



Luzhou Laojiao Co., Ltd.

2022 Annual Report

April 2023

2022 Annual Report

Section I Important Statements, Contents and Definitions

The Board of Directors, Board of Supervisors, directors, supervisors and senior management guarantee that the information presented in this report is free of any false records, misleading statements or material omissions, and shall individually and together be legally liable for truthfulness, accuracy and completeness of its contents.

Liu Miao, responsible person for the Company, Xie Hong, responsible person for accounting work and Yan Li, responsible person for the Company's financial affairs (Accounting Supervisor) have warranted that the financial statements in this report are true, accurate and complete.

Other directors attended the board meeting to deliberate this report by themselves except the following directors.

Name of directors who did not attend the meeting in person	Position of directors who did not attend the meeting in person	Reason for not attending the meeting in person	Name of deputies
Liu Miao	Chairman of the board	Work	Lin Feng
Qian Xu	Director	Work	Lin Feng
Ying Hanjie	Director	Work	Wang Hongbo

Affected by risks, uncertainties and assumptions, the forward-looking statements concerning business objectives and future plans made in this report based on the subjective assumptions and judgments of the future policies and economic conditions may be significantly different from the actual results. Such statements shall not be considered as virtual promises of the Company to investors, and the investors and relevant persons shall maintain adequate risk awareness and shall understand the differences between plans, forecasts and commitments.

In the annual report, the potential risks in the operation of the Company have been disclosed. Investors are kindly reminded to pay attention to possible investment risks.

The profit distribution plan approved by the board of directors: based on the existing total share capital of 1,471,987,769 shares, a cash dividend of CNY 42.25 (tax inclusive) will be distributed for every 10 existing shares held, 0 shares of bonus shares (tax inclusive), and reserves would not be converted into share capital.

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Contents

Section I Important Statements, Contents and Definitions	2
Section II Company Profile and Key Financial Results	6
Section III Management Discussion and Analysis	11
Section IV Corporate Governance.....	42
Section V Environmental and Social Responsibility	66
Section VI Significant Events	78
Section VII Changes in Shares and Information about Shareholders.....	86
Section VIII Preferred Shares.....	97
Section IX Information about Bond	98
Section X Financial Report	105

Documents Available for Reference

1. Financial statements signed and stamped by the responsible person for the Company, the responsible person for accounting work and the responsible person for the Company's financial affairs (Accounting Supervisor);
2. The original of the auditor's report with the seal of the accounting firm, and signed and stamped by CPAs; and
3. The originals of all company documents and announcements that are disclosed to the public on the website designated by the China Securities Regulatory Commission (CSRC) during the reporting period.

Definitions

Term	Reference	Definition
Company, the Company, Luzhou Laojiao	Refer to	Luzhou Laojiao Co., Ltd.
Laojiao Group	Refer to	Luzhou Laojiao Group Co., Ltd.
XingLu Group	Refer to	Luzhou XingLu Investment Group Co., Ltd.
SASAC of Luzhou	Refer to	State-owned Assets Supervision and Administration Commission of Luzhou
Huaxi Securities	Refer to	Huaxi Securities Co., Ltd.
Luzhou Bank	Refer to	Luzhou Bank Co., Ltd.
Sales Company	Refer to	Luzhou Laojiao Sales Co., Ltd.
Brewing Company	Refer to	Luzhou Laojiao Brewing Co., Ltd.

Section II Company Profile and Key Financial Results

1. Corporate information

Stock abbreviation	Luzhou Laojiao	Stock code	000568
Stock exchange where the shares of the Company are listed	Shenzhen Stock Exchange		
Name of the Company in Chinese	泸州老窖股份有限公司		
Abbr. of the Company name in Chinese	泸州老窖		
Name of the Company in English (if any)	Luzhou Laojiao Co., Ltd.		
Abbr. of the Company name in English (if any)	LZLJ		
Legal representative	Liu Miao		
Registered address	Guojiao Square, Luzhou City, Sichuan Province, China		
Postal code	646000		
Past changes of registered address	The Company's registered address has changed from 46 Guihua Street, Luzhou City, Sichuan Province, China to Guojiao Square, Luzhou City, Sichuan Province, China in 2000.		
Business address	Luzhou Laojiao Marketing Network Command Center, Nanguang Road, Luzhou City, Sichuan Province, China		
Postal code	646000		
Company website	www.lzlj.com		
E-mail	lzlj@lzlj.com		

2. Contact us

	Secretary of the board	Representative for securities affairs
Name	Li Yong	Wang Chuan
Address	Luzhou Laojiao Marketing Network Command Center, Nanguang Road, Luzhou City, Sichuan Province, China	
Tel.	(0830)2398826	(0830)2398826
Fax	(0830)2398864	(0830)2398864
E-mail	dsb@lzlj.com	dsb@lzlj.com

3. Information disclosure and place where the annual report is kept

Stock exchange website where this Report is disclosed	China Securities Journal, Securities Times, Securities Daily
Media and website where this Report is disclosed	http://www.cninfo.com.cn
Place where the annual report of the Company is kept	Board office

4. Company registration and alteration

Unified social credit code	91510500204706718H
Changes in main business activities since the Company was listed (if any)	None
Changes of controlling shareholders of the Company (if any)	Before September 2009, the controlling shareholder was the SASAC of Luzhou. After the equity transfer in September 2009, the controlling shareholder was changed to Laojiao Group, but the actual controller is still the SASAC of Luzhou.

5. Other relevant information

Accounting firm engaged by the Company

Name of the accounting firm	Sichuan Huaxin (Group) CPA Firm
Business address of the accounting firm	28/F., South Jinmaolidu, NO.18 Ximianqiao Street, Chengdu City, Sichuan Province.
Name of accountants for writing signature	Li Wulin, Tang Fangmo, and Fan Bo

Sponsors engaged by the Company to continuously perform its supervisory function during the reporting period

Applicable N/A

Financial adviser engaged by the Company to continuously perform its supervisory function during the reporting period.

Applicable N/A

6. Key accounting data and financial indicators

Whether the Company performed a retroactive adjustment to or restatement of accounting data.

Yes No

	2022	2021	YoY Change	2020
Operating revenues (CNY)	25,123,563,271.62	20,642,261,724.37	21.71%	16,652,854,549.80
Net profits attributable to shareholders of the Company (CNY)	10,365,383,281.80	7,955,554,351.73	30.29%	6,005,723,069.36
Net profits attributable to shareholders of the Company before non-recurring gains and losses (CNY)	10,321,481,236.93	7,884,384,055.60	30.91%	5,990,831,793.72
Net cash flows from operating activities (CNY)	8,262,648,269.72	7,698,648,104.51	7.33%	4,916,102,451.30
Basic earnings per share (CNY/share)	7.06	5.43	30.02%	4.10
Diluted earnings per share (CNY/share)	7.06	5.43	30.02%	4.10
Weighted average ROE	33.32%	31.15%	2.17%	28.27%
	At the end of 2022	At the end of 2021	YoY Change	At the end of 2020
Total assets (CNY)	51,385,481,354.52	43,211,782,005.68	18.92%	35,009,203,823.45
Net assets attributable to shareholders of the Company (CNY)	34,207,871,130.03	28,040,247,005.94	22.00%	23,074,858,552.59

Whether the lower of the net profits attributable to shareholders of the Company before and after non-recurring gains and losses was negative for the last three accounting years, and the latest auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern

Yes No

Whether the lower of the net profits attributable to shareholders of the Company before and after non-recurring gains and losses was negative

Yes No

7. Differences in accounting data under domestic and overseas accounting standards

7.1. Differences in the net profits and net assets disclosed in the financial reports prepared under the international and China accounting standards

Applicable N/A

No such differences for the reporting period.

7.2. Differences in the net profits and net assets disclosed in the financial reports prepared under the overseas and China accounting standards

Applicable N/A

No such differences for the reporting period.

8. Key financial results by quarter

Unit: CNY

	Q1	Q2	Q3	Q4
Operating revenues	6,311,964,675.84	5,352,412,877.10	5,860,457,699.51	7,598,728,019.17
Net profits attributable to shareholders of the Company	2,875,658,916.19	2,656,267,424.25	2,685,377,572.64	2,148,079,368.72
Net profits attributable to shareholders of the Company before non-recurring gains and losses	2,864,799,362.69	2,631,466,479.81	2,670,975,274.37	2,154,240,120.06
Net cash flows from operating activities	1,131,497,885.76	2,945,517,079.58	2,235,327,194.79	1,950,306,109.59

Whether there are any material differences between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports

Yes No

9. Non-recurring profits and losses

Applicable N/A

Unit: CNY

Item	2022	2021	2020	Note
Profit or loss from disposal of non-current assets (including the write-off portion of the impairment provision)	19,805,093.70	-347,429.88	8,123,010.18	See "Section X Note 7.46" for details.
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 consistently given at a fixed amount or quantity in accordance with the national policies or standards)	34,931,161.52	51,756,953.15	31,409,825.37	See "Section X Note 7.42 and 7.47" for details.
Gain or loss on fair-value changes on held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	-2,585,156.72	6,352,241.79		See "Section X Note 7.43" for details.
Reversed portions of impairment allowances for receivables which		80,000,000.00		

are tested individually for impairment				
Other non-operating income and expenditure except above-mentioned items	7,873,927.25	-40,241,672.68	-20,289,086.46	See "Section X Note 7.47 and 7.48" for details.
Less: Corporate income tax	14,413,895.31	24,082,098.59	4,512,028.92	
Minority interests (after tax)	1,709,085.57	2,267,697.66	-159,555.47	
Total	43,902,044.87	71,170,296.13	14,891,275.64	--

Other items that meet the definition of non-recurring gain/loss:

Applicable N/A

No such cases for the reporting period.

Explain the reasons if the Company classifies any non-recurring gain/loss item mentioned in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public-Non-Recurring Gains and Losses* as a recurring gain/loss item.

Applicable N/A

No such cases for the reporting period.

Section III Management Discussion and Analysis

1. Industry overview for the reporting period

In 2022, the Chinese baijiu industry was under multiple pressures such as the economic downturn, spending shrinks and fierce competition, and concentration towards the top baijiu producers was increasingly obvious in the industry. Capacity optimisation, quality upgrade, technological innovation, cultural development, consumer experience and service enhancement will become the key themes for the baijiu industry in the new era of high-quality development.

2. Business scope in the reporting period

The Company shall comply with the disclosure requirements for companies engaging in food & liquor and wine production of the *Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies—Industry-specific Information Disclosure*.

Holding five food business licenses, the Company operates within the baijiu subdivision industry which belongs to the liquor & wine, beverage and refined tea production industry with specialized baijiu product design, production and sales as its main business model. The Company's primary products are baijiu series such as "National Cellar 1573" and "Luzhou Laojiao", and its main comprehensive performance indicators rank high in the baijiu industry. For the reporting period, operating revenue amounted to CNY 25.124 billion, up 21.71% year on year; and the net profit attributable to the shareholders of the listed company reached CNY 10.365 billion, up 30.29% year on year.

For the Company's brand operations, please refer to "4.1 Overview" under "4. Analysis of main business" in this section. The Company's main products are classified as follows:

Main product types	Classification criteria	Representative brand name
Mid- and high-end baijiu	Tax-inclusive sales price \geq CNY 150 per bottle	National Cellar 1573, Luzhou Laojiao Tequ, and Century-old Luzhou Laojiao Jiaoling Baijiu
Other baijiu	Tax-inclusive sales price $<$ CNY 150 per bottle	Luzhou Laojiao Touqu and Luzhou Laojiao · Hey Guys



Main sales models:

Currently, the Company has two main sales models:

1. Traditional channel operation model: It is mainly authorized distribution of the offline distributors. The Company establishes cooperative relationships with the distributors by product lines and regions. The Company directly supplies goods to the distributors, and then distributors sell them to consumers and terminal outlets.
2. Emerging channel operation model: It is mainly online sales operations. The Company establishes cooperative relationships with e-commerce platforms, self-media and webcasters, and sells the goods to consumers through flagship stores, specialty stores, live streaming rooms on online platforms and other network terminals.

Distribution models:

Applicable N/A

1. Main sales models

Unit: CNY

	Operating revenue	Cost of sales	Gross profit margin	YoY change of operating revenue	YoY change of cost of sales	YoY change of gross profit margin
By sales model						
Traditional channel operation model	23,302,396,093.43	2,939,816,887.75	87.38%	19.36%	9.21%	1.17%
Emerging channel operation model	1,463,725,905.06	274,436,829.16	81.25%	64.17%	41.65%	2.98%

Note: Operating revenue and cost of sales of the emerging channel operation model increased 64.17% and 41.65% respectively year on year. It was mainly due to the increased revenue and cost on e-commerce platforms.

2. Distributors

Region	Number of distributors at the end of the reporting period	Increased number during the reporting period	Decreased number during the reporting period	YoY change of number of distributors (%)	Reason for any significant change
Domestic	1703	47	127	-4.49	
Overseas	126	20	42	-14.86	

3. Main settlement method for distributors and distribution method

The Company's main settlement method for distributors is payment before delivery. The distribution method is authorized distribution.

4. Top five distributors

The Company had no accounts receivable from the top five distributors at the end of the period. For details, please refer to Section III 4.2.8. "Main customers and suppliers".

Store sales terminals accounted for more than 10%

Applicable N/A

Online direct sales

Applicable N/A

For the sales of the Company's main products, please refer to Section III 4.2.1. "Breakdown of operating revenues". The Company's complete series of products are sold online. Its main cooperation platforms included JD.com and Tmall.

Sales price of main products contributing over 10% of the total operating revenues for the current period changed by more than 30% from the previous reporting period

Applicable N/A

Purchase model and purchase content

Unit: CNY

Purchase model	Purchase content	Amount of main purchase content
Organic raw grains are purchased through cooperative model and supplied by organic raw grain bases; other raw grains and packaging	Raw materials	4,528,482,786.16

materials are purchased through bid invitation		
Purchase based on the unified pricing of the National Development and Reform Commission and the price bureau, and purchase through bid invitation	Fuels and energies	163,075,514.73
Purchase through bid invitation	Low-value consumables	55,904,099.15

The purchase of raw materials from cooperatives or farmers accounted for more than 30% of the total purchase amount

Applicable N/A

The price of main raw materials purchased externally changed by more than 30% year-on-year

Applicable N/A

Main production model:

The Company's main production model is self-production.

Commissioned processing and production

Applicable N/A

Main breakdown items of cost of sales

Unit: CNY

By business segment	Item	2022		2021		YoY Change
		Amount	As % of cost of sales	Amount	As % of cost of sales	
Baijiu	Raw materials	2,757,973,459.70	85.80%	2,502,121,435.16	86.71%	10.23%
Baijiu	Labor costs	208,363,976.36	6.48%	160,836,008.91	5.57%	29.55%
Baijiu	Manufacturing overhead	247,916,280.85	7.71%	222,727,707.56	7.72%	11.31%

Production volume and inventory

1. Production volume, sales volume and inventory of main products

Product classification	Production volume (ton)	Sales volume (ton)	Inventory (ton)	YoY change of production volume (%)	YoY change of sales volume (%)	YoY change of inventory	Description of major changes
Mid- and high-end baijiu	40,823.92	37,123.96	42,877.01	-16.11	16.87	9.44	
Other baijiu	47,078.68	49,058.69	11,695.49	2.00	6.52	-14.48	

2. Inventory at the end of the reporting period

Unit: Ton

Finished baijiu	Semi-finished baijiu (including base baijiu)
54,572.50	402,613.83

3. Capacity

Unit: Ton

Main products	Design capacity	Actual capacity	Capacity in progress
Baijiu	170,000	170,000	80,000

3. Analysis of core competitiveness

A. Geographical advantage

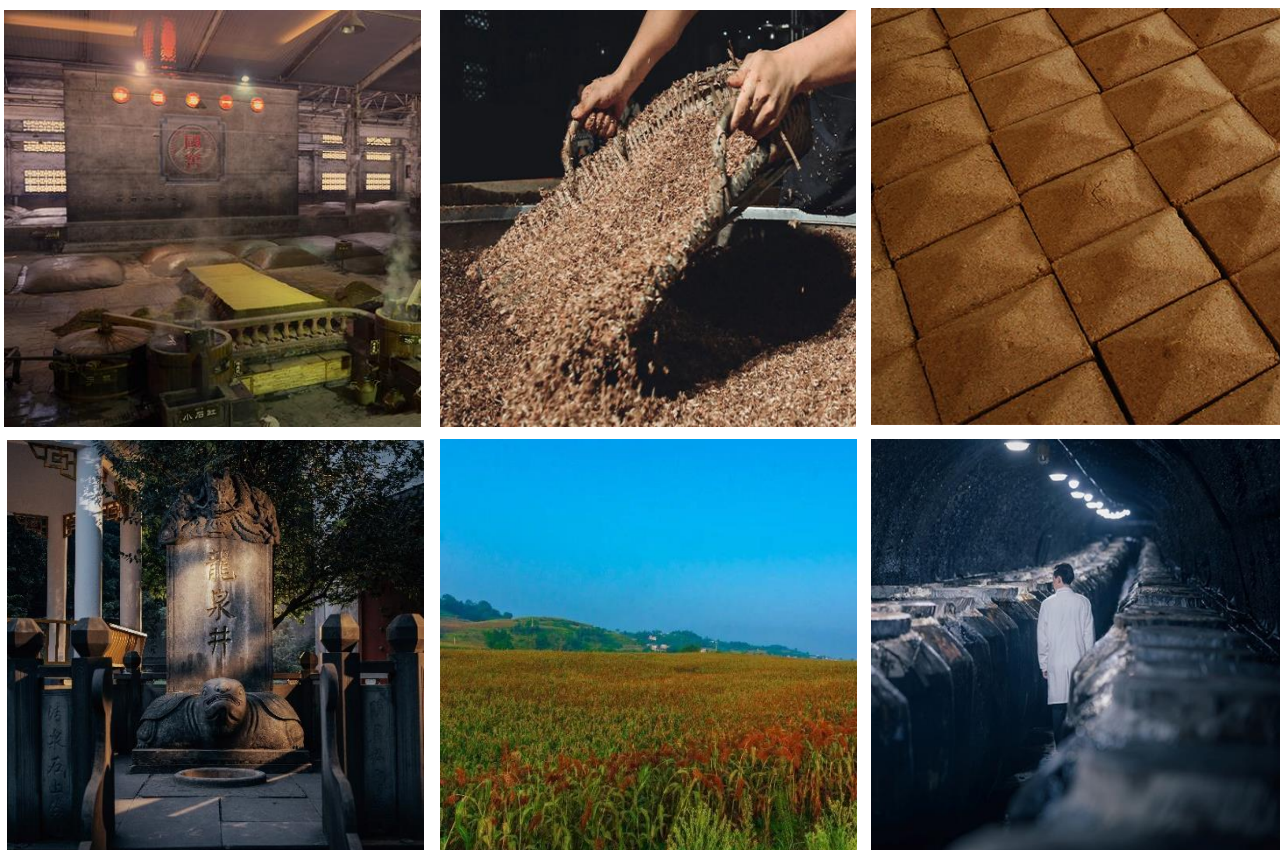
Luzhou City, where the Company is located, sits in the transitional area between the southern rim of the Sichuan Basin and the Yunnan-Guizhou Plateau, featuring a warmer and more humid sub-tropical climate compared to other areas at the same latitude, with a temperature above 0°C throughout the year. The unique climate and soil are agreeable to grow grains for baijiu brewing. The glutinous red sorghum and soft wheat grown in this area are the primary raw materials for the baijiu of the Company. The cellars in which the Company brews its baijiu are made of the local loessal clay characterized by strong viscosity, rich minerals and excellent moisture retention. In addition, the abundant and quality water in the region creates a unique geographical advantage for the production of the Company's baijiu.



B. Advantage of cellars and brewing technique

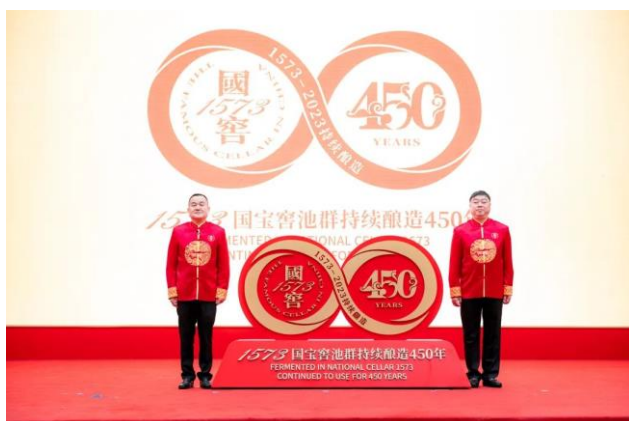
Aged cellars are the most essential condition for a strong aromatic baijiu maker to produce good quality baijiu. The Cellars of National Treasure 1573, founded in 1573, was granted by the State Council as the first Cultural Relic of National Importance in the industry under the Protection of the State in December 1996. 1,619 cellars of Luzhou Laojiao which have been continuously used for over 100 years, together with its 16 ancient brewing workshops and three natural cellar holes, were all selected as the fourth batch of Cultural Relics of National Importance under the Protection of the State in 2013. They are unique resources that cannot be replicated. In both 2006 and 2012, Luzhou Laojiao Daqu Cellars were twice selected into the preliminary list of China for World Heritage. In November 2018, Luzhou Laojiao Cellars and Brewing Workshops were selected into China's Industrial Heritage List. The time-honored Traditional Brewing Technique of Luzhou Laojiao is a 24-generation inheritance and a classic brewing technique for strong aromatic baijiu. This technique was selected as the first batch of National Intangible Cultural Heritage in May 2006. The Cellars of National Treasure 1573 and the Traditional Brewing Technique of Luzhou Laojiao together provide the most essential basis and assurance for the quality of the product series of National Cellar 1573 and Luzhou Laojiao. Additionally, Huangyi Brewery Eco-Park has moved into full production in late 2020. Upholding the cultural connotations of

“inheritance of ancient ways, pure-grain brewing, traditional techniques, and intelligent technologies”, the Company carried out brewing technical renovation featuring automatic, intelligent and information technology-based transformation. As such, it has established a baijiu brewery eco-park comprising brewing workshops, leaven making workshops, and base baijiu storage cellars, along with energy and sewage treatment facilities. This brewery eco-park brings with it new production capacities of 100,000 tons of quality pure-grain solid baijiu and 100,000 tons of leaven in addition to a new storage capacity of 380,000 tons of baijiu per year, marking a substantial increase in the Company’s production capacity.



C. Brand advantage

Brand is a key business resource for baijiu producers. The Company’s reputation is greatly built on its superiority in brand. National Cellar 1573, which is of a connoisseurship level, is a world-famous high-end brand. Luzhou Laojiao Tequ, a classic brand for strong aromatic baijiu, was selected in 1952 by the first national tasting competition judges as one of the four most famous baijiu brands in China. It is the only strong aromatic baijiu brand that won the title of “National Famous Liquor” for five consecutive times, as well as the pioneer with regard to the “Tequ” variety of baijiu. In recent years, the Company has successfully put in place a brand system of “dual brands, three product series, and major single products” with great clarity and focus. The programs carried out to promote the brand of National Cellar 1573 and revive the brand of Luzhou Laojiao have produced remarkable results, with significant improvement in brand influence. The Company’s baijiu is increasingly known by consumers as a national brand of strong aromatic baijiu and of authentic flavor.



D. Quality and R&D advantage

The Company is committed to producing high-quality baijiu, advocating a healthy lifestyle and “making the quality visible”. The first “Organic Sorghum Planting Base” was established and the six-factor management system (including organic, quality, safety, environment, measurement and energy) was built and improved. The research platforms are established, including National Engineering Research Center of Solid-State Brewing, National Liquor Test Center, National Postdoctoral Workstation, etc, which all support the innovation and upgrading of products with their strong technical force. In recent years, the Company has put in a lot of efforts in researching Tequ production, brewing informatization & automation. Relying on the technological innovation platforms such as the National Industrial Design Center, and continuously deepening the cooperation with universities and scientific research institutes including the Chinese Academy of Sciences and the Jiangnan University, the Company has undertaken dozens of national- or provincial-level projects and has been granted hundreds of invention or utility model patents. And remarkable results have been achieved with respect to improvement of the quality of base Baijiu, as well as production efficiency improvement.



E. Talent advantage

The Company has 1 inheritor of national intangible cultural heritage, 4 masters of Chinese brewing, 2 masters of Chinese baijiu, 2 Chinese liquor connoisseurs, 1 master of Chinese baijiu technique, 11 senior professor engineers, 7 experts who receive special allowances from the State Council, 4 national technicians, 2 national model workers, 5 national Labor Day Medal winners, 3 academic and

technologic leaders of Sichuan province, 1 expert with outstanding contribution in Sichuan province, 1 innovation leader of Tianfu, 1 excellent engineer of Tianfu, 3 craftsmen of Tianfu, 2 craftsmen of Sichuan province, 1 technological elite of Tianfu, 4 technicians of Sichuan province, as well as hundreds of highly skilled personnel including national baijiu judges, senior brewing technicians and brewing technicians. The comprehensive and professional personnel system assures the sound development of the Company.



4. Analysis of main business

4.1. Overview

In 2022, the Company forged ahead against headwinds and maintained a healthy and rapid development momentum, establishing a growing pace. For the reporting period, operating revenue amounted to CNY 25.124 billion, up 21.71% year on year; and the net profit attributable to the shareholders of the listed company reached CNY 10.365 billion, up 30.29% year on year. The Company's main operations and the results in the reporting period are summarized as follows:

A. Continued stable growth in sales

Strategies were effectively implemented. Empowered by new marketing models and new methods, the system of resource integration plays a powerful driving force. **The performance of main single products was outstanding.** National Cellar 1573 maintained its leadership, and Luzhou Laojiao's brand rejuvenation sped up, with a deep layout of multiple product series and young orientation, and the formation of new growth poles accelerated. **Continuous efforts were made for the core area.** The Company further consolidated the base market, made a breakthrough in the highland market and expanded the opportunity market, resulting in continuous growth in scale by province, city and number of customers.

B. A variety of branding highlights

The brand matrix was continuously improved. Adhering to the strategy of "dual brands, three product series, and major single products", the Company continued to promote the brand rejuvenation plan, and comprehensively enhanced its market influence. **Branding activities were vigorously carried out.** The Company deeply integrated its brand in top international events such as the Australian Open and the World Cup, conducted cross-border cooperation with the food, art and

fashion industries, and achieved precise circle communication and brand promotion. **A stronger brand presence was achieved.** In 2022, Luzhou Laojiao became the only Chinese company in the baijiu industry to have two brands listed in the 2022 Kantar BrandZ Top 100 Most Valuable Chinese Brands, and was awarded the third place in the list of 2022 Global Top 50 Most Valuable Spirits Brands.

C. Solid capacity guarantee

The capacity guarantee achieved a higher level. The Company has created a high-quality organic raw grain planting base, further optimized the digital business system of the brewery eco-parks and improved the utilization of brewing resources and production efficiency. **The product guarantee was solid and strong.** The completion rate of production guarantee, guarantee rate of package materials, warehousing and logistics efficiency and management system coverage continued to improve, and Luzhou Laojiao's supply chain system showed a new look. **The quality assurance continued to be consolidated.** The Company continuously carried out external audits of quality, food safety and organic systems, with a 100% pass rate. It participated in drafting and revising nine national standards, and released a white paper on quality and safety to the community for six consecutive years. Luzhou Laojiao was awarded six national quality awards, including "National Food Safety Integrity Demonstration Unit", "National Excellent Case of Food Safety Management Innovation" and "National Quality and Integrity Benchmark Enterprise".

D. Leading technological innovation

A historic breakthrough was made in major science and technology awards. The Company won the First Prize of Science & Technology Progress of People's Government of Sichuan Province, the First Prize of Sichuan Patent Award, and the First Prize of Science & Technology Progress Award of China Food Industry Association and China National Light Industry Council. **Remarkable working results were achieved in terms of intellectual property.** The Company passed the review of national intellectual property demonstration enterprises and the certification of intellectual property management system. In addition, it applied for 113 patents, authorized 73 patents and published 31 papers. **Collaborative technology innovation was effectively promoted.** The Company deepened the industry-university-research cooperation, made multiple major technological breakthroughs such as "intelligent brewing" and "low-carbon brewing", with many achievements reaching international leading levels.

E. Strong support from the talent team

Talent was introduced through multiple channels. Mature and reserve talent was introduced through campus recruitment and social recruitment. **Talent was trained from multiple dimensions.** The Company continued to build a knowledge management platform, and enhanced the development of a training system, course system and teacher system. It was selected as one of the first batch of key enterprises to promote the "industry reform" special action in the national light industry. **Talent was selected and appointed by multiple initiatives.** The mechanism of open post competition for middle-level management and department managers of subsidiaries was implemented comprehensively, and the Luzhou Laojiao assessment officer system was formally implemented to make the selection and appointment of talent more scientific. In 2022, the Company was awarded "National Model Enterprise of Harmonious Labor Relations" and "Advanced Unit of Talent Work in

Luzhou City". Mr. Liu Miao, Secretary of the Party Committee and Chairman of the Board of the Company, was awarded the "Baijiu Town Talent - Special Honor Award" in Luzhou City. Yangping Brewery Workshop was awarded the "Craftsman Innovation Workshop in the National Light Industry".

F. Prominent cultural leadership

The cultural connotations continued to deepen. The "70th Anniversary of Famous Baijiu" exhibition toured China, and books and courses on corporate culture were published and upgraded. **The cultural cohesion continued to heighten.** The corporate culture knowledge competition of "Strong Flavor Cultural Brewery Cup" was successfully concluded, and the Luzhou Laojiao culture shaping think tank platform, including the National Cellar 1573 Institute, was successfully built. **The cultural communication covered the whole jurisdiction.** New media communication and operation were optimized, and a matrix communication platform was built. **The cultural experience was innovated and upgraded.** The immersive cultural experience was upgraded, the upgrade of the old museum was completed and the cultural experience services of Luzhou Laojiao continued to climb.

G. Continuous improvement in headquarters capacity

Internal controls were constantly optimized. By continuously improving the management system and sorting out the procedure system, the Company's ability of risk prevention continued to improve. **The management innovation was efficiently empowered.** The Company was selected as one of the first batch of the province and the third batch of the national list of pilot units for electronic VAT invoices, as well as one of the first batch of the national pilot units for the construction of digital archives for enterprise groups, ranking among the first camp of national corporate archive management. **The safety and environmental protection continued to be consolidated.** The Company had zero production safety accidents and zero incidence of occupational diseases throughout the year, and was awarded as a "tier-one enterprise with standard safety production" and a "provincial healthy enterprise". For three consecutive years, the Company was awarded as a provincial "environmental integrity enterprise of corporate environmental credit evaluation". **Social welfare was continuously advanced.** The Company supported rural revitalization in paired assistance regions and was awarded the "Advanced Collective for Paired Assistance" in Sichuan Province. It continued to carry out public welfare projects such as the "Pillars Project" and the "Luzhou Laojiao Teacher's Pointer" to support the development of local education.



4.2. Revenues and cost of sales

4.2.1. Breakdown of operating revenues

Unit: CNY

	2022		2021		YoY Change
	Amount	As % of operating revenues	Amount	As % of operating revenues	
Total	25,123,563,271.62	100%	20,642,261,724.37	100%	21.71%
By business segment					
Baijiu	24,766,121,998.49	98.58%	20,415,170,469.09	98.90%	21.31%
Other revenues	357,441,273.13	1.42%	227,091,255.28	1.10%	57.40%
By product					
Mid- and high-end baijiu	22,132,546,058.64	88.10%	18,397,360,159.99	89.12%	20.30%
Other baijiu	2,633,575,939.85	10.48%	2,017,810,309.10	9.78%	30.52%
Other revenues	357,441,273.13	1.42%	227,091,255.28	1.10%	57.40%
By geographical segment					
Domestic	24,970,484,945.58	99.39%	20,558,860,984.10	99.60%	21.46%
Overseas	153,078,326.04	0.61%	83,400,740.27	0.40%	83.55%
By sales model					
Traditional channel operation model	23,302,396,093.43	92.75%	19,523,560,616.72	94.58%	19.36%
Emerging channel operation model	1,463,725,905.06	5.83%	891,609,852.37	4.32%	64.17%
Other revenues	357,441,273.13	1.42%	227,091,255.28	1.10%	57.40%

4.2.2. Business segments, products, geographical segments or sales models contributing over 10% of the operating revenues or profits

 Applicable N/A

Unit: CNY

	Operating revenue	Cost of sales	Gross profit margin	YoY change of operating revenue	YoY change of cost of sales	YoY change of gross profit margin
By business segment						
Baijiu	24,766,121,998.49	3,214,253,716.91	87.02%	21.31%	11.39%	1.16%
By product						
Mid- and high-end baijiu	22,132,546,058.64	1,981,044,707.48	91.05%	20.30%	11.43%	0.71%
Other baijiu	2,633,575,939.85	1,233,209,009.43	53.17%	30.52%	11.31%	8.08%
By geographical segment						
Domestic	24,970,484,945.58	3,349,598,518.23	86.59%	21.46%	13.94%	0.89%
By sales model						
Traditional channel operation model	23,302,396,093.43	2,939,816,887.75	87.38%	19.36%	9.21%	1.17%

Under the circumstances that the statistical standards for the Company's main business data were adjusted in the reporting period, the Company's main business data in the current year is calculated based on adjusted statistical standards at the end of the reporting period

 Applicable N/A

4.2.3. Whether revenue from sales of goods is higher than revenue of rendering services

Yes No

By business segment	Item	Unit	2022	2021	YoY Change
Baijiu	Sales volume	Ton	86,182.65	77,820.50	10.75%
	Production volume	Ton	87,902.60	94,818.24	-7.29%
	Inventory	Ton	54,572.50	52,852.55	3.25%

Reason for any over 30% YoY movements in the data above

Applicable N/A

4.2.4. Execution of significant sales or purchase contracts in the reporting period

Applicable N/A

4.2.5. Breakdown of cost of sales

By business segment

Unit: CNY

By business segment	Item	2022		2021		YoY Change
		Amount	As % of cost of sales	Amount	As % of cost of sales	
Baijiu	Raw materials	2,757,973,459.70	85.80%	2,502,121,435.16	86.71%	10.23%
Baijiu	Labor costs	208,363,976.36	6.48%	160,836,008.91	5.57%	29.55%
Baijiu	Manufacturing overhead	247,916,280.85	7.71%	222,727,707.56	7.72%	11.31%

4.2.6. Change in the scope of the consolidated financial statements for the reporting period

Yes No

Subsidiaries that are newly incorporated into the scope of consolidation in this period

Name of subsidiary	Reason
Luzhou Laojiao International Trade (Hainan) Co., Ltd.	Incorporated through investment
Luzhou Laojiao Technology Innovation Co., Ltd.	Incorporated through investment

Liquidation and cancellation for subsidiaries in this period

Name of subsidiary	Reason
Luzhou Laojiao Bosheng Hengxiang Liquor Sales Co., Ltd.	Liquidation and cancellation
Luzhou Laojiao Tourism Culture Co., Ltd.	Liquidation and cancellation

4.2.7. Major changes in the business, products or services in the reporting period

Applicable N/A

4.2.8. Main customers and suppliers

Sales to main customers of the Company

Total sales to top five customers (CNY)	16,855,963,269.03
Total sales to top five customers as % of the total sales	67.09%
Total sales to related parties among top five customers as % of the total sales	0.00%

Information on top five customers

No.	Customer	Sales amount (CNY)	As % of the total sales for the year
1	Customer A	11,205,287,521.28	44.60%
2	Customer B	2,532,520,076.72	10.08%
3	Customer C	1,464,567,730.63	5.83%
4	Customer D	936,256,733.32	3.73%
5	Customer E	717,331,207.08	2.86%
Total	--	16,855,963,269.03	67.09%

Other information on main customers

Applicable N/A

Main suppliers of the Company

Total purchases from top five suppliers (CNY)	1,893,157,453.08
Total purchases from top five suppliers as % of the total purchases	39.88%
Total purchases from related parties among top five suppliers as % of the total purchases	0.00%

Information on top five suppliers

No.	Supplier	Purchases (CNY)	As % of the total purchases for the year
1	Supplier A	615,541,310.14	12.97%
2	Supplier B	430,257,905.90	9.06%
3	Supplier C	374,360,322.52	7.89%
4	Supplier D	260,747,023.01	5.49%
5	Supplier E	212,250,891.52	4.47%
Total	--	1,893,157,453.08	39.88%

Other information on main suppliers

Applicable N/A

4.3. Expenses

Unit: CNY

	2022	2021	YoY Change	Reason for any significant change
Selling and distribution expenses	3,448,771,046.02	3,599,211,604.56	-4.18%	
General and administrative expenses	1,162,422,257.23	1,056,116,367.85	10.07%	
Finance expenses	-286,376,927.48	-216,885,999.21		Mainly due to the increased interest income in the current period
R&D expenses	206,248,486.57	137,712,329.78	49.77%	Mainly due to the increased R&D projects in the current period

The Company shall comply with the disclosure requirements for companies engaging in food & liquor and wine production of the *Guidelines No. 3 of the Shenzhen Stock Exchange on Self-regulation of Listed Companies—Industry-specific Information Disclosure*.

