui Zhou New Huaxi Glass Co., Ltd	679,580.38
Tianchao Shangpin Liquor Industry(Guizhou) Co., Ltd.	14,880,578.48
Guizhou Maotai Distillert (Group) Xijiu Co., Ltd.	573,990,484.69
Kweichow Moutai Distillery Group Changli Winery Co., Ltd.	9,477,982.97
Kweichow Moutai (group) International Travel Service Co., Ltd.	25,842,341.72
Kweichow Moutai Winery(Group)Baijin Liquor Co., Ltd..	48,855,234.24
Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.	2,110,181.09
Hotel Management Company Of Moutai Group	36,722,376.06
Kweichow Moutai Distillery (Group) Sanya Investment Co., Ltd.	17,310,976.60
Kweichow Zunyi Moutai Airport Co., Ltd.	62,588,751.47
Kweichow Moutai Distillery (Group) Guiyang Business Co., Ltd.	1,947,197.79
Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	3,502.12
Kweichow Moutai Winery (Group) Health Wine Co., Ltd.	111,809,289.12
Moutai & CCB Trust (Guizhou) Investment Fund Management Co., Ltd.	4,018.30
Moutai Financial Leasing Co., Ltd	5,268.68
Moutai & CCB Trust (Guizhou) Investment Fund (Limited Partnership)	843.33
Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	621,579.71
Guizhou Hengdao Forestry and Agriculture Technology Development Co., Ltd.	27.87
Kweichow Moutai Distillery (Group) Guiding Jingqi Glasswork Co., Ltd.	52,942,266.44
Guizhou Renhuai Renshuai Liquor Industry Co., Ltd.	29,103,604.91
Kweichow Moutai Distillery (Group) Lvsheng Organic Fertilizer Co., Ltd.	179,194.11
Total	21,763,575,647.32

## (2) Interest expenses

Related party	Current reporting period
Guizhou Xijiu Sales Co., Ltd.	108,362,072.05
Kweichow Moutai Group Marketing Co., Ltd.	16,906,786.89

Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	11,545,138.89
Kweichow Moutaichun Marketing Company	7,160,221.58
China Kweichow Moutai Distillery (Group) Co., Ltd.	12,838,051.86
Guizhou Renhuai Shenren Packaging and Printing Co., Ltd.	2,552,541.62
China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	1,877,899.92
ChangLi Moutai Wine Trade Co., Ltd.	2,182,551.69
KWEICHOW MOUTAI WINERY(GROUP)BAIJIN LIQUOR SALES CO., LTD.	1,263,300.22
Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	844,471.54
Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	1,705,436.82
Health Industry Co., Ltd. of Kweichow Moutai Group.	573,169.61
Tianchao Shangpin Liquor Industry(Guizhou) Co., Ltd.	301,127.23
Guizhou Jiuyuan Property Co., Ltd.	407,973.76
Guizhou Maotai Distillert (Group) Xijiu Co., Ltd.	456,797.84
Guizhou Maotai Ecological Agriculture Sales Co., Ltd.	428,074.23
Beijing Moutai Trading Co., Ltd.	246,525.46
Kweichow Moutai Distillery (Group) Real Estate Investment Development Co., Ltd.	192,542.66
Chinese-Foreign Venture Dragon And Lion Cap Co., Ltd Zhuhai S.E.Z	163,293.69
Shanghai Moutai Trading Co., Ltd.	198,600.17
Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	114,917.05
Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	647,329.13
Kweichow Moutai Winery (Group) Health Wine Co., Ltd.	586,454.62
Shanghai Kweichow Moutai Industrial Co., Ltd.	103,632.88
Guizhou Zunpeng Liquor Industry Co., Ltd.	473,901.96
Gui Zhou New Huaxi Glass Co., Ltd	73,550.70
Kweichow Moutai Winery(Group)Baijin Liquor Co., Ltd..	73,294.29
Guizhou Fuming Packaging Co., Ltd	93,938.83
Hotel Management Company Of Moutai Group	70,097.95
Kweichow Moutai (group) International Travel Service Co., Ltd.	56,743.61
Kweichow Zunyi Moutai Airport Co., Ltd.	301,102.66
Kweichow Moutai Distillery (Group) Guiding Jingqi Glasswork Co., Ltd.	213,054.05
Zhongshan Sanrun Printing Consumables Co., Ltd.	39,956.08
Kweichow Moutai Distillery (Group) Sanya Investment Co., Ltd.	44,495.77
Kweichow Moutai Distillery (Group) Foreign Investment Cooperation Management Co., Ltd.	42,584.06
Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.	35,478.66
Kweichow Moutai Distillery Group Changli Winery Co., Ltd.	49,318.35
Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	16,991.11
Kweichow Moutai Distillery (Group) Guiyang Business Co., Ltd.	27,712.60
Moutai & CCB Trust (Guizhou) Investment Fund Management Co., Ltd.	145.76
Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	621,600.89
Moutai Financial Leasing Co., Ltd	18.55
Guizhou Hengdao Forestry and Agriculture Technology Development Co., Ltd.	7.02
Moutai & CCB Trust (Guizhou) Investment Fund (Limited Partnership)	2.99
Guizhou Renhuai Renshuai Liquor Industry Co., Ltd.	4,220.74