4.3.1. Breakdown of selling and distribution expenses

Unit: CNY

Selling and distribution expenses	2022	2021	YoY Change	Reason for any significant change
Advertising expenses	1,880,179,769.91	1,769,053,962.56	6.28%	
Sales promotion expenses	712,641,702.96	1,139,273,684.38	-37.45%	Mainly due to the decreased sales promotion expenses in the current period
Employee benefits	355,699,286.88	357,659,249.63	-0.55%	
Warehousing and logistics expenses	138,589,417.94	100,059,219.52	38.51%	Mainly due to the increased sales revenue from baijiu, leading to a corresponding increase in warehousing and logistics expenses
Other	361,660,868.33	233,165,488.47	55.11%	Mainly due to the increased share-based payments apportioned in the current period

4.3.2. Breakdown of advertising expenses

Unit: CNY

Advertising	Expenses
Online advertising (exclusive of TV advertising)	366,297,010.23
Offline advertising	459,949,306.81
TV advertising	601,235,194.18
Other (inclusive of branding ideas, exhibitions & showcases, advertising materials, activity planning, etc.)	452,698,258.69

4.4. R&D investments

Applicable N/A

Major R&D projects	Purpose	Progress	Specific objectives	Expected impact on the Company
Thermochemical Energy- and Resource-based Coupled Utilization Technology of Brewing Waste	The project is a national key R&D program during the "13th Five-year Plan" period undertaken by the Company, which aims to realize the energy- and resource-based utilization of brewing waste with thermochemical technology, and develop a complete set of intelligent equipment systems for the resource- and energy-based utilization of brewing waste.	Taking brewing waste as the research target and the energy- and resource-based research and development of thermochemical treatment as the technical breakthrough, the project develops and completes one pilot line for drying and pyrolysis of distiller's grains, and realizes the processing capacity of five tons/day for drying and pyrolysis of distiller's grains. Currently, the Company plans to build an industrial demonstration line with a processing capacity of 100,000 tons/year, making a systematic breakthrough in the resource-based utilization technology of brewing waste and industrialization in China.	To develop an intelligent equipment system with packaged technology for the resource- and energy-based utilization of brewing waste, successfully build a demonstration base for the project industrialization, and achieve more than 90% of resource- and energy-based utilization of brewing waste to ensure the low-carbon, green development of the Chinese baijiu industry.	Realize a large-scale resource- and energy-based utilization of brewing waste and achieve both ecological and economic benefits.
Study on the Expression Regulation of Key Genes in Leaven Microorganisms in China and Japan and the Improvement of Chinese Leaven Quality	The project is an international project that the Company jointly undertook, which studies the evolution pattern and formation mechanism of microbiomes during the natural leaven-marking and fermentation, and screens for microbial strains with specific functions for the production of functional enhanced leaven.	A study on the diversity of microorganisms in the incised notopterygium has been carried out. Multiple omics analyses including macro-genomic and metabolomic analysis of strong-flavor baijiu were completed. Functional enhanced leaven was developed, and corporate standards for finished strong-flavor baijiu and other products were formulated.	To develop functional leaven according to different quality indicator requirements based on functional leaven-marking microorganisms and key gene expression regulation, systematically evaluate the efficacy of leaven and optimize the process.	Improve the leaven and baijiu quality and enhance the Company's core competitiveness.
High-value Patent Incubation Center Project of Luzhou Laojiao	The project is to implement national standards for intellectual property management, and achieve efficient management of the Company in the creation, application and protection of intellectual property. An all-round layout of intellectual property is	The Company has strengthened the close integration of intellectual property creation and protection with the whole process of technological innovation, enhanced the creation of intellectual property at key processes, and formed a series of high-value patent achievements. Its invention patents won the first prize	To pass the "certification of intellectual property management standard" and enhance the awareness of intellectual property creation and protection of all staff. To strengthen the exploration of high-value patents	Improve the Company's intellectual property offensive and defensive capabilities, and become a model and leader in terms of intellectual property work.

	made around the core key technologies of the industrial chain to promote the creation of high-quality patents and build a patent pool for core technologies.	of Sichuan Patent Award. The certification of enterprise intellectual property management standard has been conducted, an intellectual property management system has been established and improved, and a number of normative documents have been formulated and operated effectively. The Company has successively passed the review of national intellectual property demonstration enterprises and the certification of intellectual property management standard.	and strengthen the operation and protection of high-value patents.	
Establishment of Sichuan Innovation Center for Solid-state Brewing Technologies	The Company took the lead to jointly build the Sichuan Innovation Center for Solid-state Brewing Technologies with several universities and institutes, aiming to overcome a batch of core technological challenges in solid-state brewing and resolve the major problem of "large scale but weak capacity" faced by the solid-state brewing sector.	The Company has developed and improved the policy system for the Innovation Center, perfected the infrastructure of the Innovation Center, and continued to carry out solid-state brewing technology research, industry exchanges, result transformation and talent training. Innovative resources in the solid-state brewing sector were gathered to form a "Solid-state Brewing Technology Innovation Alliance in the Chengdu-Chongqing Twin City Economic Circle". More than 50 member enterprises have been absorbed and a meeting of the Alliance Council is in preparation.	To create an innovation alliance in the solid-state brewing sector, make breakthroughs in core key technologies in the solid-state brewing sector, and form a science and technology innovation center with national influence.	Successfully build a technological innovation platform, thereby improving the Company's scientific and technological innovation capabilities and level.
A Study on the Optimization of Key Intelligent Equipment and the System Control for Brewing	By applying modern technologies such as intelligent sensing, image recognition, spectral technology and bio-chips, the project aims to develop core technologies for each link of brewing production, including fermentation, vinasse-based ingredient making, distillation of grains in retorts and	The Company carries out industry-university-research cooperation with universities and research institutes in the field of intelligent brewing, deeply analyzes traditional production processes and fermentation principles, innovatively applies simulation technology, automation technology, online testing, industrial robots, big data analysis,	To build an intelligent brewing demonstration production line.	Level up the Company's intelligent brewing and promote the transformation and upgrading of the traditional brewing industry.

	<p>baijiu selection, and build intelligent brewing production lines with independent optimization, production decision-making and execution capabilities to comprehensively upgrade the solid-state brewing technologies in the baijiu industry.</p>	<p>intelligent decision-making and other technologies to the brewing engineering renovation project of Luzhou Laojiao, breaks through the key bottleneck of intelligent brewing technology, and forms the first intelligent baijiu brewing demonstration solution for the whole brewing process in the industry. The project results were appraised by an expert committee with Academician Sun Baoguo as the chairman as "international leading level" and won the First Prize of 2022 Sichuan Science and Technology Progress Award.</p>		
<p>Construction of the Brewing Microbial Resources and Data Platform</p>	<p>The project aims to carry out collection of brewing microbial resources, rapid isolation, authentication, review and transfer of microbial resources in the brewing process of baijiu and development of excellent strains for industrial use, establish a brewing microbial strain library and related enzymology library, and promote the protection, sharing and sustainable utilization of brewing microbial resources.</p>	<p>The Company carries out industry-university-research cooperation with universities, and has screened and obtained a series of new species and key functional microorganisms in the pit mud based on the analysis of the metabolic basics of the microbial flora of the 400-year-old national treasure fermentation pit, analyzed their brewing performance and applied them to brewing production, which has strongly improved the sensory quality and quality of the base baijiu. The relevant achievements have won the First Prize of 2022 Sichuan Patent Award and the First Prize of Science & Technology Progress Award of China Food Industry Association.</p>	<p>To establish a brewing microbial strain bank of a certain scale, which can achieve long-term safe preservation of strains and is supplemented by special information technology to manage strain information.</p>	<p>Master the core resources of baijiu brewing microorganisms and enhance the Company's ability to protect and utilize brewing microbial resources.</p>

Information about R&D personnel

	2022	2021	YoY Change
Number of R&D personnel	480	494	-2.83%
R&D personnel as % of total employees	13.31%	14.39%	-1.08%

Educational backgrounds of R&D personnel			
Bachelor's degree	320	326	-1.84%
Master's degree	133	120	10.83%
Doctoral degree (including postdoctoral workstations)	27	23	17.39%
Age structure of R&D personnel			
Below 30	218	220	-0.91%
30~40	219	210	4.29%

Information about R&D investments

	2022	2021	YoY Change
R&D investments (CNY)	206,248,486.57	169,125,528.48	21.95%
R&D investments as % of operating revenues	0.82%	0.82%	0.00%
Capitalized R&D investments (CNY)	0.00	0.00	0.00%
Capitalized R&D investments as % of total R&D investments	0.00%	0.00%	0.00%

Reason for any significant change in the composition of R&D personnel and the impact

 Applicable N/A

Reason for any significant YoY change in the percentage of the R&D investments in the operating revenues

 Applicable N/A

Reason for any sharp variation in the percentage of the capitalized R&D investments and rationale

 Applicable N/A**4.5. Cash flows**

Unit: CNY

Item	2022	2021	YoY Change
Subtotal of cash inflows from operating activities	26,877,272,861.82	23,520,677,136.09	14.27%
Subtotal of cash outflows from operating activities	18,614,624,592.10	15,822,029,031.58	17.65%
Net cash flows from operating activities	8,262,648,269.72	7,698,648,104.51	7.33%
Subtotal of cash inflows from investing activities	2,243,596,415.18	41,893,415.77	5,255.49%
Subtotal of cash	4,117,450,731.91	2,719,942,312.51	51.38%

outflows from investing activities			
Net cash flows from investing activities	-1,873,854,316.73	-2,678,048,896.74	
Subtotal of cash inflows from financing activities	5,372,133,945.09	8,305,794.84	64,579.35%
Subtotal of cash outflows from financing activities	7,450,522,397.49	3,190,924,317.15	133.49%
Net cash flows from financing activities	-2,078,388,452.40	-3,182,618,522.31	
Net increase in cash and cash equivalents	4,326,477,650.04	1,834,333,879.02	135.86%

Explanation of why the data above varied significantly

Applicable N/A

Net cash flows from investing activities increased by CNY 804,194,580.01 year-on-year, mainly due to the decreased cash paid to acquire and construct fixed assets, intangible assets and other long-term assets in the current period.

Net cash flows from financing activities increased by CNY 1,104,230,069.91 year-on-year, mainly due to the receipt of bank loan in the current period.

Explanation of main reasons leading to the material difference between net cash flows from operating activities during the reporting period and net profit for the year

Applicable N/A

5. Analysis of non-core business

Applicable N/A

6. Assets and liabilities

6.1. Significant change of asset items

Unit: CNY

	At the end of 2022		At the beginning of 2022		Change in percentage	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Cash and cash equivalents	17,757,528,211.25	34.56%	13,513,494,580.56	31.27%	3.29%	
Accounts receivable	5,939,420.78	0.01%	1,628,248.55	0.00%	0.01%	
Inventories	9,840,742,374.85	19.15%	7,277,573,166.80	16.84%	2.31%	
Investment property	39,149,454.22	0.08%			0.08%	
Long-term equity investments	2,667,500,553.17	5.19%	2,626,744,236.25	6.08%	-0.89%	
Fixed assets	8,856,258,598.78	17.23%	8,089,487,274.39	18.72%	-1.49%	

Construction in progress	808,919,047.21	1.57%	1,259,845,487.50	2.92%	-1.35%	
Right-of-use assets	39,952,525.63	0.08%	52,714,810.04	0.12%	-0.04%	
Contract liabilities	2,566,374,718.76	4.99%	3,510,110,701.25	8.12%	-3.13%	
Long-term loans	3,179,600,000.00	6.19%			6.19%	Mainly due to the receipt of bank loan in the current period
Lease liabilities	29,096,969.66	0.06%	40,667,668.08	0.09%	-0.03%	

Whether overseas assets account for a larger proportion in total assets

Applicable N/A

6.2. Assets and liabilities measured at fair value

Applicable N/A

Unit: CNY

Item	Opening balance	Changes in fair value through profit or loss	Changes in cumulative fair value recorded into equity	Provision for impairment	Amount of purchase	Amount of sale	Other changes	Closing balance
Financial asset								
1. Held-for-trading financial assets (exclusive of derivative financial assets)	706,352,241.79	-12,023,622.50			2,500,000.00	2,120,861.838.92		1,073,466,780.37
4. Investments in other equity instruments	363,312,120.43	231,164,476.88	489,371,388.31		542,285,380.80	25,000.00		1,136,736,978.11
5. Accounts receivables financing	4,757,631,778.64						174,279,275.27	4,583,352,503.37
Subtotal of financial assets	5,827,296,140.86	219,140,854.38	489,371,388.31		3,042,285,380.80	2,120,886,838.92	174,279,275.27	6,793,556,261.85
Investment property							39,149,454.22	39,149,454.22
Total	5,827,296,140.86	219,140,854.38	489,371,388.31		3,042,285,380.80	2,120,886,838.92	135,129,821.05	6,832,705,716.07
Financial liability	0.00							0.00

Whether measurement attribution of main assets changes significantly in this year

Yes No

6.3. Restricted asset rights as of the end of this reporting period

Item	Closing balance	Reason
Other cash and cash equivalents (CNY)	10,000,000.00	Bank guarantees
Bank deposits (CNY)	17,339,936.14	Accrued interest on term deposits
Bank deposits (CNY)	1,181,683.24	Frozen by court of law
Total	28,521,619.38	

Note 1: According to the civil ruling issued by People's Court of Jiangyang District, Luzhou City, Sichuan Province, a total of CNY 516,806.00 bank deposits of Brewing Company, a subsidiary of the Company, were frozen in accordance with laws for the case of contractual dispute. The first trial of the relevant case has been decided on 12 January 2023, based on which Brewing Company was not required to pay the relevant liabilities.

Note 2: According to the civil ruling issued by People's Court of Dongchangfu District, Liaocheng City, Shandong Province, a total of CNY 664,877.24 bank deposits of Boda Marketing Company, a subsidiary of the Company, were frozen in accordance with laws for the case of contractual dispute. As of 31 December 2022, the case was not decided. Based on the explanation issued by the third-party law firm, it was predicted that the probability of the rejection of the claims of the plaintiff by People's Court was over 60%.

7. Investment

7.1. Total investment

Applicable N/A

Investment made in the reporting period (CNY)	Investment made in the prior year (CNY)	YoY change
4,633,852,571.05	1,781,224,057.98	160.15% ¹

Note 1: Mainly due to the purchase of collective asset management plan product from securities firm in the current period.

7.2. Significant equity investment made in the reporting period

Applicable N/A

7.3. Significant ongoing non-equity investment in the reporting period

Applicable N/A

Unit: CNY

Item	Investment form	Whether it is a fixed asset	Industry of the investment	Amount of input in the reporting period	Accumulated actual input	Capital source	Project progress	Projected income	Accumulated actual income	Reasons for not meeting	Date of disclosure	Disclosure index (if any)
------	-----------------	-----------------------------	----------------------------	---	--------------------------	----------------	------------------	------------------	---------------------------	-------------------------	--------------------	---------------------------

		investment	project	g period	amount by the end of the reporting period				by the end of the reporting period	g the schedule and projected income	(if any)	
Luzhou Laojiao Technical Upgrade Project of Intelligent Brewing (Phase I)	Self-built	Yes	Baijiu	583,300,245.67	583,300,245.67	Self-financing	1.00%	0.00	0.00	N/A	13 July 2022	Announcement No. 2022-24 on the Implementation of Luzhou Laojiao Technical Upgrade Project of Intelligent Brewing (Phase I) by Subsidiary on http://www.cninfo.com.cn/
Total	--	--	--	583,300,245.67	583,300,245.67	--	--	0.00	0.00	--	--	--

7.4. Financial assets investment

7.4.1. Securities investment

Applicable N/A

Unit: CNY

Category of securities	Stock code	Abbreviation of securities	Initial investment cost	Accounting measurement model	Beginning book balance	Changes in fair value recognized in profit or loss	Changes in the cumulative fair value recorded into equity	Amount of purchase	Amount of sale	Profit and loss during the reporting period	Closing book balance	Accounting item	Capital source
Domestic and foreign stock	601211	GTJA	12,719,156.76	Fair value measurement	210,690,476.31	-50,641,087.10	147,330,232.45			8,008,357.96	160,049,389.21	Investments in other equity instruments	Own fund
Domestic and foreign stock	002246	SNC	1,030,000.00	Fair value measurement	15,963,896.54	-1,031,946.30	13,901,950.24			70,359.97	14,931,950.24	Investments in other equity instruments	Own fund

Domestic and foreign stock	01983	LZBANK	51,120,000.00	Fair value measurement	102,174,621.71	17,983,771.01	69,038,392.72				120,158,392.72	Investments in other equity instruments	Own fund
Domestic and foreign stock	01880	CTG Duty-Free	542,285,380.80	Fair value measurement		264,853,739.27	264,853,739.27	542,285,380.80			807,139,120.07	Investments in other equity instruments	Own fund
Total			607,154,537.56	--	328,828,994.56	231,164,476.88	495,124,314.68	542,285,380.80	0.00	8,078,717.93	1,102,278,852.24	--	--

7.4.2. Derivative investment

Applicable N/A

No such cases in the reporting period

7.5. Use of funds raised

Applicable N/A

7.5.1. General use of funds raised

Applicable N/A

Unit: CNY 10,000

Year	Method	Total amount of funds raised	Total amount of raised funds used in the reporting period	Accumulated amount of raised funds used	Total amount of re-purposed funds raised in the reporting period	Total amount of accumulated re-purposed funds raised	Accumulated re-purposed funds raised as % of total funds raised	Total amount of unused funds raised	Purpose and direction of unused funds raised	Amount of funds raised idle for more than two years
2019	Public offering of corporate bond	249,000	0	253,081.84	0	0	0.00%	0	N/A	0
2020	Public offering of corporate bond	149,400	50,443.76	86,104.22	0	0		71,435.67	Deposited in special account for raised funds	0
2022	Public offering of corporate bond	149,880	149,880	149,880	0	0	0.00%	0	N/A	0
Total	--	548,280	200,323.76	489,066.06	0	0	0.00%	71,435.67	--	0

Notes for general use of funds raised

The total amounts of used and unused funds raised include interest on the funds.

7.5.2. Fund raised for committed projects

Applicable N/A

Unit: CNY 10,000

Committed investment projects and direction of over-raised funds	Whether the project has been changed (including partial change)	Total amount of funds raised for committed investment	Adjusted Investment total amount (1)	Investment amount in the reporting period	Accumulated input by the end of the reporting period (2)	Investment progress by the end of reporting period (3) = (2)/(1)	Date of the projects reach the working condition for their intended use	Realized benefits during the reporting period	Whether the expected benefits have been achieved	Whether the feasibility of the project has changed significantly
Committed investment projects										
Technical Renovation Project of Brewing (Phase II)	No	398,400	398,400	45,708.42	313,928.63	85.14%	30 June 2021	N/A	Yes	No
Project of Intelligent Upgrading and Building of the Information Management System	No			4,735.34	8,233.89		N/A	N/A	No	No
Project of Acquiring Sealing Equipment for the Cellar of Huangyi Brewing Base	No			0	12,043.3		30 June 2021	N/A	Yes	No
Project of Acquiring Accessory Equipment for Leaven Making for Huangyi Brewing Base	No			0	4,980.25		30 June 2021	N/A	Yes	No
Subtotal of committed investment projects	--	398,400 ¹	398,400	50,443.76	339,186.07	--	--	N/A	--	--
Use of over-raised funds										
None										
Total	--	398,400	398,400	50,443.76	339,186.07	--	--	N/A	--	--
Explain project by project the	N/A									

situation and reason for not reaching plan progress or expected benefits (including reason for inputting "N/A" for "Whether the expected benefits have been achieved")	
Significant changes of project feasibility	N/A
Amount, purpose and progress of over-raised funds	N/A
Change of implementation site of investment projects	N/A
Adjustment of the implementation mode of raised funds investment projects	N/A
	Applicable
Situation of advance investment and replacement	<p>On 14 May 2019, the Company held the First Extraordinary General Meeting of Shareholders of 2019, which considered and approved the <i>Proposal on Requesting the Company's General Meeting of Shareholders to Fully Authorize Chairman of the Board or Other Personnel Authorized by the Board to Go Through Procedures for the Public Offering of Corporate Bond</i>. According to the Proposal, in the event of inconsistency between the payment of the raised funds and the progress of the project implementation, the Company may make advance investments using other funds (including self-owned funds, bank project loans, etc.) according to the actual situation, and replace fund investment other than capital funds when the raised funds are in place. As of 31 December 2022, the Company had replaced advance investments of self-pooled funds of CNY 573,178,496.64 using the raised funds.</p>
Idle raised funds used for temporary supplementary liquidity	N/A
Amount and reason for surplus of funds raised	N/A

Purpose and whereabouts of unused funds raised	The idle raised funds are deposited in the special account No. 9550880046723000135 for raised funds in the Chengdu Branch of China Guangfa Bank Co., Ltd., the special account No. 517517460013000000860 for raised funds in the Luzhou Branch of Bank of Communications Co., Ltd., and the special account No. 631395395 for raised funds in the Chengdu Branch of China Minsheng Banking Corp., Ltd.
Problems and other situation when raised funds are used and disclosed	N/A

Note 1: The subtotal of funds raised for committed projects was CNY 3,984 million, which was the combined amount of CNY 4,000 million (CNY 2,500 million of corporate bonds issued in August 2019 plus CNY 1,500 million of corporate bonds issued in March 2020) minus the total issuance costs of CNY 16 million.

Note 2: Because there are uncertainties in the approval and issue time for bond, in order to ensure smooth progress of the projects and protect the interests of the Company's shareholders, the investment sequence and specific amounts of the corresponding raised funds should be determined by the Chairman of the Board as authorized by the general meeting of shareholders or other persons as authorized by the Board of Directors within the scope of the four raised funds investment projects according to the actual needs, provided that the capital funds for each project is no less than 20% of the total investment.

Note 3: As of 31 December 2022, the Project of Intelligent Upgrading and Building of the Information Management System was in the process.

Note 4: These raised funds investment projects have helped further expand the Company's production and sales, and increase its comprehensive competitiveness. The economic benefits of these projects cannot be measured separately.

7.5.3. Re-purposed funds raised

Applicable N/A

No such cases in the reporting period

8. Sale of major assets and equity interests

8.1. Sale of major assets

Applicable N/A

No such cases in the reporting period.

8.2. Sale of major equity interests

Applicable N/A

9. Analysis of major subsidiaries

Applicable N/A

Main subsidiaries and joint companies with an over 10% influence on the Company's net profit

Unit: CNY

Company name	Company type	Business scope	Registered capital	Total assets	Net assets	Operating Revenue	Operating profit	Net profit
Luzhou Laojiao Sales Co., Ltd.	Subsidiary	Luzhou Laojiao series unified package Baijiu sales	100,000,000.00	7,798,894,814.04	2,282,135,373.83	23,969,748,769.23	10,532,594,410.23	7,904,562,366.56 ¹

Note 1: Net profit increased 30.07% year on year, mainly due to the increased sales revenue from baijiu, leading to a corresponding increase in profit.

Acquisition and disposal of subsidiaries during the reporting period

Applicable N/A

Notes for major holding companies and joint stock companies

There were no major holding companies or joint stock companies during the reporting period of which information shall be disclosed.

10. Structured entities controlled by the Company

Applicable N/A

11. Outlook for the future development of the Company

11.1. Industry landscape and trends

A. According to the data released by the National Bureau of Statistics, total production of brewed baijiu by baijiu producers above the designated size was 6.7124 million kl between January and December 2022, down 5.58% year on year; total sales revenues reached CNY 662.645 billion, up 9.64% year on year; total profits of CNY 220.172 billion were realized, up 29.36% year on year. Though the total consumption in the baijiu industry has been shrinking in recent years, the industry concentration continues to rise, with a clear trend towards high-quality development of the baijiu industry.

B. With the recovery of the consumption and the rebound of residents' income, the baijiu industry has opened a new cycle and entered the era of giant competition. The winning elements of the competitive landscape have changed, challenging the competitive ability of all systems and the systematic promotion ability of enterprises. Customer value creation and operational efficiency improvement have become the base point for marketing innovation.

C. Digital and intelligent technologies have been fully integrated into the production, supply, circulation, communication and consumption of the baijiu industry, forming a new industrial ecology with technological and digital empowerment, integrated traditional and intelligent brewing techniques, and combined offline and online channels.

11.2. The Company's development strategy

11.2.1. Development opportunities in the future

A. The value of famous baijiu has been highlighted, consumers' demand for high quality baijiu has increased, the proportion of high-end baijiu consumption has continued to rise, and the advantages of production regions and brands of famous baijiu will be further enhanced.

B. With social progress, economic development and consumer upgrade, new industries and models are emerging. Chinese baijiu, with its fully independent intellectual property and independent pricing rights, has a good opportunity for innovation and breakthrough.

C. Domestic industrial policies favorable to the development of baijiu brands continued to be introduced, which not only enhanced the confidence of consumers and investors in baijiu, but also provided strong momentum for the high-quality development of baijiu. Luzhou Laojiao, as a leading enterprise in China's baijiu industry, embraces a valuable opportunity of strategic development.

D. In recent years, the Company has developed benignly and expanded its operation scale. The Huangyi Brewery Eco-Park with solid-state baijiu brewing scale, leaven production capacity and intelligent brewing level has been built, and the layout of capacity guarantee has been completed ahead of schedule. The Company enhanced the overall corporate governance, making its management more powerful, scientific, systematic and pragmatic. In the accelerating reshuffle of the baijiu industry, Luzhou Laojiao has the leading edge and strong strength of maintaining stability while seeking progress and achieving leapfrog development.

11.2.2. Possible challenges and risks in the future

A. Macroeconomic risk: The global economy will continue to face multiple pressures in 2023. The ongoing Russia-Ukraine conflict has further intensified the impact on the global economy, with successive bank crashes in Europe and the US, which may trigger a contraction in monetary policies and recession, thereby adversely affecting the domestic consumer market.

B. Market competition risk: China's population is experiencing negative growth again, the consumer market size tends to shrink, and consumption upgrade and downgrade coexist. As the market concentration continues to rise, the industry will gradually enter the existing competition stage, and competition among baijiu enterprises will become increasingly intense. To this end, the Company will firmly insist on its strategic goals and seize opportunities to achieve high-quality leapfrog development.

11.2.3. The Company's "14th five-year" development strategy

No change occurred to the Company's "14th five-year" development strategy. For details, see the 2021 Annual Report.

11.3. Completion of the business plan in 2022

For the reporting period, operating revenue amounted to CNY 25.124 billion, up 21.71% year on year; and the net profit attributable to the shareholders of the listed company reached CNY 10.365 billion, up 30.29% year on year. The Company has successfully completed its business target "to achieve a year-on-year increase in operating revenue by at least 15%" as set by the Board of Directors at the beginning of the year.

11.4. Business plan in 2023

According to the *Outline of Production and Operation in 2023* reviewed and approved by the Board of Directors, the Company will closely center on the development theme of "promoting reform, enhancing collaboration, focusing on main areas and achieving leapfrog development", and strive to achieve a year-on-year increase in operating revenue by at least 15% (The business plan in 2023 is formulated by the Company according to the 14th five-year strategic plan and based on its business capabilities. It does not represent the Company's profit forecast for 2023, and is not a commitment by the Company. Whether it can be achieved depends on many factors such as changes in market conditions and efforts of the operation team. There are great uncertainties. Investors are kindly reminded to pay special attention).

The main measures are as follows:

A. Promote reform and comprehensively enhance endogenous driving force

Reform of idea and work style led by breakthrough and progress. The Company must make efforts to eliminate three harmful ideas and work styles, namely the ideas and work styles of pessimism and fear, complacency, and bureaucracy.

Reform of the governance model themed by overlapping strengths. The Company will advance the reform and optimization of the control model, organizational structure and operational mechanism in an orderly manner, continuously enhance collaborative management, and strive to achieve convergence effects in business management, industrial layout, quality and efficiency, innovation capability and brand value.

Reform of the top-level architecture guaranteed by digital and intelligent support. The Company will effectively plan and design the top-level architecture of digitalization and intelligence, promote the digital upgrade of products, consumers, channel customers, employees and organizations, and financial services, and advance the integration of order, capital, information, logistics and administration.

Reform of internal procurement control driven by efficiency improvement. An internal control and management system for the whole procurement process will be established to lay a solid foundation for the Company to keep pace with and even seize the opportunity in the fierce market competition.

B. Enhance collaboration and comprehensively improve enterprise effectiveness

Enhance strategic collaboration. The Company will develop a three-year development plan, and adhere to the "one map" for current and long-term development, the "one chessboard" for the whole Company and the "one network" of national market to complete sales tasks with high quality.

Enhance organizational collaboration. The Company will accelerate the development of a modern management model, comprehensively break down organizational barriers, improve organizational effectiveness and form an organizational operating system with rapid response, clear tasks and standardized actions.

Enhance PR collaboration. In accordance with the general idea of "overall thinking, forward-looking planning, substantial results and collaboration", a three-dimensional and long-term PR system that covers all staff will be built to constantly inject power for sales development.

C. Focus on main areas and comprehensively win the battle.

Focus on sales breakthrough. The Company will seize core resources, master core tactics, and adhere to the path of brand-leading marketing. It will build core markets, gather core strength, promote national development strategies, advance innovation in product lines and models, and create more growth poles for Luzhou Laojiao.

Focus on the development of a brand culture. The Company will create a pilgrimage site of baijiu in the world, seize the first and only brand promotion resources, promote the transformation of traditional publicity to a new traffic matrix, and build up a new media matrix for Luzhou Laojiao through content and form innovation to form the main entrance for converging traffic.

Focus on quality assurance. Based on the new "1 + 2 + N" capacity pattern, the Company will insist on quality as life, constantly improve the quality traceability system covering the whole life cycle of products, strengthen scientific and technological research and development and transformation of achievements, and build a leading technological innovation highland in the industry.

D. Achieve leapfrog development and take the lead in seizing the development highland

Achieve leapfrog development in targeted objectives. The company will make leapfrog breakthrough in the National Cellar series and maintain high-speed growth. More efforts and another breakthrough will be made for the Luzhou Laojiao series. The marketing layout and market breakthrough in the innovation sector will be accelerated to achieve objectives as soon as possible.

Achieve leapfrog development in the leadership of party building. The Company will enhance party building in terms of politics, ideology, organization, work style and discipline, comprehensively strengthen scientific party building, and continue to promote the development of trade unions, the Communist Youth League and the United Front Work, to form an inspiring pattern that integrates energy and wisdom.

Achieve leapfrog development in talent improvement. The Company will make more efforts in the scale, structure and quality of talent to raise its human-efficiency ratio to a higher level. By continuously enriching the talent ladder, optimizing the talent structure, and improving material incentives, spiritual incentives and growth incentives, the Company will further stimulate the endogenous driving force for enterprise development.

12. Visits paid to the Company for purposes of research, communication, interview, etc. in the reporting period

Applicable N/A

Date of visit	Place of visit	Way of visit	Type of visitor	Visitor	Main inquiry information and materials provided	Index to main inquiry information
13 May 2022	Company Headquarters	Field survey	Institution	Institutional investor	Company performance	http://www.cninfo.com.cn/
13 May 2022	Company Headquarters	Other	Other	All investors	Company performance	http://www.cninfo.com.cn/
29 June 2022	Company Headquarters	Other	Other	Institutional and individual investors and media	Industry trends and company performance	http://www.cninfo.com.cn/
16 August 2022	Company Headquarters	Other	Other	Institutional and individual investors and media	Industry trends and company performance	http://www.cninfo.com.cn/
16 September 2022	Company Headquarters	Other	Other	All investors	Industry trends and company performance	http://www.cninfo.com.cn/
8 November 2022	Company Headquarters	Field survey	Institution	Institutional investor	Company performance	http://www.cninfo.com.cn/

Section IV Corporate Governance

1. Basic situation of corporate governance

Since it was listed, in accordance with *the Corporate Law, the Securities Law, The Listed Company Governance Standards* and other laws, administrative regulations and departmental rules and normative documents, the Company has constantly perfected corporate governance structure, standardized its operation, established the rules and system on the basis of the Company's articles of association whose main framework is the rules of procedure of the shareholders' general meeting, rules of procedure of the board of directors and rules of procedure of the board of supervisors, which is formed the management system whose main structure is the shareholders meeting, board of directors, board of supervisors and management. During the reporting period, the Company won a number of honors and awards, including "The 24th Golden Bull Awards—Best Investment Value Award and Golden Bull Board Secretary Award", "The 13th Tianma Awards—Best Investor Relations Award", "The 16th Awards of the Value of Listed Companies in China—Top 100 Main Board Listed Companies by Value, Outstanding Management Team of the Year, and Sunshine Board Secretary", "Listed Companies Market Capitalisation Ranking—Top 50 Most Popular Listed Companies among Institutions", "Top 10 Influential Listed Companies of the Year, and Value Focus Listed Company of the Year", "The List of Gold Medal Companies—Investment Value Top List", and "China Association for Public Companies—Listed Company Board Office Best Practice".

Any incompliance with the applicable laws and administrative regulations, as well as regulations related to the governance of listed companies issued by the CSRC

Yes No

There is no incompliance with the applicable laws and administrative regulations, as well as regulations related to the governance of listed companies issued by the CSRC.

2. Independency of assets, personnel, finance, organizations and businesses which are separated from the controlling shareholder and the actual controller

The Company has an independent and complete production and operation system and independent decision-making ability. There is no horizontal competition between the Company and the controlling shareholders and its subsidiaries. The Company has daily affiliated transactions with the controlling shareholders and its subsidiaries. Such daily affiliated transactions belong to the need of rational allocation of resources and do not affect the independence of the Company. For affiliated transactions, the Company has strictly fulfilled the relevant decision-making procedures and information disclosure obligations, and implemented the system of Non-executive directors' prior examination and avoidance system of related directors (shareholders).

2.1 In the aspect of assets

Asset integrity. There are clear ownership and independency of the Company's assets invested by controlling shareholders. The Company has an independent and complete production, supply, sales system and auxiliary production system and supporting facilities. The industrial property rights, trademarks and non-patented technology and other intangible assets are owned by the Company. There is no situation that the controlling shareholders occupy and transfer the assets of the company.

2.2. In the aspect of business

Business apart. The Company is totally independent in the operation, production and sales of baijiu series of "Luzhou Laojiao" and "National Cellar 1573". It has the ability to operate independently in the market. The board of directors and the management can independently make production and operation decisions within the corresponding authority.

2.3 In the aspect of personnel

The Company has built independent labor management, personnel management and salary management. The Company has established a relatively complete labor management system and post responsibility system. Meanwhile, the Company's senior management personnel all receive salary in the Company, but not at the controlling shareholders.

2.4 In the aspect of organization

Organization independence. The Company has independent production management organization and system, independent office and production management place, and independent management organization, functional organization and branch.

2.5 In the aspect of finance

Financial independence. The Company has completed and independent financial department. Independent accounting system and financial management are established. The Company separately sets bank accountants, conducts external settlement and pays taxes according to law.