Kweichow Moutai Distillery (Group) Lvsheng Organic Fertilizer Co., Ltd.	69.92
Total	173,897,197.96

## (3) Loans and advances

Item	Related party	December 31, 2021
Mortgage loan	Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	10,000,000.00
Credit loan	China Kweichow Moutai Distillery (Group) Co., Ltd.	3,500,000,000.00
Total		3,510,000,000.00
Less: Provision for impairment of loans		87,750,000.00
Carrying amount of loans and advances		3,422,250,000.00

## (4) Interest income

Item	Related party	Current reporting period
Loan interest income	Chinese-Foreign Venture Dragon And Lion Cap Co., Ltd Zhuhai S.E.Z	89,150.94
Loan interest income	Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	647,083.70
Loan interest income	China Kweichow Moutai Distillery (Group) Co., Ltd.	109,865,697.45
	Total	110,601,932.09

## (5) Entrusted loan

Principal	Borrower	December 31, 2021
Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.	Guizhou Hengdao Forestry and Agriculture Technology Development Co., Ltd.	9,955,184.18

(6) Kweichow Moutai Group Finance Co., Ltd. a majority-owned company of the Company, has purchased the bonds issued by Guiyang GYB Financial Leasing Co., Ltd. from the open market at a cost of CNY 20 million. The interest income confirmed in the current period is CNY 857.90 thousand. As at the end of the period, the balance of the provision for impairment of this bond investment is CNY 11.3 thousand. The balance of the accrued interest is CNY 153.2 thousand. The carrying amount is CNY 20,141.80 thousand.

b.The deposit balance of the Company in Bank of Guizhou at the end of the period is CNY 23,810,899,200 (including a large-amount deposit of CNY 2 billion). The interest income of the current period is CNY 445,237,300. The investment income is CNY 59,761,300 Kweichow Moutai Group Finance Co., Ltd., a majority-owned company of the Company, has purchased the bonds issued by Bank of Guizhou Co., Ltd. from the open market at a cost of CNY 100 million. The interest income confirmed in the current period is CNY 179.6 thousand. As at the end of the period, the balance of the provision for impairment of this bond investment is CNY 56.7 thousand. The balance of the accrued interest is CNY 179.6 thousand. The carrying amount is CNY 100,122,900.

## 11.5 Receivables and payables of related parties

## A. Receivables

Applicable N/A

Unit: CNY

Item	Related party	Closing balance		Opening balance	
		book balance	Bad debt provision	book balance	Bad debts
Other receivables	Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	100,000.00			

Other receivables of Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd. are the leasing security deposits to be paid by GUIZHOU MOUTAI CHIEW IMPORT AND EXPORT CO., LTD., a majority-owned company of the Company.