3. Horizontal competition

Applicable N/A

4. Annual meeting of shareholders and special meetings of shareholders convened during the reporting period

4.1. Meetings of shareholders convened during the reporting period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Resolutions
2021 Annual General Meeting of Shareholders	General Meeting of Shareholders	63.73%	29 June 2022	30 June 2022	Announcement on Resolutions of The 2021 Annual General Meeting of

					Shareholders Announcement No: 2022-22 (http://www.cninfo.com.cn/)
The First Special Meeting of Shareholders of 2022	Special Meeting of Shareholders	62.15%	16 August 2022	17 August 2022	Announcement on Resolutions of The First Special Meeting of Shareholders of 2022 Announcement No: 2022-39 (http://www.cninfo.com.cn/)

4.2. Special meetings of shareholders convened at the request of preferred shareholders with resumed voting rights

Applicable N/A

5. Directors, supervisors, and senior management

5.1 General information

Name	Title	Incumbent/ Former	Gender	Age	Period of service	Shares held by the beginning of the reporting period (share)	Shares increased during the reporting period (share)	Shares decreased during the reporting period (share)	Other increase/decrease (share)	Shares held by the end of the reporting period (share)	Reason for share changes
Liu Miao	Chairman of the board	Incumbent	Male	53	2015.6.30-2024.6.29	192,187	95,900	0	0	288,087	Restricted share incentive plan
Lin Feng	Director, General manager	Incumbent	Male	49	2015.6.30-2024.6.29	0	95,900	0	0	95,900	Restricted share incentive plan
Wang Hongbo	Director, Deputy general manager	Incumbent	Male	59	2015.3.6-2024.6.29	0	76,700	0	0	76,700	Restricted share incentive plan
Xiong Pingting	Director, Deputy general manager	Incumbent	Female	47	2021.6.29-2024.6.29	0	62,800	0	0	62,800	Restricted share incentive plan
Liu Junhai	Non-executive director	Incumbent	Male	53	2018.6.27-2024.6.29	0	0	0	0	0	
Chen You'an	Non-executive director	Incumbent	Male	65	2021.6.29-2024.6.29	0	0	0	0	0	
Lyu Xianpei	Non-executive director	Incumbent	Male	59	2021.6.29-2024.6.29	0	0	0	0	0	
Li	Non-	Incumbent	Male	59	2022.6.29-	0	0	0	0	0	

Guowang	executive director	Incumbent			2024.6.29							
Qian Xu	External director	Incumbent	Male	59	2015.6.30-2024.6.29	0	0	0	0	0		
Ying Hanjie	External director	Incumbent	Male	53	2016.9.13-2024.6.29	0	0	0	0	0		
Gong Zhengying	External director	Incumbent	Female	53	2022.6.29-2024.6.29	0	0	0	0	0		
Yang Ping	Chairman of the Board of Supervisors	Incumbent	Male	46	2021.6.29-2024.6.29	0	0	0	0	0		
Li Guangjie	Supervisor	Incumbent	Male	53	2018.6.27-2024.6.29	0	0	0	0	0		
Li Lunyu	Supervisor	Incumbent	Female	36	2021.6.29-2024.6.29	0	0	0	0	0		
Tang Shijun	Supervisor	Incumbent	Male	46	2022.6.29-2024.6.29	0	0	0	0	0		
Ou Fei	Supervisor	Incumbent	Male	37	2022.6.29-2024.6.29	0	0	0	0	0		
Shen Caihong	Deputy general manager	Incumbent	Male	57	2002.6.30-2024.6.29	138,375	76,700	19,500	0	195,575	Restricted share incentive plan and shareholding reduction on the open market	
Xie Hong	CFO	Incumbent	Female	53	2015.3.6-2024.6.29	0	76,700	0	0	76,700	Restricted share incentive plan	
He Cheng	Deputy general manager	Incumbent	Male	56	2015.6.30-2024.6.29	0	76,700	0	0	76,700	Restricted share incentive plan	
Zhang Suyi	Deputy general manager	Incumbent	Male	51	2015.12.29-2024.6.29	0	76,700	0	0	76,700	Restricted share incentive plan	
Li Yong	Deputy general manager, Secretary of the board	Incumbent	Male	46	2021.9.20-2024.6.29	0	62,800	0	0	62,800	Restricted share incentive plan	
Sun Dongsheng	Non-executive director	Former	Male	64	2021.6.29-2022.6.29	0	0	0	0	0		
Lian Jing	Supervisor	Former	Male	53	2012.6.27-2022.5.28	0	0	0	0	0		
Guo Shihua	Supervisor	Former	Female	44	2021.6.29-2022.5.28	0	19,000	0	0	19,000	Restricted share incentive plan	
Total	--	--	--	--	--	330,562	719,900	19,500	0	1,030,962	--	

Whether any director, supervisor or senior management resigned before the expiry of their periods of

service during the reporting period

Yes No

Changes in directors, supervisors, and senior management

Applicable N/A

Name	Title	Type	Date	Reason
Sun Dongsheng	Independent director	Resignation	2022.6.29	Voluntary resignation
Shen Caihong	Director	Resignation	2022.5.31	Voluntary resignation
Lian Jing	Supervisor	Resignation	2022.5.28	Voluntary resignation
Guo Shihua	Supervisor	Resignation	2022.5.28	Voluntary resignation

5.2 Employment information

Professional background, work experience and major duties of current directors, supervisors and senior management.

Mr. Liu Miao, male, born in 1969, MBA of Wright State University in the USA, Master of Chinese Brewing, senior marketing specialist. He used to serve as planning minister, general manager of Sales Company, general manager assistant, and deputy general manager of the Company. At present, he is secretary of the party committee and chairman of the board in Laojiao Group, secretary of the party committee and chairman of the board in the Company, as well as chairman of the board in Luzhou Sanrenxuan Liquor Industry Co., Ltd.

Mr. Lin Feng, male, born in 1973, Master degree, senior marketing specialist. He was deputy general manager and general manager of Sales Company, director of marketing, director of human resources, chief dispatcher, deputy general manager of the Company. At present, he is deputy secretary of the party committee, director, and general manager of the Company.

Mr. Wang Hongbo, male, born in 1964, Master degree. He was director and secretary of party committee of Luzhou Commerce Bureau, director of Luzhou Liquor Industry Development Bureau, director of Luzhou branch of China council for the promotion of international trade, deputy secretary general, office director of Luzhou Municipal Party Committee and deputy secretary of the party committee of the Company. At present, he is member of the party committee, director, and deputy general manager of the Company, chairman of the board of Luzhou Laojiao International Development (Hong Kong) Co., Ltd., as well as executive director of Luzhou Laojiao I & E Co., Ltd.

Ms. Xiong Pingting, female, born in 1975, holds a master's degree and the titles of Human Resource Management Professional (grade one), Economist, and Political Mentor. Positions previously held by her include Deputy Director and Director of the Office of Luzhou Laojiao Sales Co., Ltd., Deputy Director of the Office of Jiangyang District People's Government of Luzhou (temporary), Deputy Director of the Human Resources Department and Corporate Management Department of Luzhou Laojiao Co., Ltd., General Manager of the Brand Operation Department, Director of the Office (concurrently), Secretary of the general Party branch, and Deputy General Manager of Luzhou Laojiao Sales Co., Ltd. Currently, she serves as Member of the Party Committee, Director, Deputy

General Manager, and Chairman of the Labor Union of the Company.

Mr. Liu Junhai, male, born in 1969, holds a Ph.D. degree in law and is a doctoral supervisor. Positions previously held by him include Assistant to the Director and Researcher at the Institute of Law of the Chinese Academy of Social Sciences ("CASS"), Professor at CASS, Vice Chairman of China Consumers Association, and Deputy Director Researcher at the Planning Committee under the China Securities Regulatory Commission ("CSRC"). Currently, he serves as Professor at the Law School of Renmin University of China, Director at the Institute of Commercial Law of Renmin University of China, Arbitrator at China International Economic and Trade Arbitration Commission and Beijing Arbitration Commission (Beijing International Arbitration Center) (concurrently). He has served as a non-executive director of the Company since June 2018.

Mr. Chen You'an, male, born in 1958, holds an Eng.D. degree in management science and engineering and is a Senior Engineer. He once took a job at government macro regulation agencies, development financing agencies, and local and national sovereign wealth fund agencies. Besides, he served as Deputy General Manager of Central Huijin Investment Ltd. and Chairman of China Galaxy Financial Holdings Co., Ltd. and China Galaxy Securities Co., Ltd. (concurrently). Currently, he is Independent Director of CPIC Fund Management Co., Ltd., Nomura Orient International Securities Co., Ltd., Hexie Health Insurance Co., Ltd., and Tech-bank Food Co., Ltd. He has served as a non-executive director of the Company since June 2021.

Mr. Lyu Xianpei, male, born in 1964, holds a Ph.D. degree in accounting. Positions previously held by him include Vice Dean at the School of Accounting and Director at the Auditing Department of Southwestern University of Finance and Economics. Currently, he serves as Professor and Doctoral Supervisor at Southwestern University of Finance and Economics, Chairman of Sichuan Educational Audit Society, as well as Independent Director of Sichuan Teway Food Group Co., Ltd., North Chemical Industries Co., Ltd., and Huangshan NOVEL Co., Ltd. He has served as a non-executive director of the Company since June 2021.

Mr. Li Guowang, male, born in 1963, holds a postgraduate degree and is a senior economist. He once served as the Deputy Director of the Information Center of the Ministry of Commerce, Deputy General Manager of Futures Brokerage Co., Ltd. under China Banking and Insurance Information Technology Management Co., Ltd., General Manager of the Shanghai Securities Business Department of China Banking and Insurance Information Technology Management Co., Ltd., Director of the Strategic Development Department of the R&D Center of China Galaxy Securities Co., Ltd., General Manager of the R&D Center of Shanghai Securities Co., Ltd., Marketing Director of Galaxy Asset Management Co., Ltd., Director of the Research Institute of Hwa Bao Securities Co., Ltd., Chief Economist and Director of the Research Institute of Zhongshan Securities Co., Ltd., and Chief Economist of Shanghai Dalu Futures Co., Ltd. At present, he is the Deputy Director of the Green Finance Committee of the Jiangsu Financial Association, part-time professor at the Law School of Shanghai University, special professor at Qinghai Minzu University, member of the Association of Zhejiang Talent in Shanghai, and Director of Shanghai Jiayan Supply Chain Management Co., Ltd. He has served as a non-executive director of the Company since June 2022.

Mr. Qian Xu, Male, born in 1963, PhD. He was general manager and chairman of the board of Beijing Enterprises Real-Estate Group Co., Ltd.. At present, he is chairman of the board and general manager of Beijing Enterprises Urban Development Group Co., Ltd., chairman of the board of Beijing Properties (Holdings) Limited (Listed on the Hong Kong Stock Exchange), non-executive director of CAQ Holdings Limited (Listed on the Australian Stock Exchange). He has served as a director of the Company since June 2015.

Mr. Ying Hanjie, Male, born in 1969, Doctor of Biochemistry, professor, and academician of the Chinese Academy of Engineering. He was deputy director of Pharmacy and Life Sciences School of Nanjing University of Technology. At present, he is director of National Biochemical Engineering Technology Research Center of Nanjing Tech University, chairman of the board of Nanjing Biotgether Co., Ltd., director of Nanjing High Tech University Biological Technology Research Institute Co., Ltd., and director of Jiangsu Institute of Industrial Biotechnology. He has served as a director of the Company since September 2016.

Ms. Gong Zhengying, female, born in 1969, holds a postgraduate degree and is a senior economist. She once served as the Deputy Head of the Open Development and Social System Section of Luzhou Economic System Reform Commission, Deputy Head and Head of the Enterprise Property Rights Supervision Section of Luzhou State-owned Assets Supervision and Administration Commission, Party Secretary and Chairman of Luzhou Xinglu Asset Management Co., Ltd., Chairman of Luzhou Parking Lot Infrastructure Investment Co., Ltd., and Executive Director (legal representative) of Luzhou Qihang Parking Lot Construction Investment Co., Ltd. and Luzhou Xinglu Lantian Market Management Co., Ltd. At present, she is a full-time external director of Luzhou Laojiao Group Co., Ltd., Luzhou Aviation Development Investment Group Co., Ltd., Sichuan Lutianhua Co., Ltd., Luzhou Industrial Development Investment Group Co., Ltd. and Luzhou Yunlong Airport Development Co., Ltd. She has served as a director of the Company since June 2022.

Mr. Yang Ping, male, born in 1976, Professor of Engineering, holds a doctoral degree. Positions previously held by him include Deputy Director and Director at the National Cellar Workshop Section, Director at the Production and Technology Department, and Deputy General Manager of Luzhou Laojiao Brewing Co., Ltd. Currently, he is Chairman of the Board of Supervisors of the Company, as well as Secretary of the Party Committee and General Manager of Luzhou Laojiao Brewing Co., Ltd.

Mr. Li Guangjie, male, born in 1969, Master degree, economist. He was manager of Planning Department of the Company, deputy director of Sales Company, manager of Import and Export company, general manager assistant of Sales Company. At present, he is supervisor and deputy general manager of Sales Company.

Ms. Li Lunyu, female, born in 1986, holds a university degree as well as is Assistant Political Mentor and Assistant Engineer. Positions previously held by her include Publicity Officer at the Office of the CPC Luzhou Laojiao Committee, Deputy Head and Manager of Tianjin Division of the Business Department for Luzhou Laojiao Tequ 60 and 80, Secretary of the CPC National Cellar Section Branch

of Luzhou Laojiao Brewing Co., Ltd., Director of the Office of the CPC Luzhou Laojiao Brewing Committee, and Director of the Discipline Inspection Department and Vice Chairman of the Labor Union of Luzhou Laojiao Brewing Co., Ltd. Currently, she is Supervisor, Vice Chairman of the Labor Union, and Director of the Office of the Labor Union of the Company.

Mr. Tang Shijun, male, born in 1976, holds a bachelor's degree and is a senior accountant. He once served as the Head of the Finance Department and Director of the Business Finance Center of Luzhou Laojiao Lundao Liquor Sales Co., Ltd., Audit Manager of Sichuan Balance C.P.A, Chief Controller of Shanghai Pharmaceutical (Luzhou) Co., Ltd., Chief Accountant and Director of Luzhou Naxi District State-owned Assets Management Co., Ltd., and Director of the Financing Department of Luzhou Huixing Investment Group Co., Ltd. At present, he is a part-time external supervisor of Luzhou Laojiao Group Co., Ltd., Luzhou Public Transport Group Co., Ltd. and Digital Luzhou Industrial Investment Group Co., Ltd., as well as Manager of the Finance and Asset Management Department of Luzhou State Owned Capital Operation Management Co., Ltd. He has served as a supervisor of the Company since June 2022.

Mr. Ou Fei, male, born in 1985, holds a bachelor's degree. He once worked in Guizhou Renhuai Fengzhiji Liquor Co., Ltd., Sichuan Dashan Law Firm and Jiangyang District People's Procuratorate, Luzhou City. At present, he is a full-time external supervisor of Sichuan Lutianhua Co., Ltd., Luzhou Industrial Development Investment Group Co., Ltd., Sichuan Xinhuoju Chemical Co., Ltd. and Luzhou State Owned Capital Operation Management Co., Ltd. He has served as a supervisor of the Company since June 2022.

Mr. Shen Caihong, Male, born in 1966, Master degree, professor-level senior engineer, one of the first batch of representative inheritors of national intangible cultural heritage, one of the first batch of "Master of Chinese Brewing", and one of the first batch of "Sichuan craftsmen". He was manager of the Company's leaven-making branch, manager of base baijiu company, general manager assistant and director of production department. At present, he is deputy general manager, chief engineer, director of national solid brewing engineering technology research center and chairman of the board of Luzhou Pinchuang Technology Co., Ltd.

Ms. Xie Hong, female, born in 1969, Master degree, senior accountant, and senior economist. She was section chief of Treasury Section of the Finance Bureau, section chief of Non-tax Revenue Collection Management Section, director of Luzhou Municipal Finance Treasury Payment Center, chief accountant of Luzhou Finance Bureau. At present, she is a member of the party committee and CFO of the Company.

Mr. He Cheng, male, born in 1966, Master of Management Economics of Nanyang Technological University, senior engineer, expert who receives special allowances from the State Council, Master of Chinese Baijiu, and Master of Chinese Brewing. He was chief dispatcher of the Company, general manager of Brewing Company, as well as director of the business administration department, director of the human resources department, director of the quality department, and director of the dispatching center of the Company. At present, he is a member of the party committee, deputy general manager

and chief quality officer of the Company.

Mr. Zhang Suyi, male, born in 1971, PhD, professor-level senior engineer, representative inheritor of Sichuan Intangible Cultural Heritage. He was a worker, production team leader and assistant superintendent at Brewing Workshop No. 6, vice director and director of Gouchu Center, and deputy chief engineer of the Company, as well as deputy general manager, and director of the Baijiu Body Design Centre of Brewing Company. At present, he is deputy general manager, director of safety and environmental protection, and chief engineer of baijiu body design of the Company.

Mr. Li Yong, male, born in 1977, holds a postgraduate degree and is a brewing engineer. He once worked in the education sector at the Party and government organizations at the township level as well as departments at the county and municipal levels. Also, he used to be Director of the Group Office of Luzhou Laojiao Group, Director of the General Manager's Office of the Company, as well as Deputy Secretary of the Party Committee, Secretary of the Party Committee, and Deputy General Manager of Sales Company. Currently, he is Deputy General Manager, Secretary of the Board, and member of the Discipline Inspection Committee of the Company, as well as Chairman of the Board of Luzhou Laojiao Technology Innovation Co., Ltd.

Position in shareholder-holding companies

Applicable N/A

Name	Name of shareholder-holding companies	Position in shareholder-holding companies	Beginning date of term	Ending date of term	Any remunerations received from shareholder-holding companies
Liu Miao	Laojiao Group	Secretary of the party committee, Chairman of the board	11 March 2022		No
Gong Zhengying	Laojiao Group	Director	15 February 2022		No
Tang Shijun	Laojiao Group	Supervisor	15 February 2022		No

Position in other companies

Applicable N/A

Name	Name of other companies	Position in other companies	Beginning date of term	Ending date of term	Any remunerations received from other companies
Liu Junhai	China International Economic and Trade Arbitration Commission, and Beijing Arbitration Commission (Beijing International Arbitration Center)	Arbitrator			
Liu Junhai	Institute of Commercial Law of	Director			

	Renmin University of China				
Chen You'an	CPIC Fund, Nomura Oriental International Securities Co., Ltd., Hexie Health Insurance Co., Ltd., and Tech-bank Food Co., Ltd.	Non-executive director			
Lyu Xianpei	Sichuan Education and Audit Society	Chairman			
Lyu Xianpei	Sichuan Teway Food Group Co., Ltd., North Chemical Industries Co., Ltd., and HuangShan NOVEL Co., Ltd.	Non-executive director			
Li Guowang	Green Finance Committee of the Jiangsu Financial Association	Vice chairman			
Li Guowang	Law School of Shanghai University	Adjunct professor			
Li Guowang	Qinghai Minzu University	Distinguished professor			
Li Guowang	Association of Zhejiang Talent in Shanghai	Director			
Li Guowang	Shanghai Jiayan Supply Chain Management Co., Ltd.	Director			
Qian Xu	Beijing Enterprises Urban Development Group Co., Ltd.	Chairman of the board, general manager			
Qian Xu	Beijing Properties (Holdings) Limited	Chairman of the board			
Qian Xu	CAQ Holdings Limited.	Non-executive director			
Ying Hanjie	National Biochemical Engineering Technology Research Center of Nanjing University of Technology	Director			
Ying Hanjie	Nanjing Biotgether Co., Ltd.	Chairman of the board			
Ying Hanjie	Nanjing High Tech University Biological Technology Research Institute Co., Ltd., and Jiangsu Institute of Industrial Biotechnology	Director			
Gong Zhengying	Luzhou Aviation Development Investment Group Co., Ltd., Sichuan Lutianhua Co., Ltd., Luzhou Industrial Development Investment Group Co., Ltd., Luzhou Yunlong Airport Development Co., Ltd.	Director			
Tang Shijun	Luzhou Public Transport Group Co., Ltd., Digital Luzhou Industrial Investment Group Co., Ltd.	Supervisor			
Tang Shijun	Finance and Asset Management Department of Luzhou State Owned Capital Operation Management Co., Ltd.	Manager			
Ou Fei	Sichuan Lutianhua Co., Ltd., Luzhou Industrial Investment Group Co., Ltd., Sichuan Xinhuoju Chemical Co., Ltd., Luzhou State	Supervisor			

	Owned Capital Operation Management Co., Ltd.				
--	--	--	--	--	--

Punishments imposed in the recent three years by the securities regulators on the incumbent directors, supervisors and senior management as well as those who left in the reporting period

Applicable N/A

5.3 Remuneration of directors, supervisors and senior management

The following describes the decision-making procedures, grounds on which decisions are made and actual remuneration payment of directors, supervisors and senior management.

Decision-making procedures for directors, supervisors and senior management: The remuneration of non-executive directors, external directors and external supervisors shall be determined by the general meeting of shareholders, and the remuneration of directors, supervisors and senior management who hold positions within the Company shall be determined by relevant rules of SASAC of Luzhou and relevant rules of the Company.

Grounds on which decisions are made of directors, supervisors and senior management: Calculate according to the assessment index and weight established at the beginning of the year.

Actual remuneration payment of directors, supervisors and senior management: Details refer to "Remuneration of directors, supervisors and senior management during the reporting period".

Remuneration of directors, supervisors and senior management during the reporting period

Unit: CNY 10,000

Name	Position	Gender	Age	Incumbent/ Former	Total before-tax remuneration from the Company	Remuneration from related parties of the Company
Liu Miao	Chairman of the board	Male	53	Incumbent	164.63	No
Lin Feng	Director, General manager	Male	49	Incumbent	162.69	No
Wang Hongbo	Director, Deputy general manager	Male	59	Incumbent	130.49	No
Xiong Pingting	Director, Deputy general manager	Female	47	Incumbent	94.34	No
Liu Junhai	Non-executive director	Male	53	Incumbent	9.52	No
Chen You'an	Non-executive director	Male	65	Incumbent	9.52	No
Lyu Xianpei	Non-executive director	Male	59	Incumbent	9.52	No
Li Guowang	Non-executive director	Male	59	Incumbent	4.9	No
Qian Xu	External director	Male	59	Incumbent	9.52	No
Ying Hanjie	External director	Male	53	Incumbent	9.52	No
Gong Zhengying	External director	Female	53	Incumbent	0	No

Yang Ping	Chairman of the Board of Supervisors	Male	46	Incumbent	119.55	No
Li Guangjie	Supervisor	Male	53	Incumbent	100.72	No
Li Lunyu	Supervisor	Female	36	Incumbent	48.49	No
Tang Shijun	Supervisor	Male	46	Incumbent	0	No
Ou Fei	Supervisor	Male	37	Incumbent	0	No
Shen Caihong	Deputy general manager	Male	57	Incumbent	113.04	No
Xie Hong	CFO	Female	53	Incumbent	128.62	No
He Cheng	Deputy general manager	Male	56	Incumbent	110.2	No
Zhang Suyi	Deputy general manager	Male	51	Incumbent	107.28	No
Li Yong	Deputy general manager, Secretary of the board	Male	46	Incumbent	94.34	No
Sun Dongsheng	Non-executive director	Male	64	Former	0	No
Lian Jing	Supervisor	Male	53	Former	0	No
Guo Shihua	Supervisor	Female	44	Former	21.72	No
Total	--	--	--	--	1,448.61 ¹	--

Note 1: The table above shows the remunerations of directors, supervisors and senior management for their periods of service in 2022.

6. Performance of directors during the reporting period

6.1. Board meetings convened during the reporting period

Meeting	Convened date	Disclosure date	Resolutions
The 13 th Meeting of the 10 th Board of Directors	28 February 2022	1 March 2022	Announcement on Resolutions of the 13 th Meeting of the 10 th Board of Directors (Announcement No. 2022-2) (http://www.cninfo.com.cn/)
The 14 th Meeting of the 10 th Board of Directors	27 April 2022	29 April 2022	Announcement on Resolutions of the 14 th Meeting of the 10 th Board of Directors (Announcement No. 2022-5) (http://www.cninfo.com.cn/)
The 15 th Meeting of the 10 th Board of Directors	6 June 2022	8 June 2022	Announcement on Resolutions of the 15 th Meeting of the 10 th Board of Directors (Announcement No. 2022-17) (http://www.cninfo.com.cn/)
The 16 th Meeting of the 10 th Board of Directors	29 June 2022	30 June 2022	Announcement on Resolutions of the 16 th Meeting of the 10 th Board of Directors (Announcement No. 2022-21) (http://www.cninfo.com.cn/)
The 17 th Meeting of the 10 th Board of Directors	12 July 2022	13 July 2022	Announcement on Resolutions of the 17 th Meeting of the 10 th Board of Directors (Announcement No. 2022-23) (http://www.cninfo.com.cn/)
The 18 th Meeting of the 10 th Board of Directors	25 July 2022	26 July 2022	Announcement on Resolutions of the 18 th Meeting of the 10 th Board of Directors (Announcement No. 2022-26) (http://www.cninfo.com.cn/)
The 19 th Meeting of the 10 th Board of Directors	28 July 2022	30 July 2022	Announcement on Resolutions of the 19 th Meeting of the 10 th Board of Directors

			(Announcement No. 2022-29) (http://www.cninfo.com.cn/)
The 20 th Meeting of the 10 th Board of Directors	1 August 2022	1 August 2022	Announcement on Resolutions of the 20 th Meeting of the 10 th Board of Directors (Announcement No. 2022-31) (http://www.cninfo.com.cn/)
The 21 st Meeting of the 10 th Board of Directors	25 August 2022	29 August 2022	Announcement on Resolutions of the 21 st Meeting of the 10 th Board of Directors (Announcement No. 2022-43) (http://www.cninfo.com.cn/)
The 22 nd Meeting of the 10 th Board of Directors	2 September 2022	3 September 2022	Announcement on Resolutions of the 22 nd Meeting of the 10 th Board of Directors (Announcement No. 2022-47) (http://www.cninfo.com.cn/)
The 23 rd Meeting of the 10 th Board of Directors	18 October 2022	19 October 2022	Announcement on Resolutions of the 23 rd Meeting of the 10 th Board of Directors (Announcement No. 2022-57) (http://www.cninfo.com.cn/)
The 24 th Meeting of the 10 th Board of Directors	26 October 2022	—	—
The 25 th Meeting of the 10 th Board of Directors	1 December 2022	2 December 2022	Announcement on Resolutions of the 25 th Meeting of the 10 th Board of Directors (Announcement No. 2022-63) (http://www.cninfo.com.cn/)
The 26 th Meeting of the 10 th Board of Directors	29 December 2022	30 December 2022	Announcement on Resolutions of the 26 th Meeting of the 10 th Board of Directors (Announcement No. 2022-65) (http://www.cninfo.com.cn/)

6.2. Attendance of directors in board meeting and general meeting of shareholders

Attendance of director in board meeting and general meeting of shareholders							
Director	Attendance due in the reporting period (times)	Attendance on site (times)	Attendance by telecommunication (times)	Attendance through a proxy (times)	Absence (times)	Absence for two consecutive times	Attendance at general meeting of shareholders (times)
Liu Miao	14	6	8	0	0	No	1
Lin Feng	14	5	8	1	0	No	2
Wang Hongbo	14	5	8	1	0	No	2
Xiong Pingting	14	3	8	3	0	No	1
Liu Junhai	14	6	8	0	0	No	2
Chen You'an	14	6	8	0	0	No	2
Lyu Xianpei	14	6	8	0	0	No	1
Li Guowang	10	4	6	0	0	No	1
Qian Xu	14	2	8	4	0	No	1
Ying Hanjie	14	5	8	1	0	No	2
Gong Zhengying	10	3	6	1	0	No	2
Shen Caihong	2	1	1	0	0	No	0

Sun Dongsheng	4	1	2	1	0	No	0
---------------	---	---	---	---	---	----	---

6.3. Objections from directors in related issues of the Company

Were there any objections on related issues of the Company from director

Yes No

Directors have no objection on related issues of the Company during the reporting period.

6.4. Other details about the performance of duties by directors

Was there any advice from directors adopted by the Company?

Yes No

Explanation about advice of directors is adopted or not adopted by the Company or not

The Company adopted the advice of non-executive directors in respect of safe production, system improvement, and internal control construction.

7. Activities of special committees under the Board of Directors during the reporting period

Committee	Members	Number of meetings convened	Convened date	Topics	Substantial opinion and recommendations	Other information	Details of objections (if any)
The Strategy Committee	Liu Miao, Lin Feng, and Wang Hongbo (Sun Dongsheng has ceased to be a member of the Strategy Committee since 29 June 2022)	6	25 February 2022	Review of the following proposal: The Proposal on Participation in the Incorporation of Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd. & the Related-party Transaction	Approved, to be submitted to the Board of Directors for further review		
			17 April 2022	Review of the following proposals: 1. The Proposal on the De-registration of Luzhou Laojiao Bosheng Hengxiang Liquor Sales Co., Ltd.; and 2. The Proposal on the Investment and Wealth Management with Own Funds			
			7 July 2022	Review of the following proposal: The Proposal on the Implementation of Luzhou Laojiao Technical Upgrade Project of Intelligent Brewing (Phase I) by Subsidiary			
			28 July 2022	Review of the following proposal: The Proposal on the Incorporation of Luzhou Laojiao Innovation and Development Co., Ltd.			
			12 October 2022	Review of the following proposal: The Proposal on the Incorporation of Luzhou Laojiao International Trade (Hainan) Co., Ltd.			
			28 November 2022	Review of the following proposal: The Proposal on the De-registration of Luzhou Baonuo Biotechnology Co., Ltd.			
The Nomination Committee	Liu Junhai, Lyu Xianpei and Xiong Pingting (Shen	2	2 June 2022	Review of the following proposals: 1. The Proposal on the Review of the Qualifications of Mr. Li Guowang as a Non-executive Director Candidate; and	Approved, to be submitted to the Board of Directors		

	Caihong has ceased to be a member of the Nomination Committee since 31 May 2022)			2. The Proposal on the Review of the Qualifications of Ms. Gong Zhengying as a Non-employee Director Candidate	for further review		
			28 November 2022	Review of the following proposal: The Proposal on the Recommendation of Secretary of the Board			
The Audit Committee	Lyu Xianpei, Chen You'an and Qian Xu	4	17 April 2022	Review of the following proposals: 1. The 2021 Annual Financial Report; 2. The 2021 Internal Control Self-assessment Report; 3. The Summary Report of the 2021 Annual Audit of the Audit Committee under the Board of Directors; 4. The Work Plan for the 2022 Internal Audit; and 5. The Q1 2022 Report	Approved, to be submitted to the Board of Directors for further review		
			19 May 2022	Review of the following proposal: The Proposal on the Re-appointment of CPA Firm			
			22 August 2022	Review of the following proposal: The Proposal on the 2022 Interim Financial Report			
			21 October 2022	Review of the following proposal: The Q3 2022 Report			
The Remuneration and Appraisal Committee	Chen You'an, Ying Hanjie, and Li Guowang (Sun Dongsheng has ceased to be a member of the Remuneration and Appraisal Committee since 29 June 2022)	1	10 June 2022	Review of the following proposals: 1. The Proposal on the Amendments to the Specific Management Rules of Luzhou Laojiao Co., Ltd. for Remunerations of Senior Management and the Specific Management Rules of Luzhou Laojiao Co., Ltd. for Performance Appraisal of Senior Management; 2. The Proposal on the Review of the Remunerations of the Management for 2020; and 3. The Proposal on the Prepayment of the 2021 Annual Salaries for the Management for 2021	Approved, to be submitted to the Board of Directors for further review		

8. Performance of duties by the board of supervisors

Were there any risks to the Company identified by the board of supervisors when performing its duties during the reporting period

Yes No

The board of supervisors has no objection during the reporting period.

9. Staff in the Company

9.1. Number, functions and educational backgrounds of the staff

Number of in-service staff of the parent company at the end of the reporting period	1,292
Number of in-service staff of main subsidiaries at the end of the reporting period	2,313
Total number of in-service staff at the end of the reporting period	3,605
Total number of staff with remuneration in the period	3,605
Number of retirees to whom the Company or its main subsidiaries need to pay retirement pension	942
Functions	
Function by category	Number of staff
Production staff	1,323
Sales staff	924

R&D staff	734
Financial staff	100
Administrative staff	524
Total	3,605
Educational backgrounds	
Educational background by category	Number of staff
Senior high school and below	510
Junior college	956
Bachelor	1,759
Master	369
Doctor	11
Total	3,605

9.2. Staff remuneration policy

In 2022, the Company implemented the distribution policy of "sharing benefits, paying for losses, classification and setting, and long-term policy effects", continuously strengthened the digital assessment, linked individual performance with organizational performance, and highlighted the distribution according to performance. The Company implemented the post rating wage system and strengthened the performance management of all employees. According to the following principles:

Link individual performance with organizational performance: The increase of wages is linked to the increase of the Company's operating performance and profit growth; Under the same caliber, the proportion of increase in salaries shall not exceed the proportion of increase in performance and profit growth.

Salary and its changes based on position, ability and performance: The salary of employee shall be determined by position and the depth of their expertise. The salary shall be adjusted accordingly when the position, ability and performance change. Performance orientation, bonus and forfeit: Performance assessment is conducted according to the actual contributions of employees, and the salary distribution is inclined to the employees with excellent performance.

The principle of equal wage negotiation: Abide by the principles that both sides of labor and capital agrees in collective negotiation, so as to realize the unity of benefit and fairness.

9.3. Staff training plans

In 2022, based on the staff career development system and job qualification standards, the Company implemented a targeted training system comprising different levels to meet demands for staff ability improvement for different positions and different levels.

Sail Program: The "Sail Program" training was conducted for new employees hired through campus and social recruitment and for other grassroots employees. The purpose was to enhance new employees' understanding and recognition of the Company's core values, familiarize them with the Company's production and operation statuses and their work procedures, and allow them to

accumulate professional knowledge and skills and improve their ability to work independently.

Dive Program: The “Dive Program” training was conducted for general employees on specialized lines. The purpose was to strengthen their specialty knowledge and ability to solve specialty problems, enhance their basic management skills, improve their competency and raise their performance. Due to the huge coverage of trainees across different business segments, the training was conducted in the form of sub-programs, such as “Happy Learning Sub-program” and “Excellent Frontline Manager Sub-program” to provide specialty knowledge and skills of different systems.

Voyage Program: The “Voyage Program” training was conducted for key personnel with a systematic design of three-year development plans and a focus on three themes, including “self-management”, “work management” and “interpersonal management”. The purpose was to enrich employees’ knowledge on corporate business management, improve their knowledge structure, and enhance their strategic understanding and abilities of work and team management.

Steering Program: The “Steering Program” training was conducted for middle management personnel and department experts in the form of online and offline combined, “coming in” and “going out” combined and ability enhancement and work style building combined. Through the learning of advanced management concepts and practices, the training aimed to drive employees to broaden their mind, expand their vision, strengthen their leadership skills and enhance their level of corporate management.

In addition, in terms of professional talents training, in combination with the strategic needs of talent development and relevant policies of provinces and cities, the Company actively carries out the work of staff title appraisal, skill rating, recommendation and assessment and so on.

9.4. Labor outsourcing

Applicable N/A

10. Profit distribution and converting capital reserves into share capital

Formulation, execution or adjustments of profit distribution policy, especially cash dividend policy, in the reporting period.

Applicable N/A

According to the plan for profit distribution for 2021 deliberated and approved by 2021 annual meeting of shareholders, based on its total of 1,471,615,076 shares, the Company distributed a cash dividend of CNY 32.44 (tax inclusive) per 10 shares to all shareholders. The distribution plan was implemented on 26 August 2022.

A special statement of the policy of cash dividends	
Whether it meets the requirements of the articles of corporation or the resolution of shareholders' meeting:	Yes
Whether the standard and proportion of dividends are clear:	Yes
Whether the relevant decision-making process and systems are complete:	Yes
Whether non-executive directors perform their duties and play their due role:	Yes
Whether the minority shareholders have the opportunity to fully express their opinions and appeals and whether their legitimate rights and interests have been adequately protected:	Yes
Whether the conditions and procedures are compliant and transparent and whether the cash dividend policy is adjusted or changed:	The Company's cash dividend policy has not been adjusted or changed in the reporting period

The Company made a profit in the reporting period and the profit distributable to shareholders of the Company was positive, but it did not put forward a preliminary plan for cash dividend distribution to shareholders.

Applicable N/A

Preliminary plan for profit distribution and converting capital reserves into share capital for the reporting period

Applicable N/A

Bonus shares for every 10 shares (share)	0
Dividends for every 10 shares (CNY) (tax included)	42.25
Total shares as the basis for the preliminary plan for profit distribution (share)	1,471,987,769
Total cash dividends (CNY) (tax included)	6,219,148,324.03
Cash dividends in other forms (e.g. repurchase share)	0.00
Total cash dividends (CNY) (including other forms)	6,219,148,324.03
Distributable profit (CNY)	26,772,197,213.98
Percentage of cash dividends in the total distributed profit (including other forms)	100%
Information of the cash dividends	
The development stage of the Company is mature and the Company has no major fund expenditure arrangement. When the profit distribution is carried out, the proportion of cash dividends in this profit distribution should at least reach 80%.	
Details of preliminary plan for profit distribution and converting capital reserves into share capital	

11. Implementation of any equity incentive plan, employee stock ownership plan or other incentive measures for employees

Applicable N/A

11.1. Equity incentives

A. On 26 September 2021, relevant proposals such as the Proposal on the 2021 Restricted Share Incentive Plan (Draft) and Summary of Luzhou Laojiao Co., Ltd. were approved at the Seventh Meeting of the 10th Board of Directors and the Third Meeting of the 10th Board of Supervisors of the Company, respectively.

B. On 2 December 2021, the Company received the Approval of Luzhou State-owned Assets Supervision and Administration Commission on the Implementation of the Second Phase of the Equity Incentive Plan for Listed Companies by Luzhou Laojiao Co., Ltd. (L.G.Z.K.P. [2021] No. 62) from the Luzhou State-owned Assets Supervision and Administration Commission, which approved in principle to the implementation of the Restricted Share Incentive Plan by the Company.

C. On 24 December 2021, the Board of Supervisors of the Company issued the review opinion, i.e., Explanation on the Review and Announcement of the List of Awardees of the 2021 Restricted Share Incentive Plan.

D. On 29 December 2021, the relevant proposals such as the Proposal on the 2021 Restricted Share Incentive Plan (Draft) and Summary of Luzhou Laojiao Co., Ltd. were approved at the First Extraordinary General Meeting of Shareholders of 2021. Meanwhile, a self-inspection on the trading of the Company's shares by insiders of the Incentive Plan and the proposed awardees was conducted, and the Self-Inspection Report on the Trading of the Company's Shares by Insiders and Awardees in the 2021 Restricted Share Incentive Plan was disclosed.

E. On 29 December 2021, the Company held the 12th Meeting of the 10th Board of Directors and the Sixth Meeting of the 10th Board of Supervisors and reviewed and approved the Proposal on the Grant of Restricted Shares to Awardees respectively. The independent directors consented to the relevant matters.

F. On 21 February 2022, the Company disclosed the Announcement on the Completion of Registration of Restricted Share Grant, completed the registration of the first grant of restricted shares. Upon the registration of the grant, 6,862,600 restricted shares were granted to 437 objects, the grant price was CNY 92.71 per share and the listing date was 22 February 2022.

G. On 25 July 2022, the Company held the 18th Meeting of the 10th Board of Directors and the Ninth Meeting of the 10th Board of Supervisors and reviewed and approved the Proposal on the Grant of Reserved Restricted Shares to Awardees respectively. The independent directors consented to this matter.

H. On 4 August 2022, the Board of Supervisors of the Company issued the review opinion, i.e., Explanation on the Review and Announcement of the List of Awardees for the Reserved Restricted Shares of the 2021 Restricted Share Incentive Plan.

I. On 2 September 2022, the Company held the 22nd Meeting of the 10th Board of Directors and the 13th Meeting of the 10th Board of Supervisors, at which the Proposal on the Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price and the Proposal on the Adjustment of the Granted Price of Reserved Restricted Shares of 2021 Restricted Share Incentive Plan were reviewed and approved respectively. In accordance with the relevant provisions of the incentive plan of the Company and the authorization of the First Extraordinary General Meeting of Shareholders of 2021, the Board of Directors of the Company agreed to adjust the grant price and repurchase price of the reserved restricted shares under the incentive plan from CNY 92.71 per share to CNY 89.466 per share in view of the implementation of the Company's profit distribution plan for

2021. The independent directors consented to this matter.

J. On 3 September 2022, the Company disclosed the Announcement on the Repurchase and Cancellation of Some Restricted Shares to Reduce Registered Capital and Notice to Creditors. By the expiration of the declaring period, the Company had not received any declaration from the relevant creditors for early payout of debts or provision of guarantee.

K. On 26 September 2022, the Company disclosed the Announcement on the Completion of the Registration of the Grant of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan. Upon the registration of the grant of the reserved restricted shares, 342,334 restricted shares were granted to 46 objects, the grant price was CNY 89.466 per share and the listing date was 28 September 2022.

L. On 29 November 2022, the Company disclosed the Announcement on the Completion of the Repurchase and Cancellation of Some Restricted Shares. The Company proposed to repurchase and cancel a total of 62,310 restricted shares granted but not lifted from restricted sales. As at 29 November 2022, the Company completed the aforesaid repurchase and cancellation of restricted shares.

M. On 29 December 2022, the Company held the 26th Meeting of the 10th Board of Directors and the 15th Meeting of the 10th Board of Supervisors and reviewed and approved the Proposal on the Grant of Reserved Restricted Shares to Awardees respectively. The independent directors consented to this matter.

N. On 13 January 2023, the Board of Supervisors of the Company issued the review opinion, i.e., Explanation on the Review and Announcement of the List of Awardees for the Reserved Restricted Shares of the 2021 Restricted Share Incentive Plan.

O. On 16 February 2023, the Company disclosed the Announcement on the Completion of the Registration of the Grant of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan. Upon the registration of the grant of the reserved restricted shares, 92,669 restricted shares were granted to 17 objects, the grant price was CNY 89.466 per share and the listing date was 17 February 2023.

Equity incentives for directors and senior management

Applicable N/A

Unit: share

Name	Office title	Stock options held at the beginning of the reporting period	Stock options granted in the reporting period	Exercisable share options for the reporting period	Exercised share options in the reporting period	Exercise price for exercised share options in the reporting period (CNY / share)	Stock options held at the end of the reporting period	Market price at the end of the reporting period (CNY / share)	Restricted shares held at the beginning of the reporting period	Unlocked shares in the reporting period	Restricted shares granted in the reporting period	Grant price of the restricted shares (CNY / share)	Restricted shares held at the end of the reporting period
Liu Miao	Chairman of the board	0	0	0	0	0	0	0	0	0	0	92.71	95,900
Lin Feng	Director, General manager	0	0	0	0	0	0	0	0	0	0	92.71	95,900
Wang Hongbo	Director, Deputy general manager	0	0	0	0	0	0	0	0	0	0	92.71	76,700

Shen Caihong	Deputy general manager	0	0	0	0	0	0	0	0	0	0	92.71	76,700
Xie Hong	CFO	0	0	0	0	0	0	0	0	0	0	92.71	76,700
He Cheng	Deputy general manager	0	0	0	0	0	0	0	0	0	0	92.71	76,700
Zhang Suyi	Deputy general manager	0	0	0	0	0	0	0	0	0	0	92.71	76,700
Xiong Pingting	Deputy general manager	0	0	0	0	0	0	0	0	0	0	92.71	62,800
Li Yong	Deputy general manager, Secretary of the board	0	0	0	0	0	0	0	0	0	0	92.71	62,800
Total	--	0	0	0	0	--	0	--	0	0	0	--	700,900
Notes (if any)	The first grant date for the 2021 Restricted Share Incentive Plan was 29 December 2021 and the registration date of the grant was 21 February 2022. Therefore, the above personnel were granted a total of 700,900 new restricted shares during the reporting period.												

Appraisal mechanism and incentives for senior management

For details, please refer to the 2021 Restricted Share Incentive Plan (Draft) and Summary of Luzhou Laojiao Co., Ltd., the Performance Appraisal Methods for the 2021 Restricted Share Incentive Plan of Luzhou Laojiao Co., Ltd., and the Management Methods for the 2021 Restricted Share Incentive Plan of Luzhou Laojiao Co., Ltd., which have been disclosed by the Company on www.cninfo.com.cn on 26 September 2021.

11.2. Implementation of employee stock ownership plans

Applicable N/A

11.3. Other incentive measures for employees

Applicable N/A

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

12.1. Establishment and implementation of the internal control system

During the reporting period, in accordance with the Basic Rules for Internal Control of Enterprises, the Guidelines of the Shenzhen Stock Exchange for the Internal Control of Listed Companies, relevant laws, administrative regulations, normative documents, and other regulatory requirements concerning internal control, as well as the reality of the Company, the Company consistently improved and optimized its internal control systems and established a well-developed system that covered the corporate governance, administrative management, operations management, financial management, human

resources, production guarantee, and safety and environmental protection. Additionally, it strengthened the implementation, supervision, inspection, feedback, and improvement of the internal control systems in the operations management to ensure that each internal control system is reasonable, complete, and effective, thereby promoting the sound, sustainable development of the Company.

12.2. Material internal control deficiencies found in the reporting period

Yes No

13. The Company's management and control of subsidiaries during the reporting period

Company name	Consolidation plan	Consolidation progress	Problems arising in consolidation	Solutions taken	Solution implementation progress	Subsequent solutions
N/A						

14. Internal control self-assessment report and auditor report

14.1. Internal control self-assessment report

Disclosure date of the internal control self-assessment report	29 April 2023	
Disclosure index of the internal control self-assessment report	2022 Internal Control Self-assessment Report (http://www.cninfo.com.cn/)	
Ratio of the total assets of the appraised entities to the consolidated total assets	90.00%	
Ratio of the operating revenues of the appraised entities to the consolidated operating revenue	90.00%	
Deficiencies identification standard		
Type	Financial report	Non-financial report
Qualitative standard	Material deficiencies: (1) Correction of material errors in financial reports that have been announced (except retroactive adjustment of previous years due to changes in policies or other objective factors); (2) Material misstatement of current financial report which was unrecognized but found by the auditor; (3) Corrupt transaction of senior management; (4) Audit committee and internal audit department are not effective to the internal control supervision .	Material deficiencies: (1) violate national regulations and laws; (2) The Company's decision-making procedures are unscientific; if there is a decision-making misplay, it will result in significant deal failure; (3) The substantial loss of managerial or technical staff; (4) Important business lacks system control or system failure, important economic business has internal control system guidance, but with no effective operation; (5) material deficiencies of internal control cannot be rectified in time.

Quantitative standard	<p>1. Material deficiencies: Misstatement \geq 5% of total profits; Misstatement \geq 1% of total assets; Misstatement \geq 5% of total operating revenue; Misstatement \geq 5% of owner's equity</p> <p>2. Significant deficiencies: 3% of gross profits \leq Misstatement $<$ 5% of gross profits; 0.5% of total assets \leq Misstatement $<$ 1% of total assets; 3% of total operating revenue \leq Misstatement $<$ 5% of total operating revenue; 3% of owner's equity \leq Misstatement $<$ 5% of owner's equity.</p> <p>3. General deficiencies: Misstatement $<$ 3% of gross profits; Misstatement $<$ 0.5% of total assets; Misstatement $<$ 3% of total operating revenue; Misstatement $<$ 3% of owner's equity.</p>	<p>1. Material deficiencies: loss \geq 5% of net profits.</p> <p>2. Significant deficiencies: 3% of net profits \leq loss $<$ 5% of net profits.</p> <p>3. General deficiencies: loss $<$ 3% of net profits</p>
Number of financial-report material deficiencies		0
Number of non-financial-report material deficiencies		0
Number of significant financial-report related deficiencies		0
Number of significant Non-financial-report related deficiencies		0

14.2. Internal control auditor report

Applicable N/A

Deliberation opinion section in the internal control audit report	
In accordance with the Basic Rules for Internal Control of Enterprises, the guidelines for assessment, and the other applicable laws and regulations, the Company has assessed the reasonableness and effectiveness of the design and operation of internal control as of 31 December 2022. During the reporting period, the Company has established internal control over businesses and matters within the assessment scope, which were effectively executed. The internal control objectives have been met, with no material deficiencies. No significant change occurred to the Company's internal control during the period from the base day of the internal control assessment report to the issue day of the report that had a substantial impact on the conclusion of the assessment report.	
Disclosure of internal control audit report	Disclosed
Disclosure date of the internal control audit report	29 April 2023
Disclosure index of the internal control audit report	2022 Internal Control Auditor Report (http://www.cninfo.com.cn/)
Type of the audit's opinion	Standard unqualified opinion
Significant deficiencies found in the non-financial report	No

The accounting firm issued the internal control audit report of non-standard opinions

Yes No

Whether the internal control audit report issued by the accounting firm is consistent with the self-assessment report issued by the board of directors.

Yes No

15. Remediation of Problems Identified by Self-inspection in the Special Campaign on Listed Company Governance

None.

Section V Environmental and Social Responsibility

1. Information about environment protection

Whether the listed company and its subsidiaries belong to heavy polluting industries prescribed by the environmental protection department

Yes No

Policies and industry standards on environmental protection

In the process of production and operation, the Company strictly follow the laws, regulations and industry standards related to environmental protection, such as the Environmental Protection Law of the People's Republic of China, Policies and Industry Standards on Environmental Protection, Regulations on Environmental Protection of Sichuan Province, Law of the People's Republic of China on Environmental Impact Assessment, Regulations on the Administration of Environmental Protection of Construction Projects of the People's Republic of China, Law of the People's Republic of China on Water Pollution Prevention and Control, Standards for the Emission of Water Pollutants in the Fermented Alcohol and Liquor Industry, Law of the People's Republic of China on Atmospheric Pollution Prevention and Control, Regulations on the Prevention and Control of Environmental Pollution by Solid Waste in Sichuan Province, Standard for Pollution Control on Hazardous Waste Storage, Regulations on Administration of Pollutant Discharge Permits, and Administrative Measures for the Legal Disclosure of Enterprise Environmental Information.

Environmental protection administrative permission

In 2022, the Company obtained four ecological and environmental administrative permits, including a total of three permits for change and renewal of discharge permits and one approval of environmental impact assessment report.

Ecological Environmental Administrative Permission

Name of permit	Administrative permit No.	Review and issuance authority	Acquiring time	Valid term	Permitted matter	Remark
Discharge Permit for Luzhou Laojiao Co., Ltd. (Xiaoshi Brewery Base)	91510500204706718H002V	Luzhou Municipal Ecology and Environment Bureau	29 November 2022	5 years	Concentration limit on fugitive emission of air pollutants: 2.0 mg/Nm ³ for non-methane hydrocarbon (NMHC) and 20 dimensionless for odor concentration. The noise emission standard is Class 2 in the Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008).	Renewal
Environmental Impact Report on Flavoring Baijiu	L.SH.H.J.H. [2022] No. 43	Luzhou Municipal Ecology and Environment	18 May 2022	Permanent	The project aims at technique transformation in the premises of the Brewery Center 7 (formerly Workshop 707) of the Luohan Brewery Eco-Park.	Newly acquired

Production Equipment and Engineering Application Research Project of Luzhou Laojiao Co., Ltd.		Bureau				Main construction content: Dismantle the distillation system in the existing Brewery Center 7, re-layout according to the process design, and renovate an area of approximately 14,000 m ² ; dismantle the original equipment in the distiller's grains drying area, carryout civil engineering renovation according to the process design layout, and renovate a distiller's grains fermentation area of approximately 5,000 m ² ; add (renovate) a distillation system. After technique transformation, the capacity of the Brewery Center 7 (formerly Workshop 707) was reduced from 40,000 t/a to 14,000 t/a.	
Discharge Permit for Luzhou Laojiao Co., Ltd. (Huangyi Brewery Eco-Park)	91510500204706718H004Q	Luzhou Municipal Ecology and Environment Bureau	20 September 2022	5 years		Permitted annual discharge limits for wastewater: 400 t/a for chemical oxygen demand (COD), 30 t/a for ammonia nitrogen, 50 t/a for total nitrogen (TN), and 3 t/a for total phosphorus (TP). Permitted noise limits: Class 3 in the Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008).	Change
Discharge Permit for Luzhou Laojiao Co., Ltd. (Luohan Brewery Eco-Park)	91510500204706718H001V	Luzhou Municipal Ecology and Environment Bureau	29 November 2022	5 years		The permitted annual emission limits for the main emission outlet of waste gas are 3.9 t/a of particulate matter, 11.5 t/a for sulfur dioxide and 45.4 t/a for nitrogen oxides; the permitted annual emission limits for the main emission outlet of waste water are 23.183 t/a for COD, 2.017 t/a for ammonia nitrogen, 5.796 t/a for TN and 0.232 t/a for TP; the east, west and south sides of the noise factory boundary are subject to the Class 2 standard in the Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008), while the north side is subject to the Class 4 standard limit in the Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008).	Renewal

Industry discharge standards and pollutants in producing and operating activities

Company name	Type of main pollutant and particular pollutant	Name of main pollutant and particular pollutant	Discharge type	Number of discharge outlet	Distribution of discharge outlet	Emission concentration/intensity	Pollution discharge standard	Total emission	Approved total emission	Excessive discharge
Luzhou Laojiao Co., Ltd.	Water pollutant	COD	Direct discharge	1	Luohan Brewery Eco-Park	22.60mg/m ³	50 mg/L	9.466t/a	23.183t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Ammonia nitrogen	Direct discharge	1	Luohan Brewery	0.149mg/L	5 mg/L	0.062t/a	2.017t/a	No

					Eco-Park					
Luzhou Laojiao Co., Ltd.	Water pollutant	Total nitrogen	Direct discharge	1	Luohan Brewery Eco-Park	5.976 mg/L	15 mg/L	2.503t/a	5.796t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Total phosphorus	Direct discharge	1	Luohan Brewery Eco-Park	0.090mg/L	0.5mg/L	0.038t/a	0.232t/a	No
Luzhou Laojiao Co., Ltd.	Air pollutant	PM	Organized discharge	2	Luohan Brewery Eco-Park	2.991mg/m ³	20mg/m ³	0.0003	2.8 t/a	No
Luzhou Laojiao Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	2	Luohan Brewery Eco-Park	0.2715mg/m ³	50mg/m ³	0.0001 t/a	4.7 t/a	No
Luzhou Laojiao Co., Ltd.	Air pollutant	Oxynitride	Organized discharge	2	Luohan Brewery Eco-Park	26.683 mg/m ³	150mg/m ³	0.0032 t/a	22.1 t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	COD	Indirect discharge	1	Huangyi Brewery Eco-Park	34.157 mg/L	400mg/L	19.184 t/a	400 t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	Huangyi Brewery Eco-Park	0.316 mg/L	30 mg/L	0.148 t/a	30 t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Total nitrogen	Indirect discharge	1	Huangyi Brewery Eco-Park	11.478 mg/L	50 mg/L	6.890 t/a	50 t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Total phosphorus	Indirect discharge	1	Huangyi Brewery Eco-Park	0.515 mg/L	3 mg/L	0.316 t/a	3 t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Smoke and dust	Organized discharge	2	Huangyi Brewery Eco-Park	0.859 mg/m ³	5 mg/m ³	0.579 t/a	5.64t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	PM	Organized discharge	1	Huangyi Brewery Eco-Park	1.090 mg/m ³	20 mg/m ³	0.027 t/a	3t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	2	Huangyi Brewery Eco-Park	0.530 mg/m ³	35 mg/m ³	0.331 t/a	16.68 t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	1	Huangyi Brewery Eco-Park	0.766 mg/m ³	50 mg/m ³	0.010 t/a	2.2 t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Oxynitride	Organized discharge	2	Huangyi Brewery Eco-Park	39.675 mg/m ³	100 mg/m ³	27.44 t/a	113.4 t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Oxynitride	Organized discharge	1	Huangyi Brewery Eco-Park	44.828mg/m ³	150 mg/m ³	1.144 t/a	22.68 t/a	No

Treatments of pollutants

A. Waste water: Areas of the Company that produce wastewater are National Cellar, Zaojiaoxiang Brewery Base, Xiaoshi Brewery Base, Anning Technology Park, Luohan Brewery Eco-Park, and Huangyi Brewery Eco-Park. In National Cellar, Zaojiaoxiang Brewery Base, Xiaoshi Brewery Base, and Anning Technology Park, the high-concentration brewing wastewater is temporarily collected in pools (or tanks), and is later transferred to the wastewater treatment station of Huangyi Brewery Eco-Park by truck for treatment. The wastewater treatment stations of Luohan Brewery Eco-Park and Huangyi

Brewery Eco-Park are equipped with online monitors to automatically monitor COD, ammonia nitrogen, total phosphorus, total nitrogen, pH value and flows, and transmit the monitoring data to the supervision platform of the higher authority. The Company's facilities for prevention and control of wastewater pollution are under normal operations, ensuring up-to-standard discharge through general discharging outlets. Compared to 2021, in 2022 the Company reduced suspended matter discharge per unit of product by 63.25%, COD discharge by 12.44%, total nitrogen discharge by 16.94%, total phosphorus discharge by 23.25% and ammonia nitrogen discharge by 60.46%.

B. Waste gas: Areas of the Company that produce exhaust gas are National Cellar, Zaojiaoxiang Brewery Base, Xiaoshi Brewery Base, Luohan Brewery Eco-Park, and Huangyi Brewery Eco-Park. In National Cellar Brewery Base, natural gas boilers are used, while in Xiaoshi Brewery Base and Zaojiaoxiang Brewery Base, direct-fired bottom boilers are used. The natural gas boilers of Luohan Brewery Eco-Park (20t/h, 30t/h) and the natural gas boilers of Huangyi Brewery Eco-Park (20t/h, 75t/h, 75t/h) are equipped with online monitors to automatically monitor exhaust gas, and transmit the monitoring data to the supervision platform of the higher authority. Low NOx combustion technology is adopted for the natural gas boilers. The Company's facilities for prevention and control of exhaust gas pollution are under normal operations, ensuring up-to-standard emission of exhaust gas through outlets. Compared to 2021, the Company reduced PM discharge per unit of product by 40.22% in 2022.

Emergency plan for environmental emergencies

The Company developed the *Contingency Plan for Environmental Emergencies* (Revision 2020), the *Environmental Risk Assessment Report* and the *Emergency Resources Survey Report*, and reported to the Environmental Emergency Service Center of Luzhou for filing. The Company carried out drills of contingency plans, which improved employees' capability to respond to environmental emergencies.

Environmental self-monitoring plan

Monitoring site	Monitoring indicator	Implementation standard	Emission limit	Monitoring frequency	Monitoring form	2022 Monitoring compliance rate
Unorganized monitoring points 1#-4# for the exhaust gas emission outlets of Luohan Brewery Eco-Park	Odor concentration	Emission Standards for Odor Pollutants (GB14554- 93)	20 (dimensionless)	1 time/half-year	Manual	100%
	Hydrogen sulfide		0.06 mg/m ³			
	Ammonia		1.5 mg/m ³			
	NMHC	Sichuan Emission Control Standard for Volatile Organic Compounds (DB51/2377-2017)	2 mg/m ³			
	Particulate matters	Integrated Emission Standards for Air Pollutants (GB16297-1996)	1 mg/m ³			
Exhaust gas emission outlets DA022, DA021 (unused) and DA020 of Luohan Brewery Eco-Park	Ringelman emittance	Emission Standards for Air Pollutants for Boiler (GB13271-2014)	≤ 1	1 time/quarter	Manual	100%
	Nitrogen oxide		150 mg/m ³		Automatic	
	Particulate matters		20 mg/m ³			
	Sulfur dioxide:		50 mg/m ³			
Exhaust gas emission outlet DA019 of Luohan Brewery Eco-Park	Hydrogen sulfide	Emission Standards for Odor Pollutants (GB14554- 93)	15,000	1 time/half-year	Manual	100%
	Ammonia		/			
	Odor concentration		1.8 kg/h			
			27 kg/h			

Exhaust gas emission outlet DA018 of Luohan Brewery Eco-Park	Sulfur dioxide:	Integrated Emission Standards for Air Pollutants (GB16297-1996)	240 mg/m ³ 0.77 kg/h	1 time/quarter	Manual	100%
	Particulate matters		120 mg/m ³ 3.5 kg/h			
	Nitrogen oxide		550 mg/m ³ 2.6 kg/h			
	Volatile organic compounds		Sichuan Emission Control Standard for Volatile Organic Compounds (DB51/2377-2017)			
Exhaust gas emission outlet DA017 of Luohan Brewery Eco-Park	NMHC	Sichuan Emission Control Standard for Volatile Organic Compounds (DB51/2377-2017)	60 mg/m ³ 3.4 kg/h	1 time/quarter	Manual	100%
Exhaust gas emission outlets DA001-DA016 of Luohan Brewery Eco-Park	Particulate matters	Integrated Emission Standards for Air Pollutants (GB16297-1996)	120 mg/m ³	1 time/half-year	Manual	100%
Main outlet DW001 of the wastewater treatment station of Luohan Brewery Eco-Park	Flow	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Liquor Industry (GB27931-2011)	/	1 time/quarter	Automatic	100%
	PH value		6-9			
	COD		50 mg/L			
	Ammonia nitrogen		5 mg/L			
	TP		0.5 mg/L	1 time/month	Manual	
	TN		15 mg/L			
	Suspended solids		20 mg/L			
	Five-day BOD		20mg/L			
Chroma	20					
Rainwater outlets DW002-DW006 of Luohan Brewery Eco-Park	Suspended solids	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Liquor Industry (GB2731-2011)	20 mg/L	1 time/month (1 time/quarter in case of no abnormalities monitored)	Manual	100%
	COD		50 mg/L			
Noise monitoring points 1-4# at the boundary of Luohan Brewery Eco-Park	Boundary noise	Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008)	Daytime: 60 dB (A); nighttime: 50 dB (A)	1 time/quarter	Manual	100%
Circulating cooling water outlet DW002 of the Energy Center of Sichuan Luzhou Baijiu Industrial Park	PH value, COD, TP	/	/	1 time/quarter	Manual	100%
Wastewater outlet DW001 of the Energy Center of Sichuan Luzhou Baijiu Industrial Park	PH value	Integrated Wastewater Discharge Standard (GB8978-1996)	6-9	1 time/quarter	Manual	100%
	Total dissolved solids (TDS)		/			
	Suspended solids		140 mg/L			
	Five-day BOD		80 mg/L			
	COD		400 mg/L			
	TN		50 mg/L			
	Ammonia nitrogen		30 mg/L			
TP	3 mg/L					
Boiler exhaust gas vents DA001-DA002 of the Energy Center of Sichuan Luzhou Baijiu Industrial Park	Ringelman emittance	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	≤ 1	1 time/quarter	Manual	100%
	Nitrogen oxide		100 mg/m ³		Automatic	
	Soot		5 mg/m ³			
	Sulfur dioxide:		35 mg/m ³			
Boiler exhaust gas vent DA003 of the Energy	Ringelman emittance	Emission Standards for Air Pollutants for Boiler (GB13271-	≤ 1	1 time/quarter	Manual	100%
	Nitrogen oxide		150 mg/m ³		Automatic	

Center of Sichuan Luzhou Baijiu Industrial Park	Particulate matters	2014)	20 mg/m ³			
	Sulfur dioxide:		50 mg/m ³			
Rainwater outlets DW004-DW010 of Huangyi Brewery Eco-Park	Suspended solids	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Liquor Industry (GB2731-2011)	50 mg/L	1 time/month (1 time/quarter in case of no abnormalities monitored)	Manual	100%
	COD		100 mg/L			
Unorganized monitoring points 1#-4# at the boundary of Huangyi Brewery Eco-Park	Odor concentration	Emission Standards for Odor Pollutants (GB14554-93)	20 (dimensionless)	1 time/quarter	Manual	100%
	Hydrogen sulfide		0.06 mg/m ³			
	Ammonia		1.5 mg/m ³			
	NMHC	Sichuan Emission Control Standard for Volatile Organic Compounds (DB51/2377-2017)	2 mg/m ³			
	Particulate matters	Integrated Emission Standards for Air Pollutants (GB16297-1996)	1 mg/m ³			
DA041 and DA042 of Huangyi Brewery Eco-Park	Odor concentration	Emission Standards for Odor Pollutants (GB14554-93)	2,000 (dimensionless)	1 time/half-year	Manual	100%
	Ammonia		4.9 kg/h			
	Hydrogen sulfide		0.33 kg/h			
DA087, DA096-DA097 and DA072-DA075 of Huangyi Brewery Eco-Park	NMHC	Sichuan Emission Control Standard for Volatile Organic Compounds (DB51/2377-2017)	60 mg/m ³ 4.76 kg/h	1 time/quarter	Manual	100%
DA034-DA040, DA043-DA070, DA076-DA086 and DA088-DA095 of Huangyi Brewery Eco-Park	Particulate matters	Integrated Emission Standards for Air Pollutants (GB16297-1996)	120 mg/m ³	1 time/half-year	Manual	100%
Main outlet of the wastewater treatment station of Huangyi Brewery Eco-Park	Flow	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Liquor Industry (GB2731-2011)	/	1 time/quarter	Automatic	100%
	PH value		6-9			
	COD		400 mg/L			
	Ammonia nitrogen		30 mg/L			
	TP		3 mg/L	1 time/month	Manual	
	TN		50 mg/L			
	Suspended solids		140 mg/L			
	Five-day BOD		80 mg/L			
Chroma	80					
Noise monitoring points 1-4# at the boundary of Huangyi Brewery Eco-Park	Boundary noise	Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008)	Daytime: 65 dB (A); nighttime: 55 dB (A)	1 time/quarter	Manual	100%
Unorganized monitoring points 1#-7# at Xiaoshi Brewery Base	Odor concentration	Emission Standards for Odor Pollutants (GB14554-93)	20	1 time/half-year	Manual	100%
	NMHC	Sichuan Emission Control Standard for Volatile Organic Compounds (DB51/2377-2017)	2.0 mg/m ³			
Boiler exhaust gas vents DA001-DA010 of Xiaoshi Brewery Base	Ringelman emittance	Emission Standards for Air Pollutants for Boiler (GB13271-2014)	≤ 1	1 time/year	Manual	100%
	Soot		20 mg/m ³			
	Sulfur dioxide:		50 mg/m ³	1 time/month		
	Nitrogen oxide		150 mg/m ³			
Noise monitoring points at the boundary of Xiaoshi Brewery Base	Boundary noise	Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008)	Daytime: 60 dB (A)	1 time/quarter	Manual	100%

Unorganized monitoring points of National Cellar and Zaojiaoxiang Brewery Bases	Odor concentration	Emission Standards for Odor Pollutants (GB14554-93)	20	1 time/half-year	Manual	100%
	NMHC	Sichuan Emission Control Standard for Volatile Organic Compounds (DB51/2377-2017)	2.0 mg/m ³			
Boiler exhaust gas vents DA001-DA003 of National Cellar and Zaojiaoxiang Brewery Bases	Ringelman emittance	Emission Standards for Air Pollutants for Boiler (GB13271-2014)	≤ 1	1 time/year	Manual	100%
	Soot		20 mg/m ³			
	Sulfur dioxide:		50 mg/m ³			
	Nitrogen oxide		150 mg/m ³	1 time/month		
Noise monitoring points at the boundary of National Cellar and Zaojiaoxiang Brewery Bases	Boundary noise	Emission Standard for Noise of Industrial Enterprises at Boundary (Class 4 for street frontage)	Daytime: 60 dB (A)	1 time/quarter	Manual	100%
Rainwater outlet DW003 of National Cellar and Zaojiaoxiang Brewery Bases	Suspended solids	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Liquor Industry (GB2731-2011)	20 mg/L	1 time/month (1 time/quarter in case of no abnormalities monitored)	Manual	100%
	COD		50 mg/L			

Input in environmental management and protection and the payment of environmental protection-related taxes

Unit: CNY

Taxable pollutant	Taxable pollutant	Amount of tax payable	Actual amount paid	Tax deduction
Suspended solids, COD, ammonia nitrogen (NH ₃ -N), TP (calculated as P)	Water pollutant	36,754.91	367,54.91	0.00
Ammonia, nitrogen oxides, sulfur dioxide, hydrogen sulphide, soot	Air pollutant	137,932.77	137,932.77	0.00

Measures taken to reduce carbon emissions during the reporting period and the results

Applicable N/A

Luzhou Laojiao Huangyi Brewery Eco-Park is a green and low-carbon brewery ecological park with the largest scale of solid-state baijiu brewing, the largest capacity of leaven and the highest level of automation and intelligence in the industry. The Company has successfully developed industry-leading automated baijiu brewing equipment, and realized the fully automated operation of the entire brewing process. A set of green, low-carbon, energy-saving and environment-friendly production, operation and development mode has been developed using green energy-saving technologies, automated control means and digital management platforms, reducing carbon dioxide emissions. The Company has developed a unique digital, green and low-carbon development path of Luzhou Laojiao.

Administrative penalties received in the reporting period due to environmental issues

The Company or subsidiary	Reason for penalties	Regulation violated	Penalties	Impact on the Company	Rectification
N/A					

Other information about environmental protection that should be disclosed

N/A

Other information about environment protection

N/A

2. Social responsibility

See the 2022 Social Responsibility Report disclosed on the same day with this Annual Report.

3. Efforts in poverty alleviation and rural revitalization

3.1. Work Plan for Rural Revitalization in 2022

In 2022, the Company thoroughly practiced General Secretary Mr. Xi Jinping's important instructions on consolidating and expanding the achievements of poverty alleviation and rural revitalization, implemented the requirements of the "four no-removals" and the decisions and deployments of the central, provincial and municipal committees, and strove to build model and demonstration areas for rural revitalization by fully leveraging its strengths in terms of capital, technology, talent and management in accordance with the general requirements of "prosperous industry, livable ecology, civilized rural style, effective governance and well-off life" to promote its sustainable development.

A. Intensified the leadership of organizations and fulfill the assistance responsibility. The Company further improved its political stance, assumed the social responsibility of a state-owned enterprise, and provided assistance and fulfilled its responsibilities in poverty alleviation. Additionally, to fulfill its assistance responsibility, the Company promoted the cooperation between its Party branches and assisted villages as well as the training of cadres of the two village Party branches and team members of the Company stationed in the two villages.

B. Promoted the upgrading of industries and income increase through poverty alleviation. Giving full play to its advantages in resources and platforms, the Company trained more technological, sales, and management talent in Hongyuan County to enlarge the group of "forgoers in getting rich", thereby encouraging the developed groups to assist backward ones. Besides, it built a brand image for yak products in Hongyuan County and increased the inputs in the development of derivatives, so as to enhance the visibility and reputation and lend constant impetus to the development of the assisted villages.

C. Established a long-term mechanism to facilitate rural revitalization. The Company focused on the standard that rural poor people are free from worries over food and clothing and have access to compulsory education, basic medical services, and safe housing, strengthened dynamic monitoring of any trends indicating a return to poverty, and consistently promoted the development of the assisted villages to share the fruits of poverty alleviation with villagers. Meanwhile, measures including "external support and self-motivation" and "building up self-belief and providing access to education" were incorporated into the long-term mechanism for rural revitalization.

3.2. Results of the 2022 Rural Revitalization

In 2022, the Company spent a total of CNY 2.5515 million to implement seven projects with high quality, such as infrastructure construction, industrial support, self-belief and education support, and Pillars Project, effectively helping villages to strengthen their special industries, optimize education and culture, and solve development problems with practical strategies and real measures to seek true results. In recent years, the Company has won honors and awards, including "The Most Charitable Model" of the Third Sichuan Charity Award, the "Outstanding Contribution Award for Social Poverty Alleviation" of Luzhou City and the "Advanced Group for Paired Assistance" in Sichuan Province.

A. Organizational guarantee continued to be strengthened and the assistance responsibility was fulfilled. In 2022, the Company continued to fulfill its assistance responsibility by holding two party committee meetings to study paired assistance, carrying out four special exchange seminars, and leading members of the Company's leadership team to the village four times. The steering group stationed in the village to carry out field research for six days, and selected and assigned two full-time cadres with outstanding ability for paired assistance. Under the guidance of the Company's Rural Revitalization Steering Group, cadres stationed in the village fully collaborated with the two village Party branches to provide organizational guarantee for the comprehensive promotion of rural revitalization.

B. Upgrade industrial assistance and increase income through production and marketing linkage. The "self-motivation-based" assistance model was continuously deepened. Based on the construction of the paddy field fish farming base in Xiangtian Village, the production and operation model of "Party Branch + Collective Company + Base + Farmers" was continued to achieve "dual-purpose water, multiple harvest from one field, increased food volume and efficiency, and win-win situation for food and fishery", and promote the scale-based development of the rice and fishery industry, integration of ecology and rural landscape. The Company adopted a village-enterprise cooperation approach to help Xiangtian Village sell special agricultural products, totaling CNY 210,000. In the Guntang Village, the Company coordinated the village and a professional ranch operating company to build a model ranch, and developed an integrated production and marketing chain of "production by farmers in Guntang Village - processing by the agricultural product company - sales by Luzhou Laojiao". The Company used its e-commerce platform, the party group service center and other online and offline vehicles to widely publicize the products assisted, expanded the unique advantages of the Damaiwa yak as a geographical certified breed, and generated CNY 1,135,400 through activities such as "Creating Wealth through Sales" and "purchase instead of donation". In addition, the Company created a collective economic income model of "guaranteed income + profit dividends", incorporated 101 households out of poverty into the income chain, allowed the collective and farmers to get cash for breeding, capital for shares buy-in and funds for development, and donated 10% of sales to the collective economy of Guntang Village, which effectively opened up the "last mile" of the problem with the production and marketing of poverty-alleviating products, and boosted the production and marketing linkage for rural revitalization to achieve substantial results.

C. Consistently assist farmers in building up self-belief and provide them with necessary education to stimulate the self-motivation of villages. Adhering to the idea of "teaching people how to fish rather than just giving them fish" and aiming to cultivate "four" new types of farmers, the Company used farmers' night schools, special meetings, "Volunteer Activities for the Country People" and other carriers to carry out more than 20 lectures on agricultural knowledge and farming techniques to help farmers improve their scientific and cultural quality. By organizing unemployed youths and stable households out of poverty to participate in e-commerce training, the Company successfully cultivated a group of new farmers and herdsmen who are dedicated to agriculture and know technology, as well as rural

revitalization leaders who are good at business and management, effectively driving villagers to develop a path and increase income, and promoting the material and spiritual poverty alleviation of the assisted villages. The education assistance of "Pillars Project" was continuously implemented, and CNY 170,000 was invested to help 34 fresh high school graduates to attend university. For seven consecutive years, the Company has carried out the "Voluntary Education" campaign by sending courses, teaching aids and warmth to encourage students in rural areas to pursue their studies and prevent poverty from passing down from generation to generation. In addition, the Company organized warmth-sending and invested CNY 180,000 in Spring Festival care-extension activities, through which it sent warmth and care to 230 assisted households and more than 350 common farming households and further aroused their enthusiasm and initiative in getting rich.