## B. Payables

√Applicable □N/A

Unit: CNY

Item	Related party	Book balance at the end of the reporting period	Book balance at the beginning of the reporting period
Other payables	China Kweichow Moutai Distillery (Group) Co., Ltd.	806,014,062.86	442,335,049.85
Other payables	Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	47,171,388.10	52,219,850.77
Other payables	Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	70,400,854.08	89,833,895.59
Other payables	Kweichow Moutai Winery (Group) Health Wine Sales Co., Ltd.	7,091,215.49	
Other payables	Hotel Management Company Of Moutai Group	4,510,977.34	1,066,037.73
Other payables	Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	1,609,349.28	1,309,349.28
Other payables	Shanghai Rencai Printing Affairs Co., Ltd.	1,395,000.00	1,400,000.00
Other payables	Guizhou Renhuai Shenren Packaging and Printing Co., Ltd.	949,643.50	1,015,643.50
Other payables	Guizhou Fuming Packaging Co.Ltd	890,000.00	1,000,000.00
Other payables	Gui Zhou New Huaxi Glass Co., Ltd	888,000.00	1,000,000.00
Other payables	Chinese-Foreign Venture Dragon And Lion Cap Co., Ltd Zhuhai S.E.Z	965,000.00	1,000,000.00
Other payables	Beijing Moutai Trading Co., Ltd.	700,000.00	700,000.00
Other payables	Kweichow Moutai Winery (Group) Health Wine Co., Ltd.	591,695.00	591,695.00
Other payables	Guizhou Maotai Distillert (Group) Xijiu Co., Ltd.	504,376.93	5,148,504.89
Other payables	Kweichow Moutai Group Marketing Co., Ltd.	260,000.00	260,000.00
Other payables	China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	110,000.00	310,000.00
Other payables	Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	158,992.00	100,000.00
Other payables	Shanghai Kweichow Moutai Industrial Co., Ltd.	100,000.00	500,000.00
Other payables	Shanghai Moutai Trading Co., Ltd.	100,000.00	500,000.00
Other payables	Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	50,000.00	
Other payables	Kweichow Moutai (group) International Travel Service Co., Ltd.	212,350.00	20,650,151.00
Other	Kweichow Moutai Winery(Group)Baijin Liquor Co., Ltd..		300,000.00

payables			
Other payables	Kweichow Zunyi Moutai Airport Co., Ltd.		7,722,900.00
Other payables	Kweichow Moutai (Group) Ecological Agriculture Industry Development Co., Ltd.	23,777.50	36,163.61
Other payables	ChangLi Moutai Wine Trade Co., Ltd.	14,696.65	
Contractual liabilities	Kweichow Moutai Group Marketing Co., Ltd.	79,358,066.37	40,691,971.68
Contractual liabilities	Kweichow Zunyi Moutai Airport Co., Ltd.	8,046.90	3,737,549.64
Contractual liabilities	Beijing Moutai Trading Co., Ltd.	221,238.94	221,238.94
Contractual liabilities	Shanghai Kweichow Moutai Industrial Co., Ltd.	41,444.25	
Contractual liabilities	Kweichow Zunyi Moutai Airport Ecological Park Investment and Development Co., Ltd.	38,221.24	31,849.00
Contractual liabilities	China Kweichow Moutai Distillery (Group) Cultural Tourism Co., Ltd.	2,978.76	4,778,230.09
Leasing liabilities	China Kweichow Moutai Distillery (Group) Co., Ltd.	245,892,878.88	
Leasing liabilities	Kweichow Moutai Distillery (Group) Guiyang High-tech Real Estate Investment Development Co., Ltd.	7,212,098.95	
Leasing liabilities	Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	33,308,809.87	
Accounts payable	Kweichow Moutai Logistics Park Grain Storage Co., Ltd.	58,396,226.41	
Accounts payable	Kweichow Moutai (Group) Circular Economy Industrial Investment and Development Co., Ltd.	15,019,725.64	
Accounts payable	Hotel Management Company Of Moutai Group	4,840,909.43	4,195,383.02
Accounts payable	Guizhou Renhuai Shenren Packaging and Printing Co., Ltd.	16,181,715.39	
Accounts payable	Kweichow Moutai Distillery (Group) Logistics Co., Ltd.	43,448,338.14	23,816,979.96
Accounts payable	Kweichow Moutai Distillery (Group) Technology Development Co., Ltd.	14,855,345.00	1,241,299.13
Accounts payable	Kweichow Moutai Group Marketing Co., Ltd.	2,217.00	
Accounts payable	Shanghai Rencai Printing Affairs Co., Ltd.		14,502,744.53
Accounts payable	Kweichow Moutai Logistics Park Grain Storage Co., Ltd.		6,399,547.32