D. Take various steps in terms of infrastructure guarantees to solve the urgent and difficult problems of the masses. The Company's leadership team members and members of the rural revitalization group visited paired households and poor villagers for research, communicated with villagers face to face and heart to heart. A total of CNY 50,000 was invested throughout the year to upgrade the electricity supply to 36 poor households to ensure safe utilization of electricity. The Company solidly promoted the pilot reform of the rural road management and maintenance system, assisted the government in promoting the renovation of dangerous rural houses and earthquake resistant retrofitting, and improved the standards and specifications for rural housing construction. Focusing on the problem of difficult employment for the masses, the Company made efforts to coordinate multiple resources to secure 96 public service jobs for 96 households out of poverty and low-income families from the assisted village, effectively solving the difficulties of living of unstable households in poverty alleviation and marginal households prone to poverty. Besides, the Company effectively fulfilled the caring and assistance responsibility, promoted the sharing of the fruits of development, and gathered the villagers' strength to move forward.

E. Continue to cultivate civilized rural style and enhance the overall spirit. The Company's experience and advantages in brand culture promotion were fully leveraged to promote the civilized rural style cultivation in an integrated manner. In the past two years, the Company has invested a total of CNY 588,000 in special expenses to build a cultural square covering an area of 3,500 square meters in Guntang Village. Since the square was officially opened and operated in August 2022, a total of more than ten activities have been carried out to disseminate intangible cultural heritage such as Maiwa Guozhuang Dance, Maiwa Tibetan Opera and Baiwang Playing and Singing, successfully making Maiwa Village a popular scenic spot. The Company continuously promoted the formulation of rules and regulations, collaborated with the assisted villages to develop nine reporting requirements for party members and cadres to arrange for weddings and funerals, and gave full play to the leading and demonstration role of party members and cadres to encourage local people to transform outmoded habits and customs. To continuously expand civilization publicity, based on the characteristics of ethnic areas, the Company publicized filial piety, civilization, politeness and other traditional virtues through multiple channels such as regular household publicity by cadres stationed in the village, offline bulletin boards, WeChat group of villagers, broadcasting and telephone reminders. A total of 12 lectures and training sessions on grassland fire prevention, health knowledge, prevention of Internet fraud and other themes were carried out, and villagers were organized to participate in four special activities such as "moral model lecture", which promoted the mutual integration and promotion of good rural customs and modern civilization, and the overall spirit of the villagers continued to improve.

3.3. Work Plan for Rural Revitalization in 2023

In 2023, the Company will strictly implement the arrangement of the central, provincial and municipal Party committees regarding effectively connecting consolidation and expansion of poverty alleviation achievements with rural revitalization, coordinate various resources and strengths to improve areas of weakness, consolidate the achievements, lay the foundation and promote the revitalization, and take multiple measures to resolutely fulfill the paired assistance responsibility. With greater determination, stronger commitment and more practical measures, the Company will comprehensively promote new progress in rural revitalization and new levels in agricultural and rural modernization in assisted villages.

A. Enhance the leadership of party building and consolidate the rural governance. The party branches of the Company will continue to collaborate with the party branches of the assisted villages, and party workers will be selected to guide the standard implementation of policies such as the "three meetings and one lecture" and organizational life meetings. The Company will help villages establish and improve a rural governance system that combines autonomy, rule of law and moral governance under the leadership of party organizations, promote grassroots party organizations in rural areas to publicize the Party's ideas, implement the Party's decisions, lead grassroots governance and unite and mobilize the masses, regulate the management of village affairs and support rural revitalization.

B. Enhance the building of the assistance team to boost rural revitalization. The Company will strive to consolidate the responsibilities of the assistance team stationed in the village, continuously improve the comprehensive ability of the assistance cadres, and build a high-quality and responsible force for rural revitalization with excellent work style. In addition, it will strongly cooperate with the "two committees" of the village to consolidate and expand the results of poverty eradication, complete rural revitalization tasks such as rural industrial development and spiritual civilization construction, and contribute to the comprehensive rural revitalization from industry, talent, culture and ecology.

C. Enhance consumption assistance and stimulate industrial development momentum. Relying on the resource and platform advantages, the Company will continue to integrate resources and coordinate the integrated development of "livestock, production, promotion and sales" around special industries such as Maiwa yak, continuously enhance product promotion and development, promote the upgrading of industrial supporting facilities and the improvement of chains, and facilitate the effective transformation of the "geographical card" into a "treasure for wealth". It will continue to carry out "purchase instead of donation" campaign, and adopt market-oriented means to sign annual targeted purchase agreements with the assisted counties for agricultural and sideline products, and bring high-quality agricultural products onto e-commerce platforms.

D. Deepen employment assistance and enhance blood-creation momentum. In assisted villages, the Company will establish a ledger of employment assistance for poverty-alleviation and low-income families, actively help them compete for public service jobs, and organize training on employment skills such as e-commerce and farming techniques to extensively cultivate training groups of wealthy leaders. Fully relying on the assistance projects, the Company will support unstable households in poverty alleviation and marginal households prone to poverty to develop yard economy and work to increase income according to local conditions. Additionally, the Company will identify, intervene and assist farmers who are at risk of returning to poverty as early as possible to firmly guard the bottom line of preventing large-scale return to poverty.

E. Advocate the transformation of outmoded habits and customs and promote a new style of civilization. The Company will enhance the promotion of the socialist core values and guide party members and cadres in assisted villages to update their ideology and form a diligent, civilized and healthy lifestyle. In

In addition, the Company will cooperate with the assisted villages to continue to carry out activities rich in rural culture, such as the Guozhuang Dance and equestrian to enrich the spiritual and cultural life of the villagers and promote the transformation into a harmonious, aggressive and good society.

Section VI Significant Events

1. Performance of undertakings

1.1. Undertakings of the Company's actual controller, shareholders, related parties and acquirer, 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

No such cases in the reporting period.

1.2. Where any earnings forecast was made for any of the Company's assets or projects and the reporting period is still within the forecast period, the Company shall explain whether the performance of the asset or project reaches the earnings forecast and reasons

Applicable N/A

2. Occupation of the Company's fund by the controlling shareholder or its related parties for non-operating purposes

Applicable N/A

No such cases in the reporting period.

3. Irregularities in the provision of guarantees

Applicable N/A

No such cases in the reporting period.

4. Explanation of the board of directors regarding the latest "non-standard audit opinion"

Applicable N/A

5. Explanation of the board of directors, the board of supervisors and non-executive directors (if any) regarding the "non-standard audit opinion" for the reporting period

Applicable N/A

6. Reason for changes in accounting policies and accounting estimates, as well as correction of major accounting errors compared to the financial report for the prior year

Applicable N/A

Content and reason for changes in accounting policies	Approval procedure	Remark
On 31 December 2021, the Ministry of Finance issued the Interpretation No. 15 of the Accounting Standards for Business Enterprises (C.K. [2021] No. 35), of which the "accounting treatment for the sale of products or by-products produced by an enterprise before the fixed assets reach their intended useable state or during the research and development process" and "judgment on loss-making contracts" were carried out by the Company from 1 January 2022.	N/A	These changes in accounting policies had no material impact on the consolidated financial statements of the Company.
On 30 November 2022, the Ministry of Finance issued the Interpretation No. 16 of the Accounting Standards for Business Enterprises (C.K. [2022] No. 31), of which the "accounting treatment of the income tax effects of dividends on financial instruments classified as equity instruments by the issuer" and "accounting treatment of the revision of cash-settled share-based payment to equity-settled share-based payment by an enterprise" were carried out by the Company from the date of publication.	N/A	These changes in accounting policies had no material impact on the consolidated financial statements of the Company.

7. Reason for changes in scope of the consolidated financial statements compared to the financial report for the prior year

Applicable N/A

Subsidiaries that are newly incorporated into the scope of consolidation in this period

Name of subsidiary	Reason
Luzhou Laojiao International Trade (Hainan) Co., Ltd.	Incorporated through investment
Luzhou Laojiao Technology Innovation Co., Ltd.	Incorporated through investment

Liquidation and cancellation for subsidiaries in this period

Name of subsidiary	Reason
Luzhou Laojiao Bosheng Hengxiang Liquor Sales Co., Ltd.	Liquidation and cancellation
Luzhou Laojiao Tourism Culture Co., Ltd.	Liquidation and cancellation

8. Engagement and disengagement of CPA firm

CPA firm at present

Name of the domestic CPA firm	Sichuan Huaxin (Group) CPA Firm
The Company's payment for the domestic CPA firm (CNY 10,000)	98
Consecutive years of the audit service provided by the domestic CPA firm	24
Names of the certified public accountants from the domestic CPA firm	Li Wulin, Tang Fangmo, Fan Bo
Consecutive years of the audit service provided by the certified public accountants	Li Wulin 3 years, Tang Fangmo 4 years, Fan Bo 1 year

Whether the CPAs firm was changed in the current period

Yes No

Engagement of any CPAs firm for internal control audit, financial advisor or sponsor

Applicable N/A

The Company appointed Sichuan Huaxin (Group) CPA Firm as the internal control auditor for this year. The remuneration of audit in total paid by the Company was CNY 500 thousand.

9. Possibility of delisting after disclosure of this annual report

Applicable N/A

10. Bankruptcy and reorganization

Applicable N/A

No such cases in the reporting period.

11. Material litigation and arbitration

Applicable N/A

Profile of litigation (arbitration)	Amount involved in the case (CNY 10,000)	Whether it forms an estimate liability	Progress in litigation (arbitration)	Trial results and impacts of litigation (arbitration)	Execution of judgment of litigation (arbitration)	Date of disclosure	Disclosure index
The Company filed a lawsuit with ABC Changsha Yingxin Branch over a deposit dispute, and the case has been completed in the first instance of Hunan Province Higher People's Court and the final trial of the Supreme People's	14,942.5	No	The second trial has been concluded, and the case is now at the stage of enforcement.	For the losses that the Company cannot recover through criminal execution procedures, 40% shall be borne by ABC Changsha Yingxin Branch, 20% shall be borne by ABC Changsha	The Company applied to Hunan Province Higher People's Court for enforcement of the verdict. Hunan Province Higher People's Court ruled that Hunan Changsha Intermediate	15 October 2014	See Section VI "Other significant events"

Court. The case is now at the stage of enforcement.				Hongxin Branch and the rest shall be borne by the Company itself.	People's Court should see to the execution of the verdict. Upon the enforcement, the banks have paid part of the compensations.		
The Company filed a lawsuit with ICBC Nanyang Zhongzhou Branch over a deposit dispute, and the case has been completed in the first instance of Henan Province Higher People's Court and the final trial of the Supreme People's Court. The case is now at the stage of enforcement.	15,000	No	The second trial has been concluded, and the case is now at the stage of enforcement.	ICBC Nanyang Zhongzhou Branch, ICBC Nanyang Branch, and Sanya Rural Commercial Bank Hongsha Branch shall pay compensations of CNY 75 million, CNY 7.5 million and CNY 6.105 million respectively with the relevant interest to the Company, and the rest of the loss shall be borne by the Company itself.	The banks have paid part of the compensations. As there was a dispute over the verdict, the Company applied to Henan Province Higher People's Court for enforcement of the verdict. Henan Province Higher People's Court ruled that Nanyang Intermediate People's Court should see to the execution of the verdict. The case is now at the stage of enforcement by Nanyang Intermediate People's Court.	10 January 2015	See Section VI "Other significant events"

12. Punishments and rectifications

Applicable N/A

No such cases in the reporting period.

13. Credit conditions of the Company as well as its controlling shareholder and actual controller

Applicable N/A

14. Significant related party transactions

14.1. Related party transactions arising from routine operation

Applicable N/A

No such cases in the reporting period.

14.2. Related party transactions regarding purchase or sales of assets or equity interests

Applicable N/A

No such cases in the reporting period.

14.3. Related party transitions arising from joint investments in external parties

Applicable N/A

No such cases in the reporting period.

14.4. Credits and liabilities with related parties

Applicable N/A

No such cases in the reporting period.

14.5. Transactions with related finance companies

Applicable N/A

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any of its related parties.

14.6. Transactions between finance companies controlled by the Company and related parties

Applicable N/A

No related parties made deposits in, received loans or credit from or was involved in any other finance business with any finance company controlled by the Company.

14.7. Other significant related party transactions

Applicable N/A

No such cases in the reporting period.

15. Significant contracts and their execution

15.1. Trusteeship, contracting and leasing

15.1.1. Trusteeship

Applicable N/A

No such cases in the reporting period.

15.1.2. Contracting Applicable N/A

No such cases in the reporting period.

15.1.3. Leasing Applicable N/A

No such cases in the reporting period.

15.2. Major guarantees Applicable N/A

No such cases in the reporting period.

15.3. Entrusted cash asset management**15.3.1. Entrusted assets management** Applicable N/A

Entrusted assets management during the reporting period

Unit: CNY 10,000

Type	Fund source for entrusted assets management	Amount of entrusted assets management	Undue balance	Overdue outstanding amount	Impairment allowances for the overdue outstanding amount
Wealth management product of bank	Own funds	20,000	20,000	0	0
Wealth management product of securities firm	Own funds	100,000	60,000	0	0
Wealth management product of trust company	Own funds	40,000	30,000	0	0
Others	Own funds	20,000	0	0	0
Total		180,000	110,000	0	0

Particulars of high risk wealth management products with a significant single amount or low security or poor liquidity

 Applicable N/A

Expected inability to recover the principal of entrusted assets management or other circumstances that may result in impairment

 Applicable N/A

15.3.2 Entrust loans

Applicable N/A

No such cases in the reporting period.

15.4. Other significant contracts

Applicable N/A

No such cases in the reporting period.

16. Other significant events

Applicable N/A

The Company disclosed in October 2014 and January 2015 respectively the contract disputes involving three savings deposits of CNY 500 million in total with banks including ABC Changsha Yingxin Branch and ICBC Nanyang Zhongzhou Branch. Upon criminal booty recovery, criminal and civil enforcement, as of 31 December 2022, the Company had recovered a total amount of CNY 371 million for the three disputes.

See details in the Company's announcements:

Date of announcement	No.	Catalogue	Official website
15 October 2014	2014-35	Announcement of significant litigation	http://www.cninfo.com.cn/
12 November 2014	2014-41	Announcement of significant litigation progress	
6 December 2014	2014-43	Announcement of significant litigation progress part II	
10 January 2015	2015-1	Announcement of significant events	
4 February 2015	2015-4	Announcement of significant events progress	
25 March 2015	2015-11	Announcement of significant litigation progress part III	
18 April 2015	2015-20	Announcement of significant litigation progress part IV	
22 April 2015	2015-21	Announcement of significant events progress part II	
24 April 2015	2015-25	Announcement of significant litigation progress part V	
15 July 2015	2015-44	Announcement of significant litigation progress part VI	
22 July 2015	2015-45	Announcement of significant litigation progress part VII	
6 June 2018	2018-17	Announcement of significant litigation progress part VIII	
7 May 2019	2019-11	Announcement of significant litigation progress part IX	
17 May 2019	2019-13	Announcement of significant litigation progress part X	
24 March 2020	2020-6	Announcement of significant litigation progress part XI	
6 May 2020	2020-14	Announcement of significant litigation progress part XII	
7 November 2020	2020-34	Announcement of significant litigation progress part XIII	
6 July 2021	2021-30	Announcement of significant litigation progress part XIV	

15 December 2021	2021-57	Announcement of significant litigation progress part XV	
30 December 2021	2021-64	Announcement of significant litigation progress part XVI	

Note: The Company shall disclose other significant events that occurred during the reporting period as stipulated in the Securities Law and the Administrative Measures for Disclosure of Information by Listed Companies, as well as matters that the Board of Directors of the Company judges to be significant events. If the aforesaid significant events have been disclosed on the designated website as current announcements, only the relevant search index of the designated website for information disclosure and the date of disclosure need to be stated.

17. Significant events of subsidiaries

Applicable N/A

The Company invested in the technical upgrade program of intelligent brewing (Phase I) with the wholly-owned subsidiary, Brewing Company, as the implementer. The total investment amount approximated CNY 4,782.5090 million. The program has been approved at the First Extraordinary General Meeting of Shareholders of 2022 on 16 August 2022. For further information, see Announcement No. 2022-24 on the Implementation of Luzhou Laojiao Technical Upgrade Project of Intelligent Brewing (Phase I) by Subsidiary.

Section VII Changes in Shares and Information about Shareholders

1. Changes in shares

1.1 Changes in shares

Unit: Share

	Before		Changes in this year (+, -)					After	
	Number	Proportion	Issuance of new shares	Bonus shares	Capitalization of capital reserves	Other	Subtotal	Number	Proportion
I. Restricted shares	247,921	0.02%	7,142,624				7,142,624	7,390,545	0.50%
1. Shares held by the state									
2. Shares held by state-owned corporations									
3. Shares held by other domestic investors	247,921	0.02%	7,142,624				7,142,624	7,390,545	0.50%
Of which: shares held by domestic corporations									
Shares held by domestic individuals	247,921	0.02%	7,142,624				7,142,624	7,390,545	0.50%
4. Shares held by foreign corporations									
Of which: shares held by foreign corporations									
Shares held by foreign individuals									
II. Non-restricted shares	1,464,504,555	99.98%					0	1,464,504,555	99.50%
1. CNY common shares	1,464,504,555	99.98%					0	1,464,504,555	99.50%
2. Domestically listed foreign shares									

3. Overseas listed foreign shares									
4. Other									
III. Total shares	1,464,752,476	100.00%	7,142,624			7,142,624	1,471,895,100	100.00%	

Reasons for the change in shares

Applicable N/A

A. On 29 December 2021, the *Proposal on the Grant of Restricted Shares to Awardees* was deliberated and approved at the 12th Meeting of the 10th Board of Directors and the Sixth Meeting of the 10th Supervisory Committee. As such, it was decided to grant the restricted shares to eligible awardees and the grant was completed and registered on 21 February 2022. A total of 6,862,600 restricted shares were granted to 437 awardees as registered, which were listed on 22 February 2022.

B. On 25 July 2022, the *Proposal on the Grant of Reserved Restricted Shares to Awardees* was deliberated and approved at the 18th Meeting of the 10th Board of Directors and the Ninth Meeting of the 10th Supervisory Committee, respectively. As such, it was decided to grant the restricted shares to eligible awardees and the grant was completed and registered on 26 September 2022. A total of 342,334 restricted shares were granted to 46 awardees as registered, which were listed on 28 September 2022.

C. On 2 September 2022, the *Proposal on the Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price* was deliberated and approved at the 22nd Meeting of the 10th Board of Directors and the 13th Meeting of the 10th Supervisory Committee. As such, the Company decided to repurchase and retire the restricted shares held by awardees who were no longer eligible which had been granted but not lifted from restricted sales. A total of 62,310 restricted shares involving 7 awardees were repurchased and retired which was completed on 29 November 2022.

D. On 29 December 2022, the *Proposal on the Grant of Reserved Restricted Shares to Awardees* was deliberated and approved at the 26th Meeting of the 10th Board of Directors and the 15th Meeting of the 10th Supervisory Committee, respectively. As such, it was decided to grant the restricted shares to eligible awardees and the grant was completed and registered on 16 February 2023. A total of 92,669 restricted shares were granted to 17 awardees as registered, which were listed on 17 February 2023.

Approval of share changes

Applicable N/A

A. On 29 December 2021, the *Proposal on the Grant of Restricted Shares to Awardees* was deliberated and approved at the 12th Meeting of the 10th Board of Directors and the Sixth Meeting of the 10th Supervisory Committee. As such, it was decided to grant the restricted shares to eligible awardees and the grant was completed and registered on 21 February 2022. A total of 6,862,600 restricted shares were granted to 437 awardees as registered, which were listed on 22 February 2022. Upon the completion of this grant registration, the total share capital of the Company increased to 1,471,615,076 shares from 1,464,752,476.

B. On 25 July 2022, the *Proposal on the Grant of Reserved Restricted Shares to Awardees* was deliberated and approved at the 18th Meeting of the 10th Board of Directors and the Ninth Meeting of the 10th Supervisory Committee, respectively. As such, it was decided to grant the restricted shares to eligible awardees and the grant was completed and registered on 26 September 2022. A total of 342,334 restricted shares were granted to 46 awardees as registered, which were listed on 28 September 2022. Upon the completion of this grant registration, the total share capital of the Company increased to 1,471,957,410 shares from 1,471,615,076.

C. On 2 September 2022, the *Proposal on the Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price* was deliberated and approved at the 22nd Meeting of the 10th Board of Directors and the 13th Meeting of the 10th Supervisory Committee. As such, the

Company decided to repurchase and retire the restricted shares held by awardees who were no longer eligible which had been granted but not lifted from restricted sales. A total of 62,310 restricted shares involving 7 awardees were repurchased and retired which was completed on 29 November 2022. Upon the completion of this grant registration, the total share capital of the Company increased to 1,471,895,100 shares from 1,471,957,410.

D. On 29 December 2022, the *Proposal on the Grant of Reserved Restricted Shares to Awardees* was deliberated and approved at the 26th Meeting of the 10th Board of Directors and the 15th Meeting of the 10th Supervisory Committee, respectively. As such, it was decided to grant the restricted shares to eligible awardees and the grant was completed and registered on 16 February 2023. A total of 92,669 restricted shares were granted to 17 awardees as registered, which were listed on 17 February 2023. Upon the completion of this grant registration, the total share capital of the Company increased to 1,471,987,769 shares from 1,471,895,100.

Transfer of share ownership

Applicable N/A

Effects of changes in shares on the basic EPS, diluted EPS, net assets per share attributable to common shareholders of the Company and other financial indexes over the last year and the last reporting period

Applicable N/A

Other contents that the Company considers it necessary or required by the securities regulatory authorities to disclose

Applicable N/A

1.2 Changes in restricted shares

Applicable N/A

Unit: Share

Name of shareholder	Number of restricted shares held at the beginning of the reporting period	Increase in restricted shares during the reporting period	Decrease in restricted shares during the reporting period	Number of restricted shares held at the end of the reporting period	Reason for restriction	Date of unlocking
2021 Restricted Share Incentive Plan	0	7,142,624	0	7,142,624	Restricted shares for equity incentive	In accordance with the relevant provisions governing lifting the restriction of the Company's 2021 Restricted Share Incentive Plan
Total	0	7,142,624	0	7,142,624	--	--

2. Issuance and listing of securities

2.1 Securities (excluding preferred shares) issued in the reporting period

Applicable N/A

Name of stock and derivative securities	Date of offering	Offering price (or interest rate)	Number offered	Date of listing	Number approved for public trading	Date of termination of trading	Index to disclosed information	Date of disclosure
Stocks								
First grant of 2021 Restricted Share Incentive Plan	22 February 2022	CNY 92.71/share	6,862,600	22 February 2022	6,862,600		Announcement No. 2022-1 on the Completion of the Grant of Restricted Shares disclosed on www.cninfo.com.cn	21 February 2022
Grant of reserved restricted shares for 2021 Restricted Share Incentive Plan	28 September 2022	CNY 89.466/share	342,334	28 September 2022	342,334		Announcement No. 2022-54 on the Completion of the Grant of Reserved Restricted Shares for 2021 Restricted Share Incentive Plan disclosed on www.cninfo.com.cn	26 September 2022
Convertible corporate bonds, convertible corporate bonds with warrants, or corporate debt								
Other derivative securities								

Notes to the offering of securities during the reporting period

A. On 29 December 2021, the *Proposal on the Grant of Restricted Shares to Awardees* was deliberated and approved at the 12th Meeting of the 10th Board of Directors and the Sixth Meeting of the 10th Supervisory Committee. As such, it was decided to grant the restricted shares to eligible awardees and the grant was completed and registered on 21 February 2022. A total of 6,862,600 restricted shares

were granted to 437 awardees as registered, which were listed on 22 February 2022. For details, see the Announcement No. 2022-1 on the Completion of the Grant of Restricted Shares disclosed on www.cninfo.com.cn.

B. On 25 July 2022, the *Proposal on the Grant of Reserved Restricted Shares to Awardees* was deliberated and approved at the 18th Meeting of the 10th Board of Directors and the Ninth Meeting of the 10th Supervisory Committee, respectively. As such, it was decided to grant the restricted shares to eligible awardees and the grant was completed and registered on 26 September 2022. A total of 342,334 restricted shares were granted to 46 awardees as registered, which were listed on 28 September 2022. For details, see the Announcement No. 2022-54 on the Completion of the Grant of Reserved Restricted Shares for 2021 Restricted Share Incentive Plan disclosed on www.cninfo.com.cn.

2.2 Changes in total shares of the Company and the shareholder structure, as well as the asset and liability structure

Applicable N/A

During the Reporting Period, the total shares of the Company increased by 7,142,624 shares due to the implementation of the 2021 Restricted Share Incentive Plan, among which, the grant, registration and listing of 6,862,600 restricted shares for the first time and 342,334 reserved restricted shares were completed on 22 February and 28 September 2022, respectively; and the repurchase and retirement of 62,310 restricted shares was completed on 29 November 2022.

2.3 Existing staff-held shares

Applicable N/A

3. Shareholders and actual controller

3.1 Total number of shareholders and their shareholdings

Unit: Share

Total number of common shareholders at the end of the reporting period	111,220	Total number of common shareholders at the prior month-end before the disclosure date of the annual report	86,898	Total number of preferred shareholders with resumed voting rights by the end of the reporting period (if any)(see Note 8)	0	Total number of preferred shareholders with resumed voting rights by the end of the reporting period (if any)(see Note 8)	0
--	---------	--	--------	---	---	---	---

Shareholdings of shareholders with a shareholding percentage over 5% or the top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held by the end of the reporting period	Increase/decrease during the reporting period	Number of holding restricted shares	Number of holding non-restricted shares	Pledged, marked or frozen shares	
							Status of shares	Number of shares
Luzhou Laojiao Group Co., Ltd.	State-owned corporation	25.89%	381,088,389	0	0	381,088,389		
Luzhou XingLu Investment Group Co., Ltd.	State-owned corporation	24.86%	365,971,142	0	0	365,971,142		
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund	Other	3.13%	46,076,226	-1,019,108	0	46,076,226		
Hong Kong Securities Clearing Company Limited	Outbound corporation	3.10%	45,612,656	10,172,568	0	45,612,656		
China Securities Finance Corporation Limited	Other	2.30%	33,842,059	0	0	33,842,059		
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	Other	1.56%	22,930,000	-3,070,000	0	22,930,000		
Industrial and Commercial Bank of China Co., Ltd.-Newly growth hybrid securities investment fund by Invesco Great Wall	Other	1.20%	17,673,777	-1,526,223	0	17,673,777		
Central Huijin Asset Management Co., Ltd.	State-owned corporation	0.92%	13,539,862	0	0	13,539,862		
Agricultural Bank of China Co., Ltd. - Consumption industry stock - based securities investment fund by E	Other	0.72%	10,573,293	0	0	10,573,293		

Fund								
China Life Insurance Company Limited-Tradition-common insurance product-005L—CT001 Shen	Other	0.58%	8,594,014	/	0	8,594,014		
Strategic investors or general corporations become the top-ten shareholders due to placing of new shares (if any) (see note 3)	N/A							
Related parties or acting-in-concert	<p>1. Luzhou Laojiao Group Co., Ltd. and Luzhou XingLu Investment Group Co., Ltd. are both holding state-owned companies under the jurisdiction of SASAC of Luzhou. The two companies signed the agreement of persons acting in concert on 31 December 2015. For details, please refer to the announcement of the Company on 5 January 2016 - <i>Announcement on the agreement of persons acting in concert signed by shareholders</i>. The announcement number is 2016-1 (http://www.cninfo.com.cn/). The two companies signed the renewed agreement of persons acting in concert on 27 May 2021. For details, please refer to the announcement of the Company on 29 May 2021 - <i>Announcement on the renewed agreement of persons acting in concert signed by shareholders</i>. The announcement number is 2021-18 (http://www.cninfo.com.cn/).</p> <p>2. In addition, whether there is an association between the remaining shareholders or they belong to persons acting in concert is unknown.</p>							
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	N/A							
Special account for repurchased shares among the top 10 shareholders (if any) (see note 10)	N/A							
Shareholdings of the top 10 non-restricted shareholders								
Name of shareholder	Number of non-restricted shares held in by the end of the reporting period	Type of shares						
		Type	Number					
Luzhou Laojiao Group Co., Ltd.	381,088,389	CNY common shares	381,088,389					
Luzhou XingLu Investment Group Co., Ltd.	365,971,142	CNY common shares	365,971,142					
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund	46,076,226	CNY common shares	46,076,226					
Hong Kong Securities Clearing Company Limited	45,612,656	CNY common shares	45,612,656					
China Securities Finance Corporation Limited	33,842,059	CNY common shares	33,842,059					
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	22,930,000	CNY common shares	22,930,000					
Industrial and Commercial Bank of China Co., Ltd.- Newly growth hybrid securities investment fund by Invesco Great Wall	17,673,777	CNY common shares	17,673,777					
Central Huijin Asset Management Co., Ltd.	13,539,862	CNY common shares	13,539,862					
Agricultural Bank of China Co., Ltd. - Consumption industry stock - based securities investment fund	10,573,293	CNY common shares	10,573,293					

by E Fund			
China Life Insurance Company Limited-Tradition-common insurance product-005L—CT001 Shen	8,594,014	CNY common shares	8,594,014
The statement of association or acting-in-concert between the top 10 shareholders of unrestricted shares and between the top 10 shareholders of unrestricted shares and top 10 shareholders	See the table above		
Top 10 common shareholders participating in securities margin trading (if any) (see note 4)	N/A		

Did any of the top 10 common shareholders or the top non-restricted common shareholders of the Company conduct any promissory repurchase during the reporting period.

Yes No

The top 10 non-restricted common shareholders, the top 10 common shareholders did not conduct any promissory repurchase during the reporting period.

3.2 Controlling shareholder

Nature of controlling shareholder: Local state-owned

Type of controlling shareholder: Corporation

Name of controlling shareholder	Legal representative /Company principal	Date of establishment	Credibility code	Main business scope
Luzhou Laojiao Group Co., Ltd.	Liu Miao	21 December 2000	91510500723203346U	General project: Social economy consulting services; business management consulting; financial consulting; business headquarters management; import and export agency; trade brokerage; crops planting services; trees planting operation; elder care services; tourism development project planning and consulting; technical agency services; engineering and technological research and experimental development; display device manufacturing; supply chain management services; technical services, technical development, technical consulting, technical communication, technical transfer, and technical promotion; domestic freight transport agency; and equity fund-invested asset management services. It shall also include licensed projects (business activities can be carried out legally and independently with business license in addition to projects that must be approved by law): Agency bookkeeping; career intermediary activities; food production; food sales; and medical services. (business activities that

				require approval in accordance with laws can be carried out upon approval of relevant authorities, and the specific business projects shall be subject to the approval document or license of relevant departments)
Shareholdings of the controlling shareholder in other controlled or non-controlled listed companies at home or abroad during the reporting period	1. As of 30 June 2022, Laojiao Group holds 70,406,310 shares of Luzhou Xinglu Water (Group) Co., Ltd. (02281.HK), accounting for 8.19% of the total issued shares. 2. As of 30 September 2022, Laojiao Group holds 212,954,666 shares of Hongli Zhihui Group Co., Ltd. (300219.SZ) through its wholly-owned subsidiary, Sichuan Jinduo investment Co., Ltd., accounting for 30.08% of the total issued shares. 3. As of 30 September 2022, Laojiao Group holds 475,940,143 shares of Huaxi Securities Co., Ltd. (002926.SZ), accounting for 18.13% of the total issued shares. 4. As of 31 December 2022, Laojiao Group holds 390,528,000 shares of Luzhou Bank (01983.HK), accounting for 14.37% of the total issued shares.			

Change of the controlling shareholder during the reporting period

Applicable N/A

No such cases in the reporting period

3.3 Actual controller and its persons acting in concert

Nature of actual controller: Local State-owned Assets Supervision and Administration Commission

Type of actual controller: Corporation

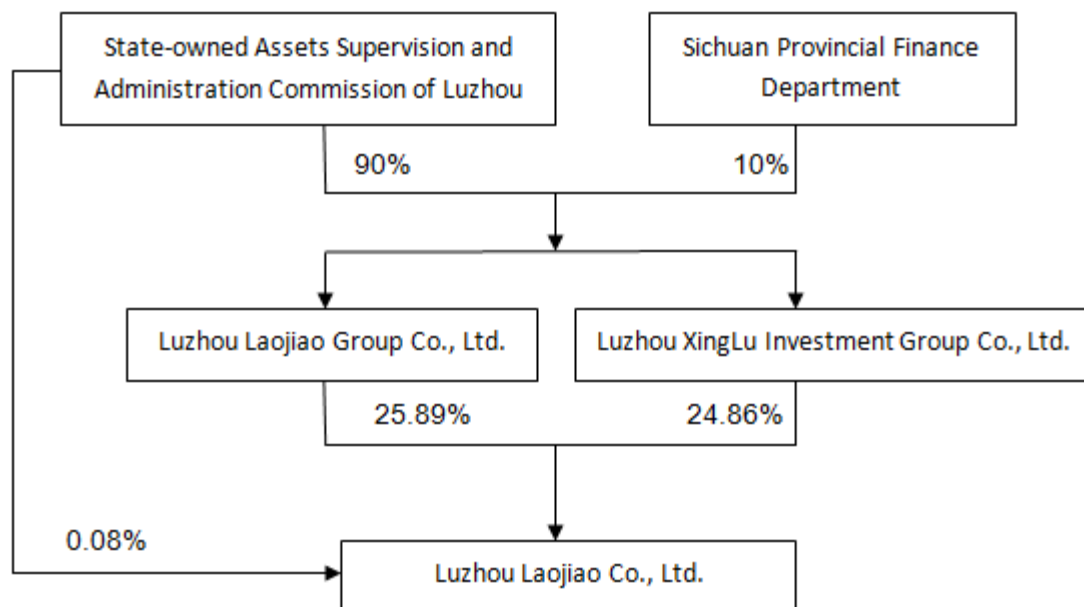
Name of actual controller	Legal representative/Company principal	Date of establishment	Credibility code	Main business scope
SASAC of Luzhou	Du Lei	1 March 2005	11510400771686813T	State-owned assets supervision and administration department
Share holdings of the controlling shareholder in other controlled or non-controlled listed companies at home or abroad during the reporting period.	1. As of 30 June 2022, XingLu Group, a controlled subsidiary of SASAC of Luzhou, holds 511,654,127 shares of Luzhou Xinglu Water (Group) Co., Ltd. (02281.HK), accounting for 59.51% of the total issued shares. Luzhou Infrastructure Construction Investment Co., Ltd., a holding subsidiary of XingLu Group, holds 62,709,563 shares of Luzhou Xinglu Water (Group) Co., Ltd. (02281.HK), and accounting for 7.29% of the total issued shares. Laojiao Group, a controlled subsidiary under SASAC of Luzhou, holds 70,406,310 shares of Luzhou Xinglu Water (Group) Co., Ltd. (02281.HK), accounting for 8.19% of the total issued shares. 2. As of 30 September 2022, Laojiao Group holds 212,954,666 shares of Hongli Zhihui Group Co., Ltd. (300219.SZ) through its controlled subsidiary, Sichuan Jinduo investment Co., Ltd., accounting for 30.08% of the total shares issued. 3. As of 30 September 2022, Luzhou Industrial Investment Group Co., Ltd., a holding Company under the jurisdiction of SASAC of Luzhou, holds 193,464,610 shares of Sichuan Lutianhua Company Limited (000912.SZ), accounting for 12.34% of the total shares issued. Lutianhua Group Company Limited, a wholly-owned subsidiary of Luzhou Industrial Investment Group Co., Ltd., holds 221,458,993 shares of Sichuan Lutianhua Company Limited (000912.SZ), and accounting for 13.49% of the total issued shares. 4. As of 30 September 2021, Laojiao Group, a controlled subsidiary under SASAC of Luzhou, holds 475,940,143 shares of Huaxi Securities Co., Ltd. (002926.SZ), accounting for 18.13% of the total issued shares. 5. As of 31 December 2022, Laojiao Group, a controlled subsidiary under SASAC of Luzhou, holds 325,440,000 shares of Luzhou Bank (01983.HK), accounting for 14.37% of the total issued shares. XingLu Group, a controlled subsidiary under SASAC of Luzhou, holds 40,549,462 shares of Luzhou Bank (01983.HK), accounting for 1.79% of the total issued shares.			

Change of the actual controller during the reporting period

Applicable N/A

The actual controller of the Company has not changed during the reporting period.

Ownership and control relations between the actual controller and the Company



The actual controller control the company through a trust or other ways of assets management

Applicable N/A

3.4 Number of accumulative pledged shares held by the company's controlling shareholder or the largest shareholder as well as its acting-in-concert parties accounts for 80% of all shares of the company held by them

Applicable N/A

3.5 Other corporate shareholders with a shareholding proportion over 10%

Applicable N/A

Name of corporate shareholder	Legal representative/Company principal	Date of establishment	Registered capital (CNY)	Main business scope
Luzhou XingLu Investment Group Co., Ltd.	Dai Zhiwei	28 January 2003	4,934,049,244	Investment and asset management; project management services; self-finance real estate business activities; investment advisory services and financial advisory services (excluding such financial activities as illegal capital raising and collecting public funds) (business activities that require approval in accordance with laws can be carried out upon approval of relevant authorities)

3.6 Limits on reduction of the Company's shares held by its controlling shareholder, actual controller, restructuring party and other commitment entities.

Applicable N/A

4. Specific implementation of share repurchase during the reporting period

Implementation progress of shares repurchases

Applicable N/A

Implementation progress of share buyback reduction through centralized bidding

Applicable N/A

Section VIII Preferred Shares

Applicable N/A

No preferred stock in the Company during the reporting period.

Section IX Information about Bond

Applicable N/A

1. Enterprise bonds

Applicable N/A

No such cases in the reporting period.

2. Corporate bonds

Applicable N/A

2.1. Basic information about the corporate bond

Unit: CNY

Name	Abbr.	Code	Issue date	Value date	Due date	Bond balance	Interest rate	Way of redemption	Place of trading
2019 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Qualified Investors (Phase I)	19 Lao Jiao 01	112959.SZ	27 August 2019	28 August 2019	28 August 2022	2,500,000,000.00	3.58%	Fully redeemed on 29 August 2022	Shenzhen Stock Exchange
2020 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Qualified Investors (Phase I)	20 Lao Jiao 01	149062.SZ	16 March 2020	17 March 2023	17 March 2025	1,500,000,000.00	3.50%	In terms of the bonds of this phase, interests will be paid by year and the principal will be repaid in lump sum at maturity. The interests	Shenzhen Stock Exchange

								will be paid once every year and the interests for the last installment will be paid together with the principal.	
2022 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Professional Investors (Phase I)	22 Lao Jiao 01	148133.SZ	2 December 2022	2 December 2022	2 December 2025	1,500,000,000.00	2.85%	In terms of the bonds of this phase, interests will be paid by year and the principal will be repaid in lump sum at maturity. The interests will be paid once every year and the interests for the last installment will be paid together with the principal.	Shenzhen Stock Exchange
Appropriate arrangement of the investors (if any)	The bonds are applicable to eligible investors who have qualified securities accounts with Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., are permitted to engage in the subscription and transfer of corporate bonds in accordance with the <i>Management Measures for the Issue and Transaction Management of Corporate Bonds</i> , <i>Management Measures for the Suitability of Securities and Futures Investors</i> , <i>Management Measures of Shenzhen Stock Exchange for the Suitability of Securities Market Investors</i> , and relevant laws and regulations, and have the corresponding risk identification and bearing capacity (excluding those prohibited by laws and regulations)								
Trading systems applicable	Tradable by way of bidding, offering, inquiry and agreement								
Risk of termination of listing and trading (if any) and countermeasures	N/A								

Overdue bonds

Applicable N/A

2.2. Triggering and execution of issuer or investor option clauses and investor protection clauses

Applicable N/A

2.3. Information about the intermediaries

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
2019 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Qualified Investors (Phase I)/ 2020 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Qualified Investors (Phase I)/ 2022 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Professional Investors (Phase I)	China International Capital Corporation Limited.	33rd Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing	N/A	Qi Qin	(010)65051166
2019 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Qualified Investors (Phase I)/ 2020 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Qualified Investors (Phase I) / 2022 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Professional Investors (Phase I)	China Chengxin International Credit Rating Co., Ltd.	Building 6, Galaxy SOHO, No.2 Nanzhugan hutong, Chaoyangmennei Avenue, Dongcheng District, Beijing	N/A	Sun Shu	(010)66428877

Indicate by tick mark whether above intermediaries changed in the reporting period

□ Yes No**2.4. List of the usage of the raised funds**

Unit: CNY

Bonds	Total amount	Amount spent	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
2019 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Qualified Investors (Phase I)	2,500,000,000.00	2,530,818,423.11 ¹	0.00	Fully redeemed in August 2022. The company has set up a special account to deposit the funds raised and has signed a fund account supervision agreement to clarify it. The special account for fund raising was operating normally during the Reporting Period. (1) Account name: Luzhou Laojiao Co., Ltd.; Opening bank: Guangfa Bank Co., Ltd., Chengdu Branch; Bank account: 9550880046723000135. (2) Account name: Luzhou Laojiao Co., Ltd.; Opening bank: Bank of Communications Co., Ltd., Luzhou Branch; Bank account: 517517460013000000860. (3) Account name: Luzhou Laojiao Co., Ltd.; Opening bank: China Merchants Bank Co., Ltd., Chengdu Fucheng Avenue Sub-branch; Bank account: 028900140410888. (The bonds have been fully redeemed on 29 August 2022)	N/A	Yes
2020 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Qualified Investors (Phase I)	1,500,000,000.00	861,042,216.81	714,356,703.50	The company has set up a special account to deposit the funds raised and has signed a fund account supervision agreement to clarify it. The special account for fund raising was operating normally during the Reporting Period. (1) Account name: Luzhou Laojiao Co., Ltd.; Opening bank: Guangfa Bank Co., Ltd., Chengdu Branch; Bank account: 9550880046723000135. (2)	N/A	Yes

				Account name: Luzhou Laojiao Co., Ltd.; Opening bank: Bank of Communications Co., Ltd., Luzhou Branch; Bank account: 517517460013000000860. (3) Account name: Luzhou Laojiao Co., Ltd.; Opening bank: China Minsheng Bank Co., Ltd., Chengdu Branch; Bank account: 631395395.		
2022 Public Offering of Corporate Bond of Luzhou Laojiao Co., Ltd. for Professional Investors (Phase I)	1,500,000,000.00	1,498,800,000.00 ²	0.00	Luzhou Laojiao Co., Ltd.; Opening bank: China Merchants Bank Co., Ltd., Chengdu Fucheng Avenue Sub-branch; Bank account: 028900140410888.	N/A	Yes

Note 1: Including accumulated interest income of CNY 40,825,632.44, net of issue costs of CNY 10,000,000 and accumulated handling expenses of CNY 7,209.33.

Note 2: Deducted the issue costs of CNY 1,200,000.

The raised funds were used for project construction

Applicable N/A

The Company raised a fund of CNY 4.0 billion through the issue of corporate bonds respectively on 27 August 2019 and 16 March 2020. After deduction of the issue fees, the balance amount was set to use in the technical renovation project of brewing (Phase II), Project of Intelligent Upgrading and Building of the Information Management System, Project of Acquiring Sealing Equipment for the Cellar of Huangyi Brewing Base and Project of Acquiring Accessory Equipment for Leaven Making for Huangyi Brewing Base. As of 31 December 2022, CNY 3,391,860,600 of the fund-raising through the issue of corporate bonds had been used.

The Company changed the usage of above funds raised from bonds during the reporting period.

Applicable N/A

2.5. Changes in credit ratings in the reporting period

Applicable N/A

2.6. Execution and changes with respect to guarantees, repayment plans and other repayment-ensuring measures in the reporting period, as well as the impact on the interests of bond holders

Applicable N/A

3. Debt instruments as a non-financial enterprise

Applicable N/A

No such cases in the reporting period.

4. Convertible corporate bonds

Applicable N/A

No such cases in the reporting period.

5. Consolidated loss of the reporting period over 10% of net assets as at the end of last year

Applicable N/A

6. Matured interest-bearing debt excluding bonds up the period-end

Applicable N/A

7. Whether there was any violation of rules and regulations during the reporting period

Yes No

8. The major accounting data and the financial indicators of the recent 2 years of the company as of the end of the reporting period

Unit: CNY 10,000

Item	31 December 2022	31 December 2021	Change
Current ratio	3.15	2.43	29.63%
Debt/asset ratio	33.19%	34.89%	-1.70%
Quick ratio	2.20	1.74	26.44%
	2022	2021	Change
Net profits before non-recurring gains and losses	1,032,148.12	788,438.41	30.91%
EBITDA/debt ratio	235.37%	277.43%	-42.06%
Interest cover (times)	61.28	49.41	24.02%
EBITDA-to-interest cover (times)	64.08	52.01	23.21%

Section X Financial Report

1. Auditor's report

Type of audit report	Standard without reserved opinion
Signing date of auditor's report	28 April 2023
Name of Audit	Sichuan Huaxin (Group) CPA Firm
No. of auditor's report	Chuan Huaxin Audit [2023] No. 0042
Names of auditors	Li Wulin, Tang Fangmo, Fan Bo

Auditor's Report

To the shareholders of Luzhou Laojiao Co., Ltd.:

Opinion

We have audited the financial statements of Luzhou Laojiao Co., Ltd. (hereinafter referred to as the "Company"), which comprise the consolidated balance sheet and balance sheet as at 31 December 2022, consolidated income statement and income statement, consolidated cash flow statement and cash flow statement, consolidated statement of changes in owners' equity and statement of changes in owners' equity for the year then ended; and notes to the financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises and present fairly the financial position of the company as at 31 December 2022 and its operating results and cash flow for the year then ended.

Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs") for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of professional ethics for Certified Public Accountants in China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters identified in our audit are summarized as follows:

1. Key audit matters-Recognition of domestic baijiu sales revenue	
Key audit matters	How our audit addressed the Key Audit Matter
<p>As shown in Note 5.36 in the Financial Statements, the domestic baijiu sales revenue in the Company is CNY 24,613,436,200, accounting for 99.38% of the primary business revenue of CNY 24,766,122,000. It is the main source of the Company's operating profit. For the operating revenue is one of the key results indicators and the inherent risk of its misstatement is relatively high, therefore, we identified the recognition of domestic baijiu sales revenue as a key audit matter.</p>	<p>Our procedures in relation to recognition of domestic baijiu sales revenue included:</p> <ol style="list-style-type: none"> 1. Understood, evaluated and tested the reasonableness and effectiveness of the internal control design related to the Company's revenue. Particular attention was paid to the appropriateness of specific conditions for recognition of revenue. 2. Compared the key indicators such as sales volume, unit price of sales and gross profit rate of the Company in the current period with those in the previous period, so as to identify the rationality of changes in key indicators and reasons for changes. 3. The income of the top five customers accounted for 67.09% of the total business income. For main customers, we carried out the following audit procedures to verify the occurrence, completeness and accuracy of the revenue recognized by the management: <ol style="list-style-type: none"> (1) Obtained the sales contract signed by the Company and the customer, carefully read the key terms of the contract, and understand the implementation of the contract; (2) Performed the confirmation procedure. We sent confirmation letters to verify the amount of sales revenue in the reporting period and the closing balance of accounts receivables or contract liabilities during the reporting period. For local customers in Luzhou, we went to their office to carry out confirmation procedure and obtained the situation of purchase, sales and storage of Luzhou Laojiao brand baijiu during the reporting period, so as to analyze and judge whether there are abnormal fluctuations in its inventory and its rationality; For customers outside Luzhou, we mailed confirmation letters and controlled the whole process of reply letter by ourselves. (3) Inquired the customer's business information and key personnel information, and checked whether they are related party of the Company. 4. For other customers, randomly checked sales contracts, customers' purchase orders, shipping documents, transport documents, accounting vouchers, payment receipts, customer signature records and other materials to verify the occurrence, completeness and accuracy of the revenue recognized by the management. 5. Selected the confirmation voucher of large amount of sales before and after the balance sheet date, paid attention to the date of sales invoice and customer receipt, and paid attention to whether there is a large amount of return after the period, so as to verify

	<p>whether the corresponding revenue is included in the appropriate accounting period.</p> <p>The evidence obtained from the above audit procedures can support the Company's management's recognition of domestic baijiu sales revenue.</p>
2. Key audit matters-Existence of bank deposits	
Key audit matters	How our audit addressed the Key Audit Matter
<p>As shown in Note 5.1 in the Financial Statements, as of 31 December 2022, the bank balance of the Company is CNY 17,729,643,100, accounting for 34.50% of the total assets. Bank deposits are high-risk assets. Therefore, we identified the existence of bank deposits as a key audit matter.</p>	<p>Our procedures in relation to existence of bank deposits included:</p> <ol style="list-style-type: none"> 1. Understood and tested the design and implementation of key internal controls related to the funds management cycle to confirm the effectiveness of relevant internal controls. 2. Accompanied by relevant personnel of the Company, auditors went to the bank by themselves where the Company opens a basic bank account to print the account opening list of the Company and check the account opening information individually. 3. Checked the carrying amount of all bank accounts with the original amount of bank statements and certificates of deposit, and obtained all copies. 4. Based on the results of checking the amount of bank statements, obtained the balance reconciliation of all bank accounts compiled by the Company, and check all the outstanding items, whether there are any important overdue items that are not booked in time. 5. Implemented the confirmation procedure for the Company's bank deposits, the confirmation letters were sent out by mailing after auditors checked the address and the receiver through telephone, network and other public information, and we controlled the whole reply letter process by ourselves. 6. Obtained and reviewed time deposits or structured deposit agreements, identified the types of relevant bank deposits, analyzed the principal and interest recovery risks, and judged the adequacy of the disclosure. 7. Inquired the management and relevant personnel about the purpose of all bank accounts on the Company's books and analyzed whether there are abnormal use or bank accounts opened for unknown reasons. <p>The evidence obtained from the above audit procedures can support the Company's management's assertion of the existence of bank deposits.</p>

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors and those charged with governance for the financial statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with the disclosure requirements of Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to ensure the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to

fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(4) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Sichuan Huaxin (Group) CPA Firm

Chengdu·China

Chinese CPA: Li Wulin
(Engagement Partner)

Chinese CPA: Tang Fangmo

Chinese CPA: Fan Bo

28 April 2023

2. Financial statements

Monetary unit for the financial statements and the notes thereto: CNY

Prepared by: Luzhou Laojiao Co., Ltd.

Consolidated balance sheet

As at 31 December 2022

Monetary Unit: CNY

Item	Balance as at 31 December 2022	Balance as at 1 January 2022
Current assets:		
Cash and cash equivalents	17,757,528,211.25	13,513,494,580.56
Settlement reserves		
Lending funds		
Held-for-trading financial assets	1,073,466,780.37	706,352,241.79
Derivative financial assets		
Notes receivables		
Accounts receivables	5,939,420.78	1,628,248.55
Accounts receivables financing	4,583,352,503.37	4,757,631,778.64
Prepayment	114,257,506.26	178,087,688.81
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve		
Other receivables	23,396,533.98	28,615,361.96
Including: Interests receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventories	9,840,742,374.85	7,277,573,166.80
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	153,035,946.94	111,974,532.91
Total current assets	33,551,719,277.80	26,575,357,600.02
Non-current assets:		
Disbursement of loans and advances		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	2,667,500,553.17	2,626,744,236.25
Investments in other equity instruments	1,136,736,978.11	363,312,120.43
Other non-current financial assets		
Investment property	39,149,454.22	
Fixed assets	8,856,258,598.78	8,089,487,274.39
Construction in progress	808,919,047.21	1,259,845,487.50
Productive biological assets		

Oil and gas assets		
Use right assets	39,952,525.63	52,714,810.04
Intangible assets	3,083,271,852.79	2,606,359,188.72
Development expenses		
Goodwill		
Long-term deferred expenses	710,010.92	1,463,869.21
Deferred tax assets	1,005,167,353.80	986,112,983.42
Other non-current assets	196,095,702.09	650,384,435.70
Total non-current assets	17,833,762,076.72	16,636,424,405.66
Total assets	51,385,481,354.52	43,211,782,005.68
Current liabilities:		
Short-term loans		
Borrowings from the central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	2,311,665,585.04	2,420,354,469.53
Advance from customer		
Contract liabilities	2,566,374,718.76	3,510,110,701.25
Financial assets sold for repurchase		
Deposits from customers and inter-bank		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee benefits payable	675,034,885.31	648,103,740.96
Taxes payable	3,481,150,728.98	3,173,479,627.79
Other payable	1,202,409,278.49	652,393,292.60
Including: Interests payable		
Dividends payable	16,594,850.58	
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	81,879,466.63	86,202,215.03
Other current liabilities	333,627,225.47	456,314,391.17
Total current liabilities	10,652,141,888.68	10,946,958,438.33
Non-current liabilities:		
Insurance contract reserves		
Long-term loans	3,179,600,000.00	
Bonds payable	2,996,099,571.86	3,990,785,742.23
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	29,096,969.66	40,667,668.08
Long-term payables		
Long-term payroll payables		

Accrued liabilities		
Deferred income	33,704,323.80	28,531,014.28
Deferred tax liabilities	166,043,663.88	67,578,019.93
Other non-current liabilities		
Total non-current liabilities	6,404,544,529.20	4,127,562,444.52
Total liabilities	17,056,686,417.88	15,074,520,882.85
Owners' equity		
Share capital	1,471,895,100.00	1,464,752,476.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	4,800,154,468.99	3,755,354,665.73
Less: treasury stock	639,021,998.78	
Other comprehensive income	330,751,245.84	167,527,152.32
Special reserves		
Surplus reserves	1,471,895,100.00	1,464,752,476.00
General risk reserve		
Undistributed profits	26,772,197,213.98	21,187,860,235.89
Total equity attributable to owners of the parent company	34,207,871,130.03	28,040,247,005.94
Non-controlling interests	120,923,806.61	97,014,116.89
Total owners' equity	34,328,794,936.64	28,137,261,122.83
Total liabilities and owners' equity	51,385,481,354.52	43,211,782,005.68

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Yan Li

Balance sheet of parent company

As at 31 December 2022

Monetary Unit: CNY

Item	Balance as at 31 December 2022	Balance as at 1 January 2022
Current assets:		
Cash and cash equivalents	17,009,231,873.64	13,038,549,397.55
Held-for-trading financial assets	974,505,894.18	706,352,241.79
Derivative financial assets		
Notes receivables		
Accounts receivables	47,500.00	1,207,477.63
Accounts receivables financing		
Prepayment	2,141,256.01	1,464,893.09
Other receivables	12,042,401,844.84	10,033,554,898.57
Including: Interests receivable		
Dividends receivable		
Inventories	2,499,333.08	3,918,211.13
Contract assets		
Assets held for sale		

Non-current assets due within one year		
Other current assets	34,163.66	
Total current assets	30,030,861,865.41	23,785,047,119.76
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	6,278,966,093.87	6,051,400,833.91
Investments in other equity instruments	1,136,433,056.48	362,983,198.80
Other non-current financial assets		
Investment property	39,149,454.22	
Fixed assets	1,021,509,077.72	1,087,640,695.62
Construction in progress	49,136,390.14	53,881,812.48
Productive biological assets		
Oil and gas assets		
Use right assets	600,190.05	573,800.02
Intangible assets	617,211,243.56	671,147,243.40
Development expenses		
Goodwill		
Long-term deferred expenses	548,507.41	1,364,659.65
Deferred tax assets	147,351,049.81	91,734,925.57
Other non-current assets	14,808,459.12	500,600.00
Total non-current assets	9,305,713,522.38	8,321,227,769.45
Total assets	39,336,575,387.79	32,106,274,889.21
Current liabilities:		
Short-term loans		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	51,174,790.68	83,724,151.54
Advance from customer		
Contract liabilities	1,510,508.26	2,523,947.74
Employee benefits payable	241,471,148.70	234,008,858.96
Taxes payable	381,259,266.93	285,894,625.64
Other payables	1,730,335,596.91	1,659,106,919.10
Including: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	67,673,936.27	72,625,138.08
Other current liabilities	196,366.07	328,113.21
Total current liabilities	2,473,621,613.82	2,338,211,754.27
Non-current liabilities:		
Long-term loans	3,179,600,000.00	
Bonds payable	2,996,099,571.86	3,990,785,742.23

Including: Preferred shares		
Perpetual bonds		
Lease liabilities	203,920.20	163,523.64
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income		
Deferred tax liabilities	132,565,131.74	67,578,019.93
Other non-current liabilities		
Total non-current liabilities	6,308,468,623.80	4,058,527,285.80
Total liabilities	8,782,090,237.62	6,396,739,040.07
Owners' equity		
Share capital	1,471,895,100.00	1,464,752,476.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	4,789,603,151.65	3,739,666,108.27
Less: treasury stock	639,021,998.78	
Other comprehensive income	328,542,995.36	167,572,013.86
Special reserves		
Surplus reserves	1,471,895,100.00	1,464,752,476.00
Undistributed profits	23,131,570,801.94	18,872,792,775.01
Total owners' equity	30,554,485,150.17	25,709,535,849.14
Total liabilities and owners' equity	39,336,575,387.79	32,106,274,889.21

Consolidated income statement

Monetary Unit: CNY

Item	Year 2022	Year 2021
1. Total operating revenue	25,123,563,271.62	20,642,261,724.37
Including: Operating revenue	25,123,563,271.62	20,642,261,724.37
Interest income		
Earned premium		
Fee and commission income		
2. Total operating costs	11,424,541,543.84	10,393,487,334.14
Including: Cost of sales	3,369,528,394.02	2,952,431,488.31
Interest expense		
Handling charges and commission expenses		
Refunded premiums		
Net payments for insurance claims		
Net provision for insurance contracts		
Bond insurance expense		

Reinsurance Expenses		
Taxes and surcharges	3,523,948,287.48	2,864,901,542.85
Selling and distribution expenses	3,448,771,046.02	3,599,211,604.56
General and administrative expenses	1,162,422,257.23	1,056,116,367.85
Research and Development expenses	206,248,486.57	137,712,329.78
Financial expenses	-286,376,927.48	-216,885,999.21
Including: Interest expenses	229,673,136.36	195,125,786.35
Interest income	505,746,664.32	419,897,541.04
Plus: Other income	36,524,317.09	52,319,231.39
Investment income ("-" for losses)	104,715,915.31	202,205,718.92
Including: income from investment in associates and joint ventures	84,626,608.53	195,543,058.40
Income from the derecognition of financial assets measured at amortized cost ("-" for losses)		
Foreign exchange gains ("-" for losses)		
Net gain on exposure hedges ("-" for losses)		
Gains from the changes in fair values("-" for losses)	-12,023,622.50	6,352,241.79
Credit impairment losses ("-" for losses)	-1,165,718.34	81,126,114.88
Impairment losses("-" for losses)		
Gains from disposal of assets("-" for losses)	19,805,093.70	-347,429.88
3. Operating profits ("-" for losses)	13,846,877,713.04	10,590,430,267.33
Plus: non-operating income	27,833,420.31	27,246,707.88
Less: non-operating expenses	19,959,493.06	66,717,487.09
4. Total profits before tax ("-" for total losses)	13,854,751,640.29	10,550,959,488.12
Less: income tax expenses	3,444,162,535.86	2,613,697,101.19
5. Net profit ("-" for net loss)	10,410,589,104.43	7,937,262,386.93
5.1 By operating continuity		
5.1.1 Net profit from continuing operation ("-" for losses)	10,410,589,104.43	7,937,262,386.93
5.1.2 Net profit from discontinued operation ("-" for losses)		
5.2 By ownership		
1) Attributable to shareholders of the parent company	10,365,383,281.80	7,955,554,351.73
2) Attributable to non-controlling interests	45,205,822.63	-18,291,964.80
6. Net of tax from other comprehensive income	165,065,173.42	-19,081,558.37

Net of tax from other comprehensive income to the owner of the parent company	163,224,093.52	-18,536,172.71
6.1 Other comprehensive income cannot reclassified into the profit and loss:	173,373,357.69	11,707,013.25
1) Remeasure the variation of net indebtedness or net asset of defined benefit plans		
2) Share in other comprehensive income that cannot be classified into profit and loss under equity method		
3) Changes in fair value of investments in other equity instruments	173,373,357.69	11,707,013.25
4) Changes in fair value of the company's credit risks		
5) Other		
6.2 Other comprehensive income that will be reclassified into the profit and loss	-10,149,264.17	-30,243,185.96
1) Share in other comprehensive income that will be classified into profit and loss under equity method	-12,402,376.19	-29,576,301.94
2) Changes in fair value of investments in other debt obligations		
3) Other comprehensive income arising from the reclassification of financial assets		
4) Allowance for credit impairments in investments in other debt obligations		
5) Reserve for cash-flow hedge		
6) Balance arising from the translation of foreign currency financial statements	2,253,112.02	-666,884.02
7) Others		
Net of tax from other comprehensive income to non-controlling interests	1,841,079.90	-545,385.66
7. Total comprehensive income	10,575,654,277.85	7,918,180,828.56
Total comprehensive income attributable to owners of the parent company	10,528,607,375.32	7,937,018,179.02
Total comprehensive income attributable to non-controlling interests	47,046,902.53	-18,837,350.46
8. Earnings per share		
(1) Basic earnings per share	7.06	5.43
(2) Diluted earnings per share	7.06	5.43

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Yan Li

Income statement of parent company

Monetary Unit: CNY

Item	Year 2022	Year 2021
1. Operating revenue	8,410,433,537.26	7,602,627,780.05
Less: Cost of sales	6,178,065,196.37	5,665,157,031.44
Taxes and surcharges	65,990,094.21	48,515,753.23
Selling and distribution expenses		
General and administrative expenses	963,400,839.26	771,788,593.30
Research and Development expenses	90,299,057.13	56,568,184.04
Financial expenses	-465,296,222.32	-353,442,195.81
Including: Interest expenses	145,296,657.64	156,432,933.96
Interest income	613,452,430.61	511,551,991.26
Plus: Other income	18,824,179.28	32,634,508.70
Investment income ("-" for losses)	7,842,231,445.15	6,474,502,865.88
Including: income from investment in associates and joint ventures	45,123,842.50	171,693,567.56
Income from the derecognition of financial assets at amortized cost ("-" for losses)		
Net gain on exposure hedges ("-" for losses)		
Gains from the changes in fair values("-" for losses)	-10,984,508.69	6,352,241.79
Credit impairment losses ("-" for losses)	-610,527.84	80,203,108.29
Asset impairment losses ("-" for losses)		
Gains from disposal of assets("-" for losses)	19,786,813.38	546,546.66
2. Operating profits ("-" for losses)	9,447,221,973.89	8,008,279,685.17
Plus: non-operating income	18,588,745.48	15,646,393.45
Less: non-operating expenses	17,852,225.18	61,173,017.79
3. Total profits before tax ("-" for total losses)	9,447,958,494.19	7,962,753,060.83
Less: income tax expenses	408,118,536.71	391,636,642.56
4. Net profit ("-" for net loss)	9,039,839,957.48	7,571,116,418.27
4.1 Net profit from continuing operation ("-" for losses)	9,039,839,957.48	7,571,116,418.27
4.2 Net profit from discontinued operation ("-" for losses)		
5. Net of tax from other comprehensive income	160,970,981.50	-17,869,288.69
5.1 Other comprehensive income cannot reclassified into the profit and loss:	173,373,357.69	11,707,013.25
1) Remeasure the variation of net indebtedness or net asset of defined		

benefit plans		
2) Share in other comprehensive income that cannot be classified into profit and loss under equity method		
3) Changes in fair value of investments in other equity instruments	173,373,357.69	11,707,013.25
4) Changes in fair value of the company's credit risks		
5) Other		
5.2 Other comprehensive income that will be reclassified into the profit and loss	-12,402,376.19	-29,576,301.94
1) Share in other comprehensive income that will be classified into profit and loss under equity method	-12,402,376.19	-29,576,301.94
2) Changes in fair value of investments in other debt obligations		
3) Other comprehensive income arising from the reclassification of financial assets		
4) Allowance for credit impairments in investments in other debt obligations		
5) Reserve for cash-flow hedge		
6) Balance arising from the translation of foreign currency financial statements		
7) Others		
6. Total comprehensive income	9,200,810,938.98	7,553,247,129.58
7. Earnings per share		
(1) Basic earnings per share		
(2) Diluted earnings per share		

Consolidated statement of cash flows

Monetary Unit: CNY

Item	Year 2022	Year 2021
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	25,912,851,214.24	22,547,242,658.59
Net increase in customer bank deposits and placement from banks and other financial institutions		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Premiums received from original insurance contracts		
Net cash received from reinsurance business		

Net increase in deposits and investments from policyholders		
Cash received from interest, handling charges and commissions		
Net increase in placements from other financial institutions		
Net capital increase in repurchase business		
Net cash received from customer brokerage deposits		
Refunds of taxes and surcharges	96,229,396.25	3,431,889.01
Cash received from other operating activities	868,192,251.33	970,002,588.49
Subtotal of cash inflows from operating activities	26,877,272,861.82	23,520,677,136.09
Cash paid for goods purchased and services received	5,224,385,672.55	5,071,928,013.73
Net increase in loans and advances to customers		
Net increase in deposits in central bank and other banks and financial institutions		
Cash paid for original insurance contract claims		
Net increase in lending funds		
Cash paid for interests, handling charges and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	1,159,257,102.51	1,016,371,335.03
Cash paid for taxes and surcharges	9,242,016,336.48	6,428,760,153.55
Cash paid for other operating activities	2,988,965,480.56	3,304,969,529.27
Subtotal of cash outflows from operating activities	18,614,624,592.10	15,822,029,031.58
Net cash flows from operating activities	8,262,648,269.72	7,698,648,104.51
2. Cash flows from investing activities		
Cash received from disposal of investments	2,130,340,931.54	
Cash received from returns on investments	47,015,525.79	38,354,817.50
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	66,239,957.85	3,538,598.27
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	2,243,596,415.18	41,893,415.77
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	1,035,165,351.11	1,979,399,942.51

Cash paid for investments	3,082,285,380.80	740,542,370.00
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	4,117,450,731.91	2,719,942,312.51
Net cash flows from investing activities	-1,873,854,316.73	-2,678,048,896.74
3. Cash flows from financing activities		
Cash received from investors	670,224,927.99	8,305,794.84
Including: cash received by subsidiaries from investments by minority shareholders	3,366,028.35	8,305,794.84
Cash received from borrowings	4,700,000,000.00	
Cash received from other financing activities	1,909,017.10	
Subtotal of cash inflows from financing activities	5,372,133,945.09	8,305,794.84
Cash paid for debt repayments	2,500,000,000.00	
Cash paid for distribution of dividends and profits or payment of interest	4,928,927,484.50	3,168,553,209.93
Including: dividends and profits paid to minority shareholders by subsidiaries	14,784,831.00	
Cash paid for other financing activities	21,594,912.99	22,371,107.22
Subtotal of cash outflows from financing activities	7,450,522,397.49	3,190,924,317.15
Net cash flows from financing activities	-2,078,388,452.40	-3,182,618,522.31
4. Effect of fluctuation in exchange rate on cash and cash equivalents	16,072,149.45	-3,646,806.44
5. Net increase in cash and cash equivalents	4,326,477,650.04	1,834,333,879.02
Plus: balance of cash and cash equivalents at the beginning of the period	13,402,528,941.83	11,568,195,062.81
6. Balance of cash and cash equivalents at the end of the period	17,729,006,591.87	13,402,528,941.83

Cash flow statements of parent company

Monetary Unit: CNY

Item	Year 2022	Year 2021
1. Cash flows from operating activities		
Cash received from sale of goods	7,836,045,120.10	6,550,150,291.27

and rendering of services		
Refunds of taxes and surcharges		
Cash received from other operating activities	633,774,675.70	625,297,165.56
Subtotal of cash inflows from operating activities	8,469,819,795.80	7,175,447,456.83
Cash paid for goods purchased and services received	5,463,276,771.05	4,522,910,945.39
Cash paid to and on behalf of employees	994,821,318.51	357,239,225.81
Cash paid for taxes and surcharges	700,305,299.72	540,331,615.01
Cash paid for other operating activities	232,654,650.21	280,329,112.79
Subtotal of cash outflows from operating activities	7,391,058,039.49	5,700,810,899.00
Net cash flows from operating activities	1,078,761,756.31	1,474,636,557.83
2. Cash flows from investing activities		
Cash received from disposal of investments	2,141,935,199.60	
Cash received from returns on investments	7,816,398,926.76	6,334,501,455.30
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	50,809,694.44	1,087,162.03
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	10,009,143,820.80	6,335,588,617.33
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	92,415,078.78	19,211,172.69
Cash paid for investments	2,982,285,380.80	740,542,370.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	3,074,700,459.58	759,753,542.69
Net cash flows from investing activities	6,934,443,361.22	5,575,835,074.64
3. Cash flows from financing activities		
Cash received from investors	666,858,899.64	
Cash received from loans	4,700,000,000.00	
Cash received from other financing activities	110,999,028.72	
Subtotal of cash inflows from financing activities	5,477,857,928.36	
Cash paid for debt repayments	2,500,000,000.00	
Cash paid for distribution of dividends and profits or payment of	4,930,586,734.79	3,146,207,328.27

interest		
Cash paid for other financing activities	2,008,038,082.56	2,010,331,534.97
Subtotal of cash outflows from financing activities	9,438,624,817.35	5,156,538,863.24
Net cash flows from financing activities	-3,960,766,888.99	-5,156,538,863.24
4. Effect of fluctuation in exchange rate on cash and cash equivalents	469,950.14	-943.95
5. Net increase in cash and cash equivalents	4,052,908,178.68	1,893,931,825.28
Plus: balance of cash and cash equivalents at the beginning of the period	12,938,983,758.82	11,045,051,933.54
6. Balance of cash and cash equivalents at the end of the period	16,991,891,937.50	12,938,983,758.82

Consolidated statement of changes in owners' equity

For the year ended 31 December 2022

Monetary Unit: CNY

Item	Year 2022														
	Equity attributable to owners of the parent company													Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Other	Subtotal		
	Preferred stock	Perpetual bond	Other												
1. Balance as at 31 December of last year	1,464,752,476.00				3,755,354,665.73		167,527,152.32		1,464,752,476.00		21,187,860,235.89		28,040,247,005.94	97,014,116.89	28,137,261,122.83
Plus: adjustments for changes in accounting policies															
Adjustments for correction of accounting errors in prior year															
Business combinations under common control															
Others															
2. Balance as at 1 January of the current year	1,464,752,476.00				3,755,354,665.73		167,527,152.32		1,464,752,476.00		21,187,860,235.89		28,040,247,005.94	97,014,116.89	28,137,261,122.83
3. Increase/decreases in the	7,142,624.				1,044,799.	639,021.99	163,224.09		7,142,624.		5,584,336.		6,167,624.	23,909,689.	6,191,533.

current period (“-” for decreases)	00				803.2 6	8.78	3.52		00		978.0 9		124.0 9	.72	813.8 1
(1) Total comprehensive income							163,2 24,09 3.52				10,36 5,383 ,281. 80		10,52 8,607 ,375. 32	47,04 6,902 .53	10,57 5,654 ,277. 85
(2) Capital contributed or reduced by owners	7,142 ,624. 00				1,044 ,799, 803.2 6	639,0 21,99 8.78							412,9 20,42 8.48	8,242 ,468. 77	421,1 62,89 7.25
Capital contributions by owners	7,142 ,624. 00				654,1 41,64 9.18	661,2 84,27 3.18							0	3,366 ,028. 35	3,366 ,028. 35
Capital contributions by other equity instruments holders															
Amounts of share-based payments recognized in owners' equity					390,6 58,15 4.08	- 22,26 2,274 .40							412,9 20,42 8.48	4,876 ,440. 42	417,7 96,86 8.90
Others															
(3) Profit distribution								7,142 ,624. 00		- 4,781 ,061, 930.5 5		- 4,773 ,919, 306.5 5	- 31,37 9,681 .58	- 4,805 ,298, 988.1 3	
Withdrawal of surplus reserves								7,142 ,624. 00		- 7,142 ,624. 00					
Withdrawal of general risk reserve															
Profit distributed to owners (or shareholders)										- 4,773 ,919, 306.5 5		- 4,773 ,919, 306.5 5	- 31,37 9,681 .58	- 4,805 ,298, 988.1 3	
Others															
(4) Internal carry-forward of owners' equity															
Conversion of capital reserves into paid-in capital															
Conversion of surplus reserves into paid-in capital															
Surplus reserves offsetting losses															