Note: Absorption of deposits from and issuance of loans and advances to related parties by Kweichow Moutai Group Finance Co., Ltd. a majority-owned subsidiary of the Company

It has been disclosed in “(6) Other related party transactions, 4. Related party transaction, XI. Related parties and related party transactions, Section X Financial Statements”.

#### 11.6 Commitment of related parties

Applicable  N/A

#### 12. Subsequent events

##### 12.1 Important non-adjustment events

Applicable  N/A

##### 12.2 Profit distribution

Applicable  N/A

Unit: CNY

Profit or dividend to be distributed	27,228,087,315.00
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**12.3 Sales return**Applicable N/A**12.4 Notes to other subsequent events after the balance sheet date**Applicable N/A**13. Notes to major account of the Company's financial statements****13.1 Accounts receivable****A. Disclosure by aging**Applicable N/A

Unit: CNY

Aging	Closing book balance
Within 1 year	1,480,080,983.77
Subtotal for within 1 year	1,480,080,983.77
1-2 years	
2-3 years	
3-4 years	
4-5 years	
More than 5 years	
Total	1,480,080,983.77

**B. Disclosed by bad debt provision methods**Applicable N/A

Unit: CNY

Category	Closing balance					Opening balance				
	book balance		Bad debt provision		Carrying amount	book balance		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision assessed individually										
Bad debt provision assessed by groups	1,480,080,983.77	100			1,480,080,983.77	9,203,780,107.14	100			9,203,780,107.14
Including:										
Combination of related parties within the scope of consolidation	1,480,080,983.77	100			1,480,080,983.77	9,203,780,107.14	100			9,203,780,107.14
Total	1,480,080,983.77	/		/	1,480,080,983.77	9,203,780,107.14	/		/	9,203,780,107.14

Bad debt provision assessed by groups:

Applicable N/A**C. Top five accounts receivable based on debtors**Applicable N/A

Unit: CNY

Entity	Closing balance	Proportion to total closing balance of accounts receivable (%)	Closing balance of bad debt provision
Kweichow Moutai Sales Co., Ltd.	881,539,635.14	59.56	
Kweichow Moutai-Flavor Liquor Marketing Co., Ltd.	583,588,956.00	39.43	
GUIZHOU MOUTAI CHIEW IMPORT AND EXPORT CO., LTD.	14,952,392.63	1.01	
Total	1,480,080,983.77	100.00	

### 13.2 Other receivables

#### Presentation of items

Applicable N/A

Unit: CNY

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	9,210,501.43	42,323,669.01
Total	9,210,501.43	42,323,669.01

#### Other receivables

##### A. Disclosure by aging

Applicable N/A

Unit: CNY

Aging	Book balance at the end of the reporting period
Within 1 year	8,853,850.09
Subtotal for within 1 year	8,853,850.09
1-2 years	420,700.00
2-3 years	7,313.00
3-4 years	
4-5 years	37,951.22
More than 5 years	5,100,000.00
Total	14,419,814.31