Carry-forward of retained earnings from changes in defined benefit plans															
Carry-forward of retained earnings from other comprehensive income															
Others															
(5) Special reserves															
Withdrawal for the period															
Use for the period															
(6) Others											15,626.84		15,626.84		15,626.84
4. Balance as at 31 December of the current year	1,471,895,100.00				4,800,154,468.99	639,021,998.78	330,751,245.84		1,471,895,100.00		26,772,197,213.98		34,207,871,130.03	120,923,806.61	34,328,794,936.64

For the year ended 31 December 2021

Monetary Unit: CNY

Item	Year 2021														Non-controlling interests	Total owners' equity
	Equity attributable to owners of the parent company															
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Other	Subtotal			
	Preferred stock	Perpetual bond	Other													
1. Balance as at 31 December of last year	1,464,752,476.00				3,722,777,063.13		186,063,325.03		1,464,752,476.00		16,236,513,212.43		23,074,858,552.59	107,011,321.12	23,181,869,873.71	
Plus: adjustments for changes in accounting policies																
Adjustments for correction of accounting errors in prior year																
Business combinations under common control																
Others																

2. Balance as at 1 January of the current year	1,464,752,476.00				3,722,777,063.13		186,063,325.03		1,464,752,476.00		16,236,513,212.43		23,074,858,552.59	107,011,321.12	23,181,869,873.71
3. Increase s/decrease s in the current period (“-” for decrease s)					32,577,602.60		-18,536,172.71				4,951,347,023.46		4,965,388,453.35	-9,997,204.23	4,955,391,249.12
(1) Total comprehensive income							-18,536,172.71				7,955,554,351.73		7,937,018,179.02	-18,837,350.46	7,918,180,828.56
(2) Capital contributed or reduced by owners					32,577,602.60								32,577,602.60	8,840,146.23	41,417,748.83
Capital contributions by owners														8,305,794.84	8,305,794.84
Capital contributions by other equity instruments holders															
Amounts of share-based payments recognized in owners' equity					32,577,602.60								32,577,602.60	534,351.39	33,111,953.99
Others															
(3) Profit distribution											-3,004,207,328.27		-3,004,207,328.27		-3,004,207,328.27
Withdrawal of surplus reserves															
Withdrawal of general risk reserve															
Profit distributed to owners (or shareholders)											-3,004,207,328.27		-3,004,207,328.27		-3,004,207,328.27
Others															
(4) Internal carry-forward of owners' equity															
Conversion of capital reserves into paid-in capital															
Conversion of surplus reserves into paid-in															

capital															
Surplus reserves offsetting losses															
Carry-forward of retained earnings from changes in defined benefit plans															
Carry-forward of retained earnings from other comprehensive income															
Others															
(5) Special reserves															
Withdrawal for the period															
Use for the period															
(6) Others															
4. Balance as at 31 December of the current year	1,464,752,476.00				3,755,354,665.73	167,527,152.32		1,464,752,476.00	21,187,860,235.89	28,040,247,005.94	97,014,116.89	28,137,261,122.83			

Statement of changes in owners' equity of parent company

For the year ended 31 December 2022

Monetary Unit: CNY

Item	Year 2022											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	Undistributed profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual bond	Other								
1. Balance as at 31 December of last year	1,464,752,476.00				3,739,666,108.27		167,572,013.86		1,464,752,476.00	18,872,792,775.01		25,709,535,849.14
Plus: adjustments for changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
2. Balance as	1,464,752,476.00				3,739,666,108.27		167,572,013.86		1,464,752,476.00	18,872,792,775.01		25,709,535,849.14

at January 1 of the current year	52,476.00				66,108.27		2,013.86		52,476.00	792,775.01		535,849.14
3.Increases/decreases in the current period (“-” for decreases)	7,142,624.00				1,049,937,043.38	639,021,998.78	160,970,981.50		7,142,624.00	4,258,778,026.93		4,844,949,301.03
(1) Other comprehensive income							160,970,981.50			9,039,839,957.48		9,200,810,938.98
(2) Capital contributed or reduced by owners	7,142,624.00				1,049,937,043.38	639,021,998.78						418,057,668.60
Capital contributions by owners	7,142,624.00				654,141,649.18	661,284,273.18						0
Capital contributions by other equity instruments holders												
Amounts of share-based payments recognized in owners' equity					395,795,394.20	-22,262,274.40						418,057,668.60
Others												
(3) Profit distribution									7,142,624.00	4,781,061,930.55		4,773,919,306.55
Withdrawal of surplus reserves									7,142,624.00	7,142,624.00		
Profit distributed to owners (or shareholders)										4,773,919,306.55		4,773,919,306.55
Others												
(4) Internal carry-forward of owners' equity												
Conversion of capital reserves into paid-in capital												
Conversion of surplus reserves into paid-in capital												
Surplus reserves offsetting losses												
Carry-forward of retained earnings from changes in defined benefit plans												
Carry-forward of retained												

earnings from other comprehensive income												
Others												
(5) Special reserves												
Withdrawal for the period												
Use for the period												
(6) Others												
4. Balance as at 31 December of the current year	1,471,895,100.00				4,789,603,151.65	639,021,998.78	328,542,995.36		1,471,895,100.00	23,131,570,801.94		30,554,485,150.17

For the year ended 31 December 2021

Monetary Unit: CNY

Item	Year 2021											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other Comprehensive Income	Special reserve	Surplu s reserve	Undistrib uted profit	Other	Total owners ' equity
		Preferr ed stock	Perpet ual bond	Other								
1. Balance as at 31 December of last year	1,464,752,476.00				3,706,816,950.12		185,441,302.55		1,464,752,476.00	14,305,883,685.01		21,127,646,889.68
Plus: adjustments for changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
2. Balance as at January 1 of the current year	1,464,752,476.00				3,706,816,950.12		185,441,302.55		1,464,752,476.00	14,305,883,685.01		21,127,646,889.68
3. Increases/decreases in the current period ("-" for decreases)					32,849,158.15		-17,869,288.69			4,566,909,090.00		4,581,888,959.46
(1) Other comprehensive income							-17,869,288.69			7,571,116,418.27		7,553,247,129.58
(2) Capital contributed or reduced by owners					32,849,158.15							32,849,158.15
Capital contributions by owners												
Capital contributions by other equity instruments holders												

Amounts of share-based payments recognized in owners' equity					32,849,158.15							32,849,158.15
Others												
(3) Profit distribution										-		-
										3,004,207,328.27		3,004,207,328.27
Withdrawal of surplus reserves												
Profit distributed to owners (or shareholders)										-		-
										3,004,207,328.27		3,004,207,328.27
Others												
(4) Internal carry-forward of owners' equity												
Conversion of capital reserves into paid-in capital												
Conversion of surplus reserves into paid-in capital												
Surplus reserves offsetting losses												
Carry-forward of retained earnings from changes in defined benefit plans												
Carry-forward of retained earnings from other comprehensive income												
Others												
(5) Special reserves												
Withdrawal for the period												
Use for the period												
(6) Others												
4. Balance as at 31 December of the current year	1,464,752,476.00				3,739,666,108.27	167,572,013.86		1,464,752,476.00	18,872,792,775.01			25,709,535,849.14

3. Company Profile

3.1 Company Overview

Luzhou Laojiao Co., Ltd. (hereinafter referred to as "Company" or "the Company"), formerly known as Luzhou Laojiao Brewery, was established in March 1950. On 20 September 1993, Luzhou Laojiao brewery established a joint-stock limited company with fund-raising exclusively from its operational assets. On 25 October 1993, the public offering of shares was approved by Sichuan Provincial People's Government and CSRC with two documents of ChuanFuHan (1993) No.673 and FaShenZi (1993) No.108. After the offering, the total share capital was 86,880,000 shares, which were listed and traded in Shenzhen stock exchange on 9 May 1994.

As the end of 31 December 2004, the Company's total share capital reached 841,399,673 shares after multiple rights issues, among which the controlling shareholder, State Assets Management Bureau of Luzhou (later renamed as State-owned Assets Supervision and Administration Commission of Luzhou, hereinafter referred to as "SASAC of Luzhou") held 585,280,800 shares of the Company, with a shareholding ratio of 69.56%.

On 27 October 2005, the Company implemented the non-tradable share reform. After the implementation, the total share capital remained unchanged, and the shareholding ratio of SASAC of Luzhou decreased from 69.56% to 60.43%.

In November 2006, the Company implemented private placement, and the total share capital increased from 841,399,673 shares to 871,399,673 shares. The shareholding ratio of SASAC of Luzhou decreased from 60.43% to 58.35%.

As the end of 27 February 2007, SASAC of Luzhou sold 42,069,983 shares of the Company, and after the sale, it still held 466,375,156 shares of the Company, with its shareholding ratio reduced to 53.52%.

On 19 May 2008, the Company increased 522,839,803 shares of capital stock resulting from capital reserve and undistributed profits transferred to increase capital stock. After the implementation, the total share capital reached 1,394,239,476 shares, among which, SASAC of Luzhou held 746,200,250 shares of the Company, and the shareholding ratio was still 53.52%.

On 3 September 2009, the 300,000,000 shares and the 280,000,000 shares held by SASAC of Luzhou were separately transferred to Luzhou Laojiao Group Co., Ltd. (hereinafter referred to as the "Laojiao Group") and Luzhou XingLu Investment Group Co., Ltd. (hereinafter referred to as the "Xinglu Group"). After the transfer, Laojiao Group, Xinglu Group, and SASAC of Luzhou respectively held 300,000,000 shares, 280,000,000 shares and 166,200,250 shares. So far, Laojiao Group became the first majority shareholder and SASAC of Luzhou was the actual controller.

From 6 June 2012 to 20 November 2013, the first and second phases of the Company's equity incentive plan were exercised. After the exercise, the total share capital of the Company was changed to 1,402,252,476 shares.

On 10 April 2014 and 18 July 2016, SASAC of Luzhou transferred 81,088,320 shares and 84,000,000 shares to Laojiao Group and Xinglu Group respectively. In addition, Laojiao Group has increased its equity stake through the secondary market of 13,137,100 shares. So far, Laojiao Group, Xinglu Group and SASAC of Luzhou held 394,225,489 shares, 365,971,142 shares and 1,111,930 shares respectively, with the shareholding ratios of 28.11%, 26.10% and 0.08% respectively.

On 23 August 2017, the Company issued CNY 62,500,000 ordinary shares (A shares) privately, raising a total capital of CNY 3,000,000,000. After the additional issuance, the total capital stock of the Company was changed to 1,464,752,476 shares. In addition, from 2017 to 2018, Laojiao Group decreased 13,137,100 shares that were increased through the secondary market from April 2014 to December 2015. After share reduction, Laojiao Group, Xinglu Group and SASAC of Luzhou held 381,088,389 shares, 365,971,142 shares and 1,111,930 shares respectively, with the shareholding ratios of 26.02%, 24.99% and 0.08% respectively. Laojiao Group still was the first majority shareholder and SASAC of Luzhou still was the actual controller.

In February 2022, the registration of 6,862,600 shares of the Restricted Share Incentive Plan granted by the Company for the first time were completed; in September 2022, the Company granted 342,334 shares of the Restricted Share Incentive Plan for the second time; in September 2022, with seven awardees no longer eligible, the Company decided to repurchase and retire the 62,310 restricted shares of them which had been granted but not lifted from restricted sales; so far, the above grant and repurchase of the Restricted Share Incentive Plan had all been registered and the total shares of the Company changed to 1,471,895,100 shares. The grant and repurchase of the Restricted Share Incentive Plan this year caused no changes in the controlling shareholders and the actual controller of the Company.

3.2 Registered address of the Company, company type, and headquarter address

Registered address and headquarter address of the Company are located in Sichuan Luzhou Laojiao Square and company type is other incorporated company (Listed).

3.3 Business nature of the Company and main business activity

Industry of the Company is the baijiu subdivision industry of the liquor and wine, beverage and refined tea production industry.

The main activity are research and development, production and sales of “National Cellar 1573”, “Luzhou Laojiao” and other baijiu series.

The main products are: “National Cellar 1573 Series”, “Century-old Luzhou Laojiao Jiaoling Series”, “Luzhou Laojiao Tequ”, “Touqu”, “Hey Guys” and other baijiu series.

3.4 The name of the controlling shareholder and the ultimate substantive controller

The controlling shareholder is Luzhou Laojiao Group Co., Ltd.; the ultimate substantive control is SASAC of Luzhou.

3.5 Approval and submission of the financial report and its date

The financial report is approved and submitted by the board of directors of the Company on 28 April

2023.

3.6 Consolidated financial statement scope and their changes

(1) The 27 subsidiaries included in the consolidated financial statements for the current period are listed as follows:

Name of subsidiary	Abbreviation	Shareholding proportion(%)		Voting rights (%)
		Direct	Indirect	
Luzhou Laojiao Brewing Co., Ltd.	Brewing Company	100.00		100.00
Luzhou Red Sorghum Modern Agricultural Development Co., Ltd.	Red Sorghum Company		60.00	60.00
Luzhou Laojiao Sales Co., Ltd.	Sales Company	100.00		100.00
Luzhou Laojiao Nostalgic Liquor Marketing Co., Ltd.	Nostalgic Company		100.00	100.00
Luzhou Laojiao Custom Liquor Co., Ltd. Note 1	Custom Liquor Company		15.00	60.00
Luzhou Laojiao Selected Supply Chain Management Co., Ltd.	Selected Company		100.00	100.00
Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd.	Guangxi Imported Liquor Industry		100.00	100.00
Luzhou Dingli Liquor Industry Co., Ltd.	Dingli Company		100.00	100.00
Luzhou Dingyi Liquor Industry Sales Co., Ltd.	Dingyi Company		100.00	100.00
Luzhou Laojiao New Liquor Industry Co., Ltd.	New Liquor Industry Company		100.00	100.00
Luzhou Laojiao I & E Co., Ltd.	I & E Company		100.00	100.00
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	Boda Marketing		75.00	75.00
Luzhou Laojiao Bosheng Hengxiang Liquor Sales Co., Ltd. Note 4	Bosheng Hengxiang		75.00	75.00
Luzhou Laojiao Fruit Wine industry Co., Ltd. Note 2	Fruit Wine Industry		41.00	60.00
Mingjiang Co., Ltd.	Mingjiang Company		54.00	54.00
Luzhou Laojiao International Trade (Hainan) Co., Ltd. Note 5	Hainan Company		100.00	100.00
Luzhou Pinchuang Technology Co., Ltd.	Pinchuang Company	100.00		100.00
Luzhou Laojiao Tourism Culture Co., Ltd. Note 4	Tourism Culture	100.00		100.00
Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	Hong Kong Company	55.00		55.00
Luzhou Laojiao Commercial Development (North America) Co., Ltd.	North America Company		100.00	100.00
Luzhou Laojiao Electronic Commerce Co., Ltd.	Electronic Commerce Company	90.00		90.00
Luzhou Laojiao Whitail Liquor Industry Co., Ltd. Note 3	Whitail Liquor Industry		35.00	60.00
Luzhou Baonuo Biotechnology Co., Ltd.	Baonuo Biotechnology	100.00		100.00
Luzhou Laojiao Health Liquor Industry Co., Ltd.	Health Liquor Industry	100.00		100.00
Luzhou Laojiao Health Sales Co., Ltd.	Health Sales		100.00	100.00
Luzhou Laojiao New Retail Co., Ltd.	New Retail Company	40.00	100.00	100.00
Luzhou Laojiao Technology Innovation Co., Ltd. Note 5	Technology Innovation Company	40.00	60.00	100.00

Note 1: Although the Company holds less than 51% of the equity of Custom Liquor Company, among the five members of the board of directors, the Company has sent three people. The Company has actual control over Custom Liquor Company, so it is included in the scope of consolidation.

Note 2: Although the Company holds less than 51% of the equity of Fruit Wine Industry, among the five members of the board of directors, the Company has sent three people, and the chairman of the board (legal representative) is the director sent by the Company. The Company has actual control over Fruit Wine Industry, so it is included in the scope of

consolidation.

Note 3: Although the Company holds less than 51% of the equity of Whitail Liquor Industry, among the five members of the board of directors, the Company has sent three people. The Company has actual control over Whitail Liquor Industry and its subsidiaries, so it is included in the scope of consolidation.

Note 4: The subsidiary Luzhou Laojiao Tourism Culture Co., Ltd. and Luzhou Laojiao Bosheng Hengxiang Liquor Sales Co., Ltd. completed business and tax cancellation in June 2022.

Note 5: Luzhou Laojiao International Trade (Hainan) Co., Ltd. and Luzhou Laojiao Technology Innovation Co., Ltd. were newly established in December 2022.

Details of the subsidiaries incorporated into the consolidated financial statements show on “7.1. Interests in subsidiaries”

(2) Subsidiaries that are newly incorporated into the scope of consolidation in this period

Name of subsidiary	Reason
Luzhou Laojiao International Trade (Hainan) Co., Ltd.	Incorporated through investment
Luzhou Laojiao Technology Innovation Co., Ltd.	Incorporated through investment

(3) Liquidation and cancellation for subsidiaries in this period

Name of subsidiary	Reason
Luzhou Laojiao Bosheng Hengxiang Liquor Sales Co., Ltd.	Liquidation cancellation
Luzhou Laojiao Tourism Culture Co., Ltd.	Liquidation cancellation

Details of changes in the scope of consolidation show on “6.5. Changes in consolidated scope for other reasons”.

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, and the preparation is based on actual transactions and events in compliance with Accounting Standards for Business Enterprises and relevant guidance and explanation (the following called the ASBE) issued by Ministry of Finance, and Rules on Company Information Disclosure and Preparation of Publicly Issued Securities No.15- General Rules on Financial Reporting Rules (2014 Revision) issued by CSRC.

4.2. Going concern

The Company’s business activities have adequate financial support. Based on the current information obtained by the Company, comprehensively considering factors such as macro-policy risk, market operation risk, current or long-term profitability, debt repayment ability of the Company, as well as its resource of financial support, the Company believes that it is reasonable to prepare the financial

statements on a going concern basis and there are no events or situations resulting in significant doubts over going concern for at least 12 months.

5. Significant accounting policies and accounting estimates

Tips on specific accounting policies and accounting estimates:

N/A

5.1 The declaration about compliance with ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the financial position and the Company's and results of operations, changes in shareholders' equity and cash flows. In addition, in all material respects, the financial statements of the Company comply with disclosure requirements of the financial statements and their notes in accordance with Rules on Company Information Disclosure and Preparation of Publicly Issued Securities No.15- General Rules on Financial Reporting Rules revised by CSRC in 2014.

5.2 Accounting period

The Company adopts the calendar year as its accounting year, i.e. from 1st January to 31st December.

5.3 Business Cycle

The Company's business cycle is 12 months.

5.4 Functional currency

The Company has adopted China Yuan (CNY) as functional currency.

5.5 The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

(1) Business combination under common control

Assets and liabilities obtained by the Company from the combine through business combination under common control shall be measured at the book value as stated in the consolidated financial statements of ultimate controlling party at the combination date. The share of the book value of the merged party's owner's equity in the consolidated financial statements is taken as the initial investment cost of long-term equity investments in individual financial statements. 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

Assets paid, liabilities incurred or assumed and the equity securities issued as consideration for combination shall be measured based on fair value on the acquisition date, the difference between fair value and its book value shall be included in current profit and loss. 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 profit and loss.

Fees, commissions, and other transaction expenses paid on issuance of equity securities as combination consideration in the business combination shall be included in the initial measurement amount of equity securities.

5.6 Preparation of consolidated financial statements

(1) Consolidated Financial Statement Scope

The scope of the Company's consolidated financial statements is based on control, and all subsidiaries controlled are included in the consolidation scope of the consolidated financial statements.

(2) Consolidation procedures

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared by the parent company with other relevant information. When preparing consolidated financial statement, the Company considers the Group as an accounting entity, adopts unified accounting policies, and applies the requirements of ASBE related to recognition, measurement and presentation to reflect the Group's financial position, operating results and cash flows.

All the subsidiaries within the consolidation scope of consolidated financial statements shall adopt the same accounting policies and accounting periods as those of the Company. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the financial statements of the subsidiary, upon preparation of consolidated financial statements, shall be made necessary adjustment based on its own accounting policies and accounting periods of the Company. For subsidiaries acquired from the business combination not under common control, the financial statements shall be adjusted on the basis of the fair value of identifiable net assets on the date of purchase. For the subsidiary acquired from the business combination under common control, its assets and liabilities (including the goodwill formed by the acquisition of the subsidiary by the ultimate controlling party) shall be adjusted on the basis of the book value in the consolidated statements of the ultimate controlling party.

The portion of a subsidiary's equity, the current net profit and loss of subsidiaries, and the current comprehensive income attributable to non-controlling interests shall be separately presented as non-controlling interests in consolidated balance sheet within owners' equity, below the net profit line item and below the total comprehensive income line item in the consolidated income statement respectively. When the amount of current loss attributable to non-controlling shareholders of a subsidiary exceeds the balance of the non-controlling shareholders' portion in the opening balance of owner's equity of the subsidiary, the excess shall be allocated against the non-controlling interests.

Acquisition of subsidiaries or business

During the reporting period, if the Company acquires subsidiaries from the business combination under common control, the opening balance in the consolidated balance sheet shall be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated statement of cash flows. At the same time, the relevant items of the comparative information shall be adjusted as the combined entity existed since the control point of the ultimate controlling party.

If the Company can control the investee from the business combination under common control due to additional investment or other reasons, the parties involved in the combine shall be deemed to adjust in the current state when the ultimate controlling party starts to control them. For the equity investment before obtaining control of the investee, the recognized relevant profit or loss and other comprehensive income and other changes in net assets between the later of acquisition date of previous equity and the date on which both the investor and the investee are under common control and the combination date shall respectively write-down the beginning retained earnings or current profits and losses during the period of comparative information.

During the reporting period, if the Company acquires subsidiaries from the business combination not under common control, the opening balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated statement of cash flows.

When the Company becomes capable of exercising control over an investee not under common control due to additional investment or other reasons, the Company shall re-measure the previously held equity interests to its fair value on the acquisition date, and the difference shall be recognized as investment

income. When the previously held equity investment is accounted for under equity method, any other comprehensive income previously recognized and other equity changes (excluding other comprehensive, net profit and loss and profit distribution) in relation to the acquiree's equity changes shall be transferred to profit and loss for the current period when acquisition took place, except for other comprehensive income resulting from changes in net liabilities or net assets due to re-measurement of defined benefit plan by investee.

Disposal of subsidiaries and business

General treatments

During the reporting period, if the Company disposes subsidiaries, the income, expenses and profits of the newly disposed subsidiaries from the beginning to the disposal date shall be included in the consolidated income statement. The cash flows from the beginning to the disposal date shall be included in the consolidated statement of cash flows.

In case of loss of control over the investee due to partial disposal of the equity investment or other reasons, the Company shall re-measure the remaining equity investment at its fair value at the date of loss of control. The amount of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the net asset shares calculated continuously from the acquisition date based on the previous shareholding proportion and the goodwill, the difference shall be included in the investment income of the period when the control is lost. Other comprehensive income related to the former subsidiary's equity investment or other changes in owners' equity excluding net profit and loss, other comprehensive income and profit distribution shall be transferred to investment income for the current period when control is lost. Other comprehensive income resulting from changes in net liabilities or net assets due to re-measurement of defined benefit plan by investee is excluded.

Disposal of subsidiaries by step

If the Company loses control of a subsidiary is through multiple transactions by steps, the terms, conditions and economic impact of the disposal transaction shall be considered. When one or more of the following conditions may indicate that multiple transactions should be treated as a package of transactions for accounting treatment:

- a. These arrangements were entered into at the same time or in contemplation of each other;
- b. These arrangements work together to achieve an overall commercial effect;
- c. The occurrence of one arrangement depends on the occurrence of at least one other arrangement;
- d. One arrangement alone is not economically justified, but it is economically justified when considered together with other arrangements

If the transactions of the disposal of the equity investment of the subsidiary until the loss of control

belong to a package transaction, the Company shall account for as a transaction; However, the difference between each disposal consideration received and the corresponding proportion of the subsidiary's net assets before the loss of control shall be recognized as other comprehensive income in the consolidated financial statements and transferred into the profit and loss of the current period when the control is lost.

If the transactions from the disposal of the equity investment of the subsidiary to the loss of control are not considered as a package transactions, the accounting treatment shall be conducted according to the relevant policies on the partial disposal of the equity investment of the subsidiary where control is retained before the loss of control. When the control is lost, the disposal shall be accounted for according to the general treatment.

Purchase of non-controlling interests

The difference between the increase in the cost of long-term equity investment result from acquisition of non-controlling shareholders and the share of net assets of the subsidiary calculated continuously from the acquisition date or combination date based on newly shareholding proportion shall be adjusted to equity (share) premium of capital reserves in the consolidated balance sheet. If the capital reserve is insufficient, any excess shall be adjusted against retained earnings.

Partial disposals of equity investment in subsidiaries without loss of control

When the Company disposes of a portion of a long-term equity investment in a subsidiary without loss of control, the difference between disposal consideration and net assets of the subsidiary calculated continuously since the acquisition date or the combination date related to the disposal of long-term equity investment shall be adjusted to equity (share) premium of capital reserves in the consolidated balance sheet. If the capital reserve is insufficient, any excess shall be adjusted against retained earnings.

5.7 Classification of joint venture arrangements and the accounting treatment method of common operation

(1) Classification of joint venture arrangements

A joint arrangement is classified as either a joint operation or a joint venture according to the structure, legal form, agreed terms and other facts and conditions of a joint arrangement. A joint arrangement that is structured through a separate vehicle is usually classified as a joint venture. However, when a joint arrangement provides clear evidence that it meets any of the following requirements and complies with applicable laws and regulations as a joint operation:

a. The legal form of the joint arrangement indicates that the parties that have joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.

b. The terms of the joint arrangement specify that the parties that have joint control have the rights to the assets, and the obligations for the liabilities, relating to the arrangement.

c. Other facts and circumstances indicate that the parties that have joint control have rights to the assets, and the obligations for the liabilities, relating to the arrangement.

The parties that have joint control have rights to substantially all of the output of the arrangement, and the arrangement depends on the parties that have joint control on a continuous basis for settling the liabilities of the arrangement.

(2) Accounting by parties of a joint operator

A joint operator shall recognize the following items in relation to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- a. Its solely-held assets, and its share of any assets held jointly;
- b. Its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- c. Its revenue from the sale of its share of the output arising from the joint operation;
- d. Its share of the revenue from sale of the output by the joint operation; and
- e. Its solely-incurred expenses and its share of any expenses incurred jointly.

The Company shall only recognize the portion of the profit and loss attributable to other participants in the joint venture, resulting from investment or sale of assets to the joint venture by the Company (excluding those assets constituting the business), prior to the sale of such assets to a third party. The Company shall fully recognize impairment loss when there is any impairment loss of invested or sold assets occurring in accordance with the ASBE No.8-Asset Impairment. The Company shall only recognize the part of the profit and loss attributable to other participants in the joint venture before selling the assets and other assets purchased from the joint venture (excluding those assets constituting the business) to a third party. When the impairment loss of the purchased assets is in accordance with the ASBE No.8-Asset Impairment, the Company shall recognize such losses according to its share. When the Company does not have common control over the joint venture, if the Company enjoys the assets related to the joint venture and assumes the liabilities related to the joint venture, the accounting treatment shall be conducted according to the above principles. Otherwise, the accounting treatment shall be conducted in accordance with the relevant accounting standards.

5.8 Cash and cash equivalents

When preparing the cash flow statement, the Company recognizes cash on hand and deposits that can be readily withdrawn on demand as cash. Cash equivalents are the Company's short-term (due within 3 months from purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Restricted bank deposits are not recognized as cash and cash equivalents in the cash flow statement.

5.9 Foreign currency transactions and translation of foreign currency statements

(1) Foreign currency transactions

At the time of initial recognition of a foreign currency transaction of the Company, the amount in the foreign currency shall be translated into the amount in CNY currency at the spot exchange rate of the transaction date. For the monetary items of foreign currencies, the translation is done according to spot rate of the balance sheet date. The exchange difference generated from the difference of spot rate of the current balance sheet date and the time of initial recognition of a foreign currency or the previous balance sheet date is charged to the profit or loss of the current period except that the exchange difference generated from foreign currency borrowings relating to assets of which the acquisition or production satisfies the capitalization conditions is capitalized.

Non-monetary items measured at fair value that is reflected in foreign currency at the end of the period, the Company shall firstly translate the foreign currency into the amount in functional currency at the spot exchange rate on the date when the fair value is determined, and then compare it with the original functional currency amount. Difference between the translated functional currency amount and the original functional currency amount is treated as profit or loss from changes in fair value (including changes in exchange rate) and is recognized in current profit and loss. If there is a non-monetary item of available-for-sale financial assets, the differences are recorded into other comprehensive income.

(2) Translation of foreign currency statements

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. If the overseas business is partly disposed of, the foreign currency financial statements exchange difference shall be calculated in proportion to the percentage of disposal and transferred to gain or loss on disposal for the current period.

Foreign currency cash flow and cash flow of foreign subsidiaries shall be translated at approximate exchange rate of spot rate on the date of cash flow.

5.10 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. When the Company becomes a party to a financial instrument contract, the related financial asset or financial liability should be recognized.

(1) Classification, recognition 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.

At the initial recognition, financial assets are measured at fair value. For financial assets measured at fair value with their changes included into current profits/losses, the expenses involved in the transaction are directly recorded into current profits/losses; for other financial liabilities, the expenses involved in the transaction are recorded into the initially recognized amount.

1) 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.

2) Financial assets measured at fair value with their changes included into other comprehensive income

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.

At the initial recognition, the Company may specify non-trading equity instrument investment as a financial asset measured at fair value with its changes included into other comprehensive income and should recognize the dividend income according to regulations; the specification is irrevocable once made. When the financial asset is derecognized, the cumulative gains or losses previously included into other comprehensive income should be transferred into retained earnings.

3) Financial assets measured at fair value with their changes included into 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.

(2) Classification, recognition and measurement of financial liabilities

At their initial recognition, financial liabilities are divided into financial liabilities measured at fair value with their changes included into current profits/losses and other financial liabilities. For financial liabilities measured at fair value with their changes included into current profits/losses, the expenses involved in the transaction are directly recorded into the current profits/losses. For other financial liabilities, the expenses involved in the transaction are recorded into the initially recognized value.

1) Financial liabilities measured at fair value with their changes included into current profits/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.

Trading financial liabilities (including derivatives classified as financial liabilities) are subsequently measured at fair value, with changes in fair value recorded into current profits/losses, except for those related to hedge accounting.

For those specified as financial liabilities measured at fair value with their changes included into current profits/losses, changes in the fair value of such liabilities caused by changes in the Company's own credit risk should be included into other comprehensive income. In derecognition of such liabilities, cumulative changes in their value caused by the Company's own credit risk that have been recorded into other comprehensive income should be transferred into retained earnings. Other changes in their fair value should be recorded into current profits/losses. If treatment of the impact of the Company's own credit risk changes of such financial liabilities in the above manner causes or expands accounting mismatch in profits/losses, the Company will include all gains or losses of such financial liabilities (including the amount of the impact of the Company's own credit risk changes) into current profits/losses.

2) Other financial liabilities

Financial liabilities other than those formed from the transfer of financial assets not meeting derecognition conditions or continuous involvement into transferred financial assets and those outside financial guarantee contracts are classified as financial liabilities measured at amortized cost. Such financial liabilities should be subsequently measured at amortized cost and the gains or losses from derecognition or amortization should be included into current profits/losses.

(3) Recognition basis and measurement method of transfer of financial assets

If a financial asset meets any of the following conditions, it shall be derecognized: 1)The contractual right for collecting the cash flow of the financial asset has been terminated; 2)The financial asset has been transferred and almost all the risks and remunerations in respect of the ownership of the financial asset has been transferred to the transferee; 3)The financial asset has been transferred, and although the enterprise neither transfers nor retains almost all the risks and remunerations in respect of the ownership of the financial asset, it has abandoned its control over the asset.

If the enterprise neither transfers nor retains almost all the risks and remunerations in respect of the ownership of the financial asset and does not abandon its control over the asset, the involved financial asset shall be recognized according to the level of continuous involvement of the transferred financial asset and the relevant liabilities shall be recognized accordingly. The level of continuous involvement of the transferred financial asset refers to the level of risk faced by the enterprise due to changes in the value of the financial asset.

If the overall transfer of the financial asset meets the recognition conditions, the difference between the carrying value of the transferred financial asset as well as the consideration received from the transfer and the cumulative amount of fair value changes originally-recorded into other comprehensive incomes shall be recorded into the current profits/losses.

If partial transfer of the financial asset meets the recognition conditions, the carrying value of the transferred financial asset shall be apportioned at the relative fair value between the derecognition and underecognition part. The difference between the summation of the consideration received from the transfer and the cumulative amount of fair value changes originally-recorded into other comprehensive incomes that should be apportioned to the derecognition part and the apportioned aforementioned carrying value shall be recorded into the current profits/losses.

For a financial asset sold with the right of recourse or with the transfer of the financial asset endorsement, the Company shall decide whether almost all the risks and remunerations in respect of the ownership of the financial asset should be transferred. If they are transferred, the financial asset shall be derecognized; if they are retained, the financial asset shall not be derecognized; if they are

neither transferred nor retained, the Company will continue to decide whether the enterprise should retain control over the asset and perform the accounting treatment according to the principles stated in previous paragraphs.

(4) Derecognition of financial liabilities

When the current obligation of a financial liability (or a part of it) is relieved, the Company will derecognize the financial liability (or the part of it). When the Company (borrower) signs an agreement with a lender to replace an original financial liability in the form of bearing a new financial liability and the contract terms for the new financial liability differ from those for the original in substance, the original financial liability should be derecognized and the new one should be recognized. When the Company makes substantial changes to the contract terms of an original financial liability (or a part of it), the original financial liability should be derecognized and a new financial liability should be recognized according to the amended contract terms.

When a financial liability (or a part of it) is derecognized, the Company will include the difference between its carrying value and the consideration paid (including non-cash assets or liabilities borne that are transferred out) into current profits/losses.

(5) Offsetting of financial assets and financial liabilities

When 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, the financial assets and the financial liabilities which are presented in the net amount after the mutual offset in the balance sheet. Other than that, they shall be presented separately in the balance sheet without the mutual offset.

(6) Method of determining the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can receive for selling an asset or transferring a liability in an orderly transaction on the measurement date. For an existing financial instrument in an active market, the Company adopts the quotations in the active market to determine its fair value. Quotations in the active market refer to prices that can be easily obtained from exchanges, brokers, industrial associations and pricing service institutions and represent the actual prices in the market transactions happening in a fair trade. For a non-existing financial instrument in an active market, the Company adopts the valuation technique to determine its fair value. The valuation technique includes references to familiar situations and the prices used by the parties voluntarily participating in the recent market transactions, as well as references to the present fair value of other financial instruments of the same nature, discounted cash flow method and options pricing model. In the valuation, the Company

uses a valuation technique that is applicable in the current situation with sufficient data available and other information support, chooses input values that are consistent with the asset or liability characteristics considered by market players in related asset or liability transactions, and make maximum effort to use related observable input values on a preferential basis. When it is unable or unfeasible to obtain related observable input values, unobservable will be used.

(7) Equity instruments

Equity instruments refer to the contracts that can prove the Company's residual equity of assets after the deduction of all liabilities. The Company's issuance (including refinancing), repurchase, sale or cancellation of equity instruments serve as the change treatment of equity. Transaction expenses related to the equity transactions are deducted from the equity. The Company does not recognize changes in the fair value of equity instruments.

Dividends from the Company's equity instruments distributed during the validity (including the "interests" from instruments classified as equity instruments) are treated as profit distribution.

(8) Impairment of financial instruments

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

Credit loss means the difference between all contract cash flow discounted at the original effective interest rate to be received according to contracts and all contract cash flow expected to be received, namely, the present value of all cash shortage. For a financial asset with credit impairment purchased by or originated from the Company, it should be discounted by the effective interest rate after credit adjustment to the financial asset.

For accounts receivable that do not contain significant financing components, the Company adopts simplified measurement to measure loss provisions according to the amount equivalent to the expected credit loss for the entire duration.

For a financial asset other than those using the above simplified measurement, the Company assesses on each balance sheet date whether its credit risk has substantially increased since the initial recognition. If it has not and is in the first stage, the Company will measure the loss provision at the amount equivalent to the expected credit loss for the next 12 months and calculate the interest income according to the book balance and the effective interest rate; if it has substantially increased since the initial recognition without credit impairment and is in the second stage, the Company will measure the

loss provision at the amount equivalent to the expected credit loss for the entire duration and calculate the interest income according to the book balance and the effective interest rate; if credit impairment has occurred since the initial recognition and is in the third stage, the Company will measure the loss provision by the amount equivalent to the expected credit loss for the entire duration and calculate the interest income according to the amortization cost and the effective interest rate. For financial instruments with low credit risks on balance sheet dates, the Company assumes that their credit risks have not substantially increased since the initial recognition.