##### B. Details of classification by nature

Applicable N/A

Unit: CNY

Nature	Book balance at the end of the reporting period	Book balance at the beginning of the reporting period
Petty cash	2,840,284.11	4,966,015.96
Current Account	11,579,530.20	42,481,117.46
Total	14,419,814.31	47,447,133.42

##### C. Details of bad debt provision

Applicable N/A

Unit: CNY

Bad debt provision	Stage I	Stage II	Stage III	Total
	12month ECL	Lifetime ECL (not impaired)	Lifetime ECL (impaired)	

As at January 1, 2021	8,981.39	5,114,483.02		5,123,464.41
Balance at 1 January 2021 in the current period				
-- Transfer to stage II				
-- Transfer to stage III				
-- Reverse to stage II				
-- Reverse to stage II				
Provision	81,250.63	13,662.43		94,913.06
Reversal	9,064.59			9,064.59
Elimination				
Write-off				
Other changes				
As at December 31, 2021	81,167.43	5,128,145.45		5,209,312.88

Explanations on significant changes in the book balance of other receivables where there are changes in provision for the current period:

Applicable N/A

#### D. Details of bad debt provision

Applicable N/A

Unit: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Elimination or write-off	Other changes	
Bad debt provision assessed by aging	5,123,464.41	94,913.06	9,064.59			5,209,312.88
Total	5,123,464.41	94,913.06	9,064.59			5,209,312.88

Significant recovery or reversal of bad debt provision for the current period:

Applicable N/A

#### E. Top five other receivables based on debtors

Applicable N/A

Unit: CNY

Entity	Nature	Closing balance	Aging	Proportion to the total closing balance of other receivables (%)	Bad debt provision Closing balance
GUIZHOU MOUTAI CHIEW IMPORT AND EXPORT CO., LTD.	Current Account	1,858,505.80	Within 1 year	12.89	
Guizhou Kailin Xifeng Synthetic Ammonia Co., Ltd.	Current Account	1,000,000.00	Within 1 year	6.93	52,000.00
Kweichow Moutai-Flavor Liquor Marketing Co., Ltd.	Current Account	496,619.90	Within 1 year	3.44	
Mu Jun	Petty cash	420,700.00	1-2 years	2.92	
Luo Nanbo	Petty cash	313,334.50	Within 1 year	2.17	
Total	/	4,089,160.20	/	28.35	52,000.00

Note:

a. The receivables of GUIZHOU MOUTAI CHIEW IMPORT AND EXPORT CO., LTD. are the social insurance advances.



b. The receivables of Guizhou Kailin Xifeng Synthetic Ammonia Co., Ltd. are the security deposits paid to the supplier.

c. The receivables of Kweichow Moutai-Flavor Liquor Marketing Co., Ltd. are enterprise annuity advances.

d. Mu Jun is an employee of the Company, and the accounts are the borrowings for handling the land ownership business.

e. Luo Nanbo is an employee of the Company, and the accounts are the borrowings for handling the litigation and anti-counterfeit businesses.

### 13.3 Long-term equity investments

√Applicable □N/A

Unit: CNY

Item	Closing balance			Opening balance		
	book balance	Provision	Carrying amount	book balance	Provision	Carrying amount
Investment in subsidiaries	1,624,535,587.55		1,624,535,587.55	1,624,535,587.55		1,624,535,587.55
Total	1,624,535,587.55		1,624,535,587.55	1,624,535,587.55		1,624,535,587.55

#### A. Investment in subsidiaries

√Applicable □N/A

Unit: CNY

Investee	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Provision for impairment in the current period	Closing balance of provisions for impairment
Kweichow Moutai Sales Co., Ltd.	9,500,000.00			9,500,000.00		
GUIZHOU MOUTAI CHIEW IMPORT AND EXPORT CO., LTD.	5,600,000.00			5,600,000.00		
Kweichow Moutai Group Finance Co., Ltd.	1,275,000,000.00			1,275,000,000.00		
Moutai Custom Marketing (Guizhou) Co., Ltd.	14,000,000.00			14,000,000.00		
Beijing Friendship Messenger Trading Co., Ltd.	22,507,157.75			22,507,157.75		
Kweichow	80,728,429.80			80,728,429.80		

Moutai Paris Trading					
Guizhou Laymau Wine Industry Co., Ltd.	17,200,000.00			17,200,000.00	
Kweichow Moutai-Flavor Liquor Marketing Co., Ltd.	200,000,000.00			200,000,000.00	
Total	1,624,535,587.55			1,624,535,587.55	

### 13.4 Operating proceeds and costs of sales

#### A. Operating proceeds and costs of sales

√Applicable □N/A

Unit: CNY

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Main business	37,237,062,420.65	8,898,857,511.93	27,387,426,280.99	7,696,025,939.31
Others	107,836,543.52	93,055,316.44	87,166,157.65	74,796,511.69
Total	37,344,898,964.17	8,991,912,828.37	27,474,592,438.64	7,770,822,451.00

Note: Other operating proceeds and costs are mainly the perating proceeds and costs of Moutai International Hotel.

#### B. Description of performance obligation

√Applicable □N/A

The revenue is confirmed when the customer acquires the control of the goods agreed in the contract and the Company fulfills the contract performance obligation.

#### C. Description of allocation to the remaining performance obligations

√Applicable □N/A

The revenue of the performance obligations which have been contracted but not fulfilled or not completely fulfilled in the current reporting period is CNY 142,568.14.

### 13.5 Investment income

√Applicable □N/A

Unit: CNY

Item	Current period	Prior period
Income from long-term equity investments under cost method	44,741,153,786.43	34,474,910,979.52
Income from long-term equity investments under equity method		
Investment income on disposal of long-term equity investments		
Investment income from holding held-for-trading financial assets		
Dividend income from holding investments in other equity instruments		
Interest income from holding debt investments		
Interest income from holding other debt investments		
Investment income from disposal of		

held-for-trading financial assets		
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Income from debt reconstruction		
Investment income from disposal of other debt investments	-1,505,395.94	68,175.91
Interest income from holding large-amount deposits	59,761,333.33	
Total	44,799,409,723.82	34,474,979,155.43

#### 14. Supplementary information

##### 14.1 Details of current non-recurring profit and loss

Applicable N/A

Unit: CNY

Item	Amount	Description
Gains and losses on disposal of non-current assets	-11,920,829.77	
Government grant included in the current profit and loss (except for the government grant which are closely related to the business of the company and are in accordance with the national unified standard quota)	4,616,000.00	
Profits and losses arising from contingencies unrelated to the normal operation of the company		
In addition to the effective hedging business related to the company's normal business operations, the profit and loss of fair value changes arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and investment income obtained from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investment	-3,750,122.23	
Other non-operating income and expenses except the above items	-210,928,052.99	
Other profit and loss items conforming to the definition of non-recurring profit and loss	61,031,069.26	
Less: The impact of income tax	-40,237,983.93	
The impact on non-controlling interests	244,326.28	
Total	-120,958,278.08	

The reasons shall be explained for the non-recurring profit and loss items defined by the company according to the definition of “explanatory Announcement No. 1 of information disclosure of companies offering securities to the public - non recurring profit and loss” and the items of non-recurring profit and loss listed in the explanatory announcement of information disclosure of companies offering securities to the public No. 1 - non recurring profit and loss as recurring profit and loss items.

Applicable N/A

##### 14.2 Return on net assets and earnings per share

Applicable N/A

Profit in the reporting period	Weighted	Earnings per share
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	Average return on net assets (%)	Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the company	29.90	41.76	41.76
Net profit attributable to ordinary shareholders of the company after deducting non-recurring profit and loss	29.97	41.86	41.86

### 14.3 Differences of accounting data under domestic and foreign accounting standards

Applicable N/A

Chairman: Ding Xiongjun

Date of approval and submission by the Board: March 29, 2022

### Amendment

Applicable N/A