The Company assesses expected credit losses of financial instruments based on individual and group assessment. The Company considers the credit risk characteristics of different customers and assesses the expected credit losses of accounts receivable and other receivables based on account age portfolio. When assessing expected credit losses, the Company considers reasonable and well-founded information on past matters, present conditions and forecast of future economic conditions.

When it no longer reasonably expects to recover all or part of the contract cash flow of financial assets, the Company will directly write down the book balance of such financial assets.

5.11 Notes receivable

The method of determining the expected credit loss of notes receivables and accounting treatment method:

Divide notes receivables into various portfolios according to common risk characteristics based on the credit risk characteristics of acceptors and determine the accounting estimate policies of expected credit loss:

Portfolio name	Provision method
Bank acceptance bill portfolio	The management evaluates that this type has low credit risk and its fixed bad debt provision ratio is 0%.
Trade acceptance portfolio	The provision for impairment is made according to the expected loss rate with the same portfolio classification of accounts receivables

5.12 Accounts receivables

The method of determining the expected credit loss of accounts receivables and accounting treatment method:

As for accounts receivables, regardless of whether there is a significant financing component, the Company always measures the provision for loss based on the amount equivalent to the expected credit loss over the entire life, and the resulting increase or reversal of provision for loss shall be included in the current profit or loss as gains or losses on impairment. The accrual method is as follows:

(1) When there is objective evidence showing that an account receivable has incurred credit impairment,

the Company shall make bad debt provision for the account receivable and recognize the expected credit loss.

(2) 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:

Portfolio name	Provision method
Risk portfolio	Expected credit loss
Other portfolio	No bad debt provision

Other portfolio refers to the normal intercourse funds among the Company and businesses under the same control, the recovery of which are controllable with no risks. Thus, no bad debt provision was made.

The Company combines the accounts receivables classified as risk portfolio in accordance with similar credit risk characteristics (aging), and calculates the expected credit loss through the exposure at default and expected credit loss rate over the entire life based on the current situation and prediction of future economic situation consulting historical credit loss experience. The comparative table of the credit loss rate is as follows:

Aging	Expected loss provision rate %
Within 1 year	5
1-2 years	10
2-3 years	20
3-4 years	40
4-5 years	80
Over 5 years	100

5.13 Accounts receivables financing

The accounts receivables financing of the Company refer to the notes receivables measured at fair value through other comprehensive income on the balance sheet date. For more details, see Note 5.10 Financial instruments.

5.14 Other receivables

The method of determining the expected credit loss of other receivables and accounting treatment method:

As for other receivables, regardless of whether there is a significant financing component, the Company always calculates the expected credit loss through the exposure at default and expected credit loss rate in the next 12 months or over the entire life based on the current situation and prediction of future economic situation consulting historical credit loss experience, and the resulting increase or reversal of provision for loss shall be included in the current profit or loss as gains or losses on impairment. The accrual method is as follows:

(1) When there is objective evidence showing that the other receivable has incurred credit impairment, the Company shall make bad debt provision for the other receivable and recognize the expected credit loss.

(2) 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 other receivables portfolio according to credit risk characteristics and measure the expected credit loss based on portfolios.

Portfolio name	Provision method
Risk portfolio	Expected credit loss
Other portfolio	No bad debt provision

Other portfolio refers to the normal intercourse funds among the Company and businesses under the same control, the recovery of which are controllable with no risks. Thus, no bad debt provision was made.

The Company combines the other receivables classified as risk portfolio in accordance with similar credit risk characteristics (aging), and calculates the expected credit loss through the exposure at default and expected credit loss rate in the next 12 months or over the entire life based on the current situation and prediction of future economic situation consulting historical credit loss experience. The comparative table of the credit loss rate is as follows:

Aging	Expected loss provision rate %
Within 1 year	5
1-2 years	10
2-3 years	20
3-4 years	40
4-5 years	80
Over 5 years	100

5.15 Inventory

(1) Classification of inventory

Inventories are classified as: raw materials, goods in progress (including semi-finished goods), stock commodities, and dispatched inventories.

(2) Measurement method of dispatched inventories

The standard 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 standard cost into the actual cost; The goods in progress (including semi-finished goods) shall be accounted according to the actual cost, and the weighted average method shall be used when they are received and delivered. The actual cost of the inventory at the end of the month above shall be taken as the standard cost, and the delivery shall be priced according to the standard cost. At the end of the month, the standard cost of the inventory at the end of the month shall be adjusted into the actual cost through the cost-sharing difference.

(3) Basis to determine net realizable values of inventories and method of provision for stock obsolescence

At the end of the period, inventory is measured according to the lower of cost and net realizable value. The difference between inventory cost and net realizable value is higher than the provision for stock obsolescence, which is recorded into current profit and loss. For inventories that are related to product ranges produced and sold in the same district or used for the same or similar ultimate purpose and are difficult to be measured separately from other inventories, the Company provides for stock obsolescence as a whole. For inventories that have large quantities but low value, the Company provides for stock obsolescence on a category basis.

The materials held for production shall be measured at cost if the net realizable value of the finished products is higher than the cost. If a decline in the value of materials shows that the net realizable value of the finished products is lower than the cost, the materials shall be measured at the net realizable value.

(4) Inventory system

The Company adopts perpetual inventory system.

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

It is amortized in full at once.

5.16 Contract assets

The Company presents contract assets or contract liabilities on the balance sheet according to the relationship between the fulfillment of its contract performance obligations and its customers' payment.

Considerations that the Company has the right to collect for commodities transferred or services provided to customers (and such right depends on other factors than time lapses) are presented as contract assets. The Company presents the right possessed to collect consideration from customers unconditionally (only depending on the passing of time) as accounts receivable. Refer to "The method of determining the expected credit loss of accounts receivables and accounting treatment method" for the detail on the Company's method of determining the expected credit loss of contract assets and accounting treatment method.

5.17 Contract costs

Contract costs comprise incremental costs incurred as the Company obtains a contract, and costs for contract performance. Incremental costs incurred as the Company obtains a contract refer to those

costs which will not incur without entering into a contract (such as sales commission). If it is expected that the costs are recoverable, the Company will recognize the costs incurred to obtain a contract as one form of assets. In case that the term of asset amortization is shorter than one year or one normal operating cycle, the costs will be recognized as profit and loss of the current period after occurrence.

If the costs incurred from contract performance fall outside the inventory or the scope of other enterprise accounting standards and satisfy all of the following conditions, the Company will recognize the costs for contract performance as assets: a) The costs are directly related to one existing contract or contract that is expected to be obtained; b) The costs enrich the Company's resources for future contract performance (including continual fulfillment); c) The costs are estimated to be recovered.

Assets recognized from costs incurred to obtain a contract and costs for contract performance (hereinafter referred to as "assets related to contract costs") will be amortized based on the basis the same with the income from commodities or services related to the assets, and will be recognized as profit and loss of the current period. In case that the book value of assets related to contract costs is higher than the difference of the two items below, the Company will set aside provisions for assets impairment to deal with the extra part, and recognize that part as impairment losses: a) Estimated residual consideration to be obtained from transfer of commodities or services related to the assets; b) Estimated costs incurred from transfer of the relevant commodities or services.

5.18 Assets held for sale

(1) Classification of non-current assets held for sale or disposal groups

The Company shall classify the non-current assets or disposal group meeting the following conditions into the held-for-sale category: The assets (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); Its sale must be highly probable.; The Company has already made a decision to dispose the component and has a commitment from the purchaser, the transfer will be completed within one year.

The non-current assets or disposal group acquired by the Company for resale shall be divided into the held-for-sale category on the acquisition date if it meets the condition that "the sale is expected to be completed within one year" and if it is likely to meet other conditions for the held-for-sale category within a short period (usually three months).

Due to one of the following reasons that the Company is unable to control, leading to the transactions uncompleted with non-related party within one year, and the Company still commits to sale non-current assets or disposal groups, it can continue to account for non-current assets or disposal groups as held-

for-sale: the buyer or any other party accidentally set sale extension condition. The Company has to take action in time according to these conditions and the extension problem is expected to be solved within one year; In rare cases, the Company has taken the necessary steps and re-satisfy the hold for sale category condition within the first year for the new circumstances which caused it unable to complete the sale of the non-current assets or disposal group within one year.

(2) Measurement of non-current assets or disposal groups held for sale

a. Initial measurement and subsequent measurement

When the Company measure a non-current asset or disposal group held for sale initially or re-measure at balance sheet date subsequently, the impairment loss should be recognized if the book value is higher than fair value less costs to sell at the amount of the difference of these two in profit and loss, the provision for assets held for sale need to be recognized at the same time.

For the non-current assets or disposal groups divided into held-for-sale category on the acquisition date, they shall be measured as the lower of the initial measurement amount and the net amount after deducting the selling expenses from the fair value under the assumption that it is not divided into held-for-sale categories at the initial measurement. Except for the non-current assets or the disposal groups obtained in the enterprise merger, the difference caused by the non-current assets or the disposal groups taking the net amount after the fair value minus the selling expenses as the initial measurement amount shall be recorded into the current profit and loss.

For the impairment of disposal group, it should write off goodwill if existing, and then write down the related assets proportionally.

Depreciation or amortization should cease for the non-current asset held for sale. Interest and other charges on liabilities in the disposal groups held for sale continue to be recognized.

b. Accounting treatment of reversal of impairment loss

If the net amount of the non-current assets held for sale on the subsequent balance sheet date increases after the fair value minus the selling expenses, the amount previously written down shall be reversed, and the amount of the impairment loss recognized after being classified as the held-for-sale shall be reversed, and the reversed amount shall be included in the current profit and loss. The impairment loss recognized before the classification of the held-for-sale shall not be reversed.

If the net amount of the disposal groups held for sale on the subsequent balance sheet date increases after the fair value deducting the selling expenses, the amount previously written down shall be reversed, and the amount of the impairment loss recognized as non-current assets after being

classified as the held-for-sale shall be reversed, and the reversed amount shall be included in the current profit and loss. The book value of the goodwill that has been written down and the impairment losses recognized before the classification of the held-for-sale shall not be reversed.

The subsequent reversed amount of the impairment loss recognized by the disposal groups held for sale shall be increased in proportion to the book value of non-current assets except goodwill in the disposal groups.

c. The accounting treatment that does not continue to be classified as held-for-sale and the termination of recognition

Non-current assets or disposal groups that are no longer divided into held-for-sale category or non-current assets are removed from disposal groups held for sale because of no longer meeting the condition of classification of held-for-sale, they are measured at lower of the following two: book value before being classified as the held-for-sale considering depreciation, amortization or impairment that should have been recognized under the assumption that it is not divided into held-for-sale categories; and recoverable amount.

When terminating the recognition of the non-current assets held for sale or the disposal groups, the unrecognized gains or losses shall be recorded into the current profit and loss.

5.19. Investments in debt obligations

N/A

5.20 Investments in other debt obligations

N/A

5.21 Long-term receivables

For more details, see Note 5.10 Financial instruments.

5.22 Long-term equity investment

(1) Judgment criteria of common control and significant influence

Common control on an agreement with other participants refers to the Company share control with other participants on an arrangement according to relevant conventions, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. This arrangement belongs to joint venture. Where the joint venture arrangement is made by a separate entity and the Company is judged to have rights to the net assets of such a separate entity according to

the relevant conventions. Such a separate entity shall be regarded as a joint venture and accounted by the equity method. If the Company is judged to be not entitled to the net assets of the separate entity according to relevant conventions, the separate entity shall be regarded as a joint venture and the Company shall recognize the items related to the shares of the joint venture and perform accounting treatment in accordance with relevant accounting standards.

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. The Company judges that it has a significant impact on the invested entity through one or more of the following situations and taking all the facts and circumstances into consideration:

- a. Dispatch representatives to the board of directors or similar authorities of the investee.
- b. To participate in the financial and business policy making process of the investee.
- c. Significant transactions with the investee.
- d. Dispatch management personnel to the investee.
- e. To provide key technical data to the investee.

(2) Determination of the initial investment cost

a. Long-term equity investment resulting from combination

Business combination under common control:

For the long-term equity investments obtained by cash paid, non-monetary assets paid or assumed liabilities and the 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. If the investee under business combination under common control can be controlled due to additional investment or other reasons, the initial investment cost of long-term equity investment shall be determined on the merger date according to the share of the net assets of the investee in the book value of the final control party's consolidated financial statements. The difference between the initial investment cost of the long-term equity investment on the merger date and sum of the book value of the long-term equity investment before the merger and the new consideration of acquiring shares on the merger date shall be recorded to adjust the equity premium. If the equity premium is insufficient to be written down, the retained earnings shall be written down.

Business combination not under common control: The Company takes the initial investment cost of long-term equity investment as the merger cost determined on the purchase date. If the investee can be controlled under business combination not under common control due to additional investment or other reasons, the previous book value of the equity investment held plus the sum of the newly added investment cost shall be taken as the initial investment cost calculated according to the cost method.

b. Long-term equity investment obtained by other means

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.

For long-term equity investments obtained by non-monetary assets exchange, under the condition that an exchange of non-monetary assets is of commerce nature and the fair value of assets exchanged can be reliably measured, non-monetary assets traded in is initially stated at the fair value of the assets traded out, unless there is conclusive evidence indicating that the fair value of the assets traded in is more reliable; if the above conditions are not satisfied, initial investment costs of long-term equity investments traded in shall be recognized at the book value of the assets traded out and the relevant taxes and surcharges payable.

For long-term equity investments obtained by debt restructuring, the Company recognizes the fair value of shares of debt-for-equity swap as the initial investment costs.

(3) Subsequent measurement and recognition of profit and loss

a. Long-term equity investments measured under the cost method

Long-term equity investments that can control the investee are measured under the cost method. For long-term equity investments accounted at the cost method, except cash dividends or profits declared but not yet distributed which are included in the actual payments or the consideration actually paid for the investment, the cash dividends or profits declared by the investee shall be recognized as the investment income irrespective of net profits realized by the investee before investment or after investment.

b. Long-term equity investments measured under the equity method

For the long-term equity investment which has joint control or significant influence over the investee, the equity method is adopted for accounting. For long-term equity investments measured at 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, no adjustment will be made to the initial costs of the long-term equity investments; 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 difference shall be recognized in current profit and loss.

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 and adjust the book value of the long-term equity investments. When recognizing the net profits and losses and other comprehensive income of the investee that the Company shall enjoy or bear, the Company shall make a recognition and calculation based on the net book profits and losses of the investee after appropriate adjustments. However, where the Company is unable to obtain the relevant information due to failure to reasonably determine the fair value of the investee's identifiable assets, minor difference between the investee's identifiable assets and the book value thereof or other reasons, the profits or losses on the investments shall be directly calculated and recognized based on the net book profits and losses of the investee. The Company shall calculate the part distributed from cash dividends or profits declared by the investee and correspondingly reduce the book value of the long-term equity investments. When recognizing the income from investments in associates and joint ventures, the Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company and recognize the profit and loss on investments on such basis. Where the losses on internal transactions between the Company and the investee are impairment of related assets, full amounts of such losses shall be recognized. Profit and loss from internal unrealized transactions between the Company's subsidiaries included into the combination scope and associates and joint ventures shall be written off according to the above principles and the profit and loss on investments thereafter shall be recognized on such basis.

When the share of net loss of the investee attributable to the Company is recognized, it is treated in the following sequence: Firstly, write off the book value of the long-term equity investments; where the book value of the long-term equity investments is insufficient to cover the loss, investment losses are recognized to the extent that book value of long-term equity which form net investment in the investee in other substances and the book value of long-term receivables shall be written off; after all the above treatments, if the Company still assumes additional obligation according to investment contracts or agreements, the obligation expected to be assumed should be recognized as provision and included into the investment loss in the current period. If the investee is profitable in subsequent accounting periods, the Company shall treat the loss in reverse order against that described above after deducting unrecognized share of loss: i.e. write down the book value of the recognized provision, then restore the book value of long-term interests which substantially form net investments in the investee, then restore the book value of long-term investments, and recognize investment income at the same time.

5.23 Investment property

Investment property is the property that is held to earn rent or capital appreciation or both and can be measured and sold separately. The Company's investment property includes land use right already rent, land use right held for appreciation and then sold, and buildings already rent.

(1) Initial Recognition

When the Company can obtain the rental income or value-added income related to the investment property and the cost of the investment property that can be measured reliably, the Company will

initially measure it according to the actual expenditure of purchase or construction:

The cost of the purchased investment property includes the purchase price and related taxes directly attributable to the asset;

The cost of self-built investment property consists of the necessary expenses incurred before the asset reaches the intended use condition;

The cost of the investment property obtained by other means shall be recognized in accordance with relevant accounting standards.

(2) Subsequent measurement

In general, the Company adopts the cost model to measure the follow-up expenditure of investment property. The depreciation or amortization of investment property shall be carried out in accordance with the accounting policies for the Company's fixed assets or intangible assets.

If there is solid evidence suggests that the investment property acquired can be measured at fair value continuously and reliably, the Company can use fair value model for subsequent measurement. For the investment property measured at fair value model, the Company does not provide depreciation or amortization and adjusts its book value based on the fair value of investment property at the balance sheet date. The difference between the fair value and book value is recorded into current profit or loss.

(3) When the Company changes the use of investment property, the relevant investment property will be transferred to other assets.

5.24. Fixed assets

(1) Recognition of fixed assets

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful life exceeding one accounting year. Fixed assets are recognized when the following criteria are satisfied simultaneously: It is probable that the economic benefits relating to the fixed assets will flow into the Company; the cost of the fixed assets can be measured reliably.

(2) Depreciation of fixed assets

Except for fixed assets still in use after full depreciation, the Company depreciates all fixed assets and calculates the depreciation in the straight-line depreciation method.

Based on the nature and use of fixed assets, the Company determines their service life and estimated net salvage value and reviews their service life, estimated net salvage value and depreciation method at the end of the year. Changes in the service life, estimated net salvage value and depreciation

method of the same type of assets are treated as changes in accounting estimation.

Impairment test method and impairment provision accrued method of fixed assets

At the end of the period, the fixed assets shall be measured at the lower of the book value and the recoverable amount. If the recoverable amount of fixed assets is lower than the book value due to a continuous decline in the market value, or technological obsolescence, damage, or long-term idleness, a provision for impairment of the fixed assets shall be made for the difference between the recoverable amount and the book value of individual fixed assets. If the recoverable amount of the individual asset is difficult to estimate, the Company will determine the recoverable amount of the asset group based on the asset group to which the asset belongs. The impairment losses on fixed assets must not be reversed in subsequent accounting periods once recognized.

For fixed assets for which depreciation provision has been made, the depreciation rate and depreciation amount shall be remeasured according to the book value of the fixed assets (the original price of fixed assets minus accumulated depreciation and provision for impairment), and the remaining service life.

On the balance sheet date, the fixed assets shall be measured at the lower of the book value and the recoverable amount. The category, estimated useful life, estimated residual value rate and annual depreciation rate of fixed assets of the Company are as follows:

Category	Depreciation method	Estimated useful life (Year)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings and Constructions	Straight-line method	10-45	5%	9.50—2.11
Special equipment	Straight-line method	5-35	5%	19.00—2.71
Universal equipment	Straight-line method	4-25	5%	23.75—3.80
Transportation equipment	Straight-line method	6	5%	15.83
Other equipment	Straight-line method	4-16	5%	23.75—5.94

(3) Recognition standard, valuation method and depreciation method for fixed assets acquired under financing lease

A finance lease refers to a lease where almost all the risks and rewards, related to the ownership of the leased asset, are substantially transferred, regardless of whether the ownership is eventually transferred or not. The policy for the accrual of the depreciation of the leasehold property for the fixed assets acquired under the finance lease was consistent with that adopted for the Company's fixed assets. If there is reasonable assurance that the Company will obtain the ownership of the leased assets when the lease term expires, the leased assets should be depreciated over its useful life; if there is no reasonable assurance that the Company will obtain the ownership of the leased assets when the lease term expires, the leased assets should be depreciated over the shorter of the lease term or the useful life of the leased assets.

5. 25. Construction in progress

(1) Construction in progress refers to various construction and installation works carried out for the construction or repair of fixed assets, including the actual expenditure incurred in new construction, reconstruction and expansion, and the net value of fixed assets transferred from the reconstruction and expansion projects.

(2) Construction in progress is accounted on an individual project basis with actual cost valuation method. The borrowing costs incurred before the projects reach the intended use condition shall be included in the project cost. The fixed assets shall be carried forward in the month when the project is qualified for acceptance and delivery for use. For those that have reached the intended use condition but have not yet completed the final account, from the date of reaching the intended use condition, according to the project budget, construction cost or the actual cost of the project, the cost transferred to the fixed assets shall be determined according to the estimated value, and the depreciation shall be recognized; After the completion of the final account, the original provisional value shall be adjusted according to the actual cost, but the amount of depreciation accrued shall not be adjusted.

(3) The loan interest and related expenses incurred during the construction period shall be capitalized into the cost of the construction in Progress.

(4) On the balance sheet date, the construction in progress is recognized at the lower of book value and recoverable amount.

5. 26. Borrowing costs

(1) Scope of borrowing costs and its capitalization conditions

The Company's borrowing costs capitalized during period of capitalization are relevant loan expenses directly attributable to the assets eligible for capitalization, including interest thereon, amortization of discounts or premiums, ancillary expenses and exchange differences incurred from foreign currency loan, etc.

Borrowing costs are capitalized when the following three conditions are met simultaneously: ① the asset expenditure has occurred, ② the borrowing costs have occurred, ③ the purchase and construction activities necessary to make the assets reach the intended use condition have started.

(2) Recognition of capitalized amounts

The capitalized amount of borrowing expenses is calculated as follows: As for special loan borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special loan actually incurred in the current period less the interest income of the loans unused and deposited in bank or return on temporary investment should be recognized as the capitalization amount of borrowing costs. As for general loans used for acquiring and constructing or producing assets eligible for capitalization, the interest of general loans to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements in excess of special loans by the capitalization rate of used general loans. During the period of capitalization, the capitalized amount of interest of each accounting period shall not exceed the current actual interest of the relevant loans. Where there are discounts or premiums on loans, the amounts of interest for each accounting period should be adjusted taking account of amortizable discount or premium amounts for the period by effective interest method. Auxiliary expenses incurred from special loans before the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be capitalized when they incur and charged to the costs of assets eligible for capitalization; those incurred after the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be recognized as costs according to the amounts incurred when they incur and charged to the current profit or loss.

(3) Recognition of capitalization rate

For a special loan for the purchase and construction of fixed assets, the capitalization rate is the interest rate of the loan;

For more than one special loan for the acquisition and construction of fixed assets, the capitalization rate is a weighted average interest rate of these loans.

(4) Capitalization suspension of borrowing costs

If the acquisition and construction or production activities of assets eligible for capitalization are interrupted abnormally and this condition lasts for more than three months, the capitalization of borrowing costs should be suspended. The borrowing costs incurred during interruption are charged to profit or loss for the current period, and the capitalization of borrowing costs continues when the acquisition and construction or production activities of the asset resume.

(5) Capitalization cessation of borrowing costs

Capitalization of borrowing costs should cease when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale. Borrowing costs incurred after the assets eligible for capitalization have reached the working condition for their intended use or sale should be recognized as the current profit and loss when they incur. If parts of the acquired and constructed or produced assets are completed separately but the assets cannot be used or sold externally until overall completion, the capitalization of borrowing costs should cease at the time of overall completion of the said assets.

5.27. Biological assets

N/A

5.28. Oil and gas assets

N/A

5. 29. Using right assets

Refer to Note 5.42 Lease for the detail.

5. 30. Intangible assets

(1) Measurement method, useful life, impairment test

Intangible assets refer to identifiable non-monetary assets that are owned or controlled by the Company without a physical form.

Measurement method

- a. Costs of intangible assets purchased include purchase price, related tax and expenses and other expenditure that can be distributed to the asset directly to reach its expected use.
- b. Intangible assets invested by investors shall be valued at the value agreed upon in the investment contract or agreement;
- c. Expenses on the research phase of internally researched and developed intangible assets shall be included in the current profit and loss when they incur; The expenditures incurred in the development stage of the internal research and development projects shall be recognized as intangible assets when the following conditions are met; otherwise, they shall be recorded into the current profit and loss when they incur.
 - i. It is technically feasible to finish intangible assets for use or sale;
 - ii. It is intended to finish and use or sell the intangible assets;
 - iii. The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by

applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;

iv. 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.

v. The expenditure attributable to the intangible asset during its development phase can be measured reliably.

d. If payment of the purchase price of intangible assets can be deferred and exceeds normal credit conditions, the purchase has the nature of finance in fact and cost of the intangible asset shall be determined on the basis of present value of the purchase price. The difference between the amount actually paid and the present value of the purchase price should be recorded into current profit or loss other than those should be capitalized during the credit period.

Useful life and amortization method

For intangible assets with limited useful life, amortization shall be carried out according to the straight-line method within the period that brings economic benefits to the enterprise. At the end of each period, the useful life and amortization method of intangible assets with limited service life shall be reviewed. If there are differences with the original estimates, corresponding adjustments shall be made.

Intangible assets whose useful life is uncertain shall be regarded as intangible assets if it is impossible to foresee the term in which intangible assets bring economic benefits to the enterprise. Intangible assets with uncertain useful life shall not be amortized during the holding period, and the life of intangible assets shall be reviewed at the end of each period. If it is still uncertain after the review at the end of the period, the impairment test shall continue during each accounting period. At the end of each period, the useful life of intangible assets with uncertain service life shall be reviewed.

Impairment test

On the balance sheet date, intangible assets are valued at the lower of book value and recoverable amount.

(2) Internal research and development expenditure accounting policy

The expenditures incurred in the development stage of the internal research and development projects shall be recognized as intangible assets when the following conditions are met; otherwise, they shall be recorded into the current profit and loss when they occur.

a. It is technically feasible to finish intangible assets for use or sale;

b. It is intended to finish and use or sell the intangible assets;

c. The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible

assets will be used internally;

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.

Development expenditures that have been recorded into profit and loss in previous periods are not recognized as assets in subsequent periods. The capitalized expenditure in the development stage is listed as development expenditure in the balance sheet, and it will be recorded into intangible assets from the date when the project reaches its intended purpose.

5. 31. Long-term assets impairment

On the balance sheet date, the Company makes a judgment on whether there are signs of possible impairment of long-term assets. If there are impairment indicators of non-current assets, the Company estimates the recoverable amount based on individual asset. If recoverable amount of individual asset is difficult to be estimated, the Company should recognize the recoverable amount of the asset group which the individual asset belongs to.

The recoverable amount is the higher of fair values less costs of disposal and the present values of the future cash flows expected to be derived from the asset.

If the measurement result of recoverable amount shows that recoverable amount of the non-current assets is less than its book value, the book value shall be written down to the recoverable amount, and the amount written down shall be recognized as the impairment loss of assets, recorded into the current profit and loss, and the corresponding impairment provision of assets shall be made at the same time. Once impairment loss stated above is recognized, reversal is not allowed in the subsequent accounting periods.

After the recognition of the impairment loss, the depreciation or amortization expense of the impairment asset shall be adjusted accordingly in the future period so as to systematically apportion the adjusted book value of the asset (deducting the expected net salvage value) within the remaining service life of the asset.

The Company should perform impairment test for goodwill and intangible assets with indefinite life at least at each year end, no matter whether there is impairment indicator.

Goodwill shall be combined with its related asset group or asset group portfolio so as to perform an impairment test. When the Company performs an impairment test on relevant asset group or asset group portfolio including goodwill, if there are signs of impairment, the Company shall firstly perform an impairment test on asset group or asset group portfolio excluding goodwill and calculate the recoverable amount, and compare with the related book value, recognize the corresponding impairment loss. Then, the Company performs an impairment test on relevant asset group or asset group portfolio including goodwill, and compares the book value of the relevant asset groups or asset group portfolio

(including proportional book value of goodwill) with its recoverable amount. If the recoverable amount of relevant asset group or asset group portfolio is less than its book value, the Company shall recognize impairment loss of goodwill.

5. 32. Long-term deferred expenses

Long-term deferred expenses shall be initially measured according to the actual costs incurred. It is amortized using the straight-line method over the beneficial period. If it cannot benefit the following accounting period, the amortized value of the item that has not been amortized will be transferred to the current profit and loss.

5. 33. Contract liabilities

The recognition method of contract liabilities: The Company presents contract assets or contract liabilities on the balance sheet according to the relationship between the fulfillment of its contract performance obligations and its customers' payment. Obligations to be fulfilled by the Company of transferring commodities or providing services to customers, as the Company has received or should receive customers' considerations, are presented as contract liabilities.

5. 34. Employee benefits

Employee benefits refer to the various forms of remuneration or compensation provided by the Company in order to obtain services offered by employees or terminate an employment relationship. Employee remuneration mainly includes short-term remuneration, post-employment benefits, dismissal benefits, and other long-term employee welfare.

(1) Accounting treatment method of short-term benefits

Short-term benefits are the benefits that the Company expects to pay in full within 12 months after the reporting period in which the employee provided relevant services, excluding the compensation for employment termination. Accrued short term benefits will be recognized as liability during the accounting period in which the employee is providing the relevant service to the Company. The liability will be included in the current profit and loss or the relevant assets cost.

(2) Accounting treatment method of post-employment benefits

a. Defined contribution plan

The defined contribution plan of the Company includes payments of basic pension and unemployment insurance calculated according to the local payment base and proportion. The amount shall be included into the profit and loss or the relevant assets cost for the accounting period in which the employee provides the service to the Company.

b. Defined benefit plan

According to the formula determined by the expected accumulative projected unit credit method, the Company will record the benefit obligation generated by the defined benefit plan belonging to the period during in which the employee provides the service into the current profit and loss or the relevant assets cost.

The deficit or surplus resulting from the present value minus the fair value of the assets of a defined benefit plan is recognized as a net liability or net asset of a defined benefit plan. If there is surplus in the defined benefit plan, the net assets of the defined benefit plan shall be measured at the lower of the surplus and the upper limit of assets of the defined benefit plan.

All defined benefit plan obligations, including those expected to be paid within the twelve months following the end of the annual reporting period in which the employee provides the service, are discounted based on the market yield and high quality corporate bonds in an active market that match the duration and currency of defined benefit plan obligations on the balance sheet date.

The service costs generated by the defined benefit plan and the net interest on net liabilities or net assets of the defined benefit plan are included in the current profit and loss or relevant assets cost; Changes in net liabilities or net assets generated by the re-measurement of the defined benefit plan are included in other comprehensive income and are not reversed to profit and loss in subsequent accounting periods.

At the time of settlement of the defined benefit plan, the settlement gains or losses shall be recognized according to the difference between the present value of the obligations of the defined benefit plan and the settlement price determined on the settlement date.

(3) Accounting treatment method of termination benefits

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.

As for the termination benefits that cannot be fully paid within 12 months after the end of the annual report period, the Company shall choose an appropriate discount rate and record it into current profit and loss based on it.

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

Other long-term employee benefits are all employee benefits other than short-term benefits, post-employment benefits and termination benefits.

Other long-term employee benefits provided by the Company to the employee that meet the conditions of the defined contribution plan shall be treated in accordance with the same principles of the defined

contribution plan; If the conditions for defined benefits are met, net liabilities or net assets of other long-term employee benefits shall be recognized and measured in accordance with the relevant principles of the defined benefits plan.

5. 35. Lease liabilities

Refer to the Note 5.42 Lease for details.

5. 36. Estimated liabilities

(1) Recognition criteria of estimated liabilities

If the contingent obligations meet the following conditions simultaneously, the Company shall recognize it as an estimated liability:

This obligation is the Company's current obligation; the performance of this obligation is highly likely to result in an outflow of economic benefits from the Company; The amount of the obligation can be measured reliably.

(2) Measurement method of estimated liabilities

The Company's estimated liabilities are initially measured in terms of the best estimate of the expenditure of fulfilling the relevant current obligations.

For determining the best estimate, the Company takes various factors into account such as the risk, uncertainty and time value of money related to contingencies. If the time value of money has a significant impact, the best estimate is determined by discounting the relevant future cash outflows.

The best estimate is processed as follows:

Where there is a continuous range (or range) of required expenditures and the probability of the occurrence of various results within the range is same, the best estimate is determined according to the mean of the middle value of the range, namely the mean value of the upper and lower limits.

Where there is no continuous range (or range) of required expenditures, or where there is a continuous range but the possibility of various outcomes within the range is different, if the contingencies involve a single item, the best estimate is determined according to the most likely amount; If the contingencies involve more than one item, the best estimate is calculated and determined according to various possible results and relevant probabilities.

Where all or part of the expenses required for the liquidation of the estimated liabilities of the Company are expected to be compensated by a third party, the amount of compensation shall be recognized as an asset when it is basically confirmed that it can be received, and the confirmed amount of compensation shall not exceed the book value of the estimated liabilities.

5. 37. Share-based payment

(1) The type of share-based payment

Share-based payment is classified as equity-settled share-based payment and cash-settled share-based payment.

(2) The method of determining the fair value of equity instruments

For equity-settled share-based payment related with employees, the equity instrument is measured at fair value. The cash-settled share-based payment shall be measured according to the fair value of the liabilities calculated and determined on the basis of shares or other equity instruments undertaken by the Company.

For the fair value of the stock option granted, the fair value is determined by using the stock option pricing model, and the following factors are taken into account: the current price of the underlying shares, the exercise price of the option, the risk-free interest rate within the period of the option, the option life, and the expected volatility of the stock price.

(3) Recognition of the best estimate basis of instrument that can be exercised

For the equity-settled share-based payment settled immediately after the grant, the fair value of the equity instrument shall be included in the relevant costs or expenses on the grant date, and the capital reserve shall be increased accordingly. Grant date means the date on which the share-payment agreement is approved.

For the equity-settled share-based payment, in which the services during waiting period are completed and the performance conditions are met, in return for services of employees, on each balance sheet date during waiting period, the current obtained service shall be included in the relevant costs or expenses and the capital reserves in accordance with the fair value of the equity instruments on the grant date, based on best estimate of the number of vested equity instruments, and the subsequent changes in fair value shall not be recognized. On each balance sheet date during waiting period, the Company makes the best estimate based on the latest available employee number change and other subsequent information, and modifies the number of equity instruments for the estimated vesting. On the vesting date, the final expected number of vesting instruments is the same as the actual number of vesting instruments.

(4) Relevant accounting treatment of implement, modification and termination of share-based payment plan

For equity-settled share-based payment, no adjustments will be made to the recognized costs and total owners' equity after the vesting date. On the vesting date, the Company shall recognize the share capital and the equity premium according to the exercise situation, and carry forward the capital reserve recognized in the waiting period.

No matter how it modifies the terms and conditions of the granted equity instruments or it cancels the granted equity instruments or its settlement, the equity instruments granted by the Company shall be recognized at fair value on the grant date and it measures obtained the corresponding services, unless it cannot be vested because it cannot meet the vesting conditions of equity instruments (except market conditions).

5.38. Other financial instruments such as preferred shares and perpetual bonds

N/A

5. 39. Revenue

(1) Basic principles of revenue identification

The Company recognizes revenue when it has fulfilled the performance obligations under the contract, that is, when the customers obtain the control of relevant goods or services, at the transaction price allocated to the performance obligations.

Performance obligations refer to the Company's promise that it will transfer clearly distinguishable goods or services to customers under the contract.

Obtaining control of related goods refers to that customers can control the use of the goods and obtain almost all the economic benefits from the goods.

The Company will evaluate the contract on the contract start date, identify each individual performance obligation contained in the contract, and judge whether each individual performance obligation will be performed within a certain period of time or at a certain point in time. If one of the following conditions is met, and the performance obligation are performed within a certain period of time, the Company will identify revenue within a period of time according to the performance progress: a. The customers obtain and consume the economic profits while the Company performs the contract. b. The customers can control the products under construction during the performance of the Company; c. The products produced during the performance of the Company cannot be replaced, and the Company has the right to collect payment for the completed performance accumulated during the entire contract period. Otherwise, the Company will identify revenue when the customers obtain control rights of the relevant goods or services.

For the performance obligations performed within a certain period of time, the Company will apply the input-output method to identify the appropriate performance progress based on the nature of the goods and services. The input-output method is to identify the performance progress based on the value of the goods that have been transferred to the customers to the customers. When the performance progress cannot be reasonably identified and the Company's incurred costs are expected to be compensated, the Company will identify the revenue according to the amount of the incurred costs until the performance progress can be reasonably identified.

(2) The methods of revenue identification

The Company mainly sells alcoholic products, which is a performance obligation performed at a certain point in time. The revenue identification of domestic products must meet the following requirements: a. The Company has delivered the products to the purchasers according to the contract and the purchasers have signed and confirmed the receipts. b. The amount of sales revenue has been identified. c. The payment has been received; the receipt of the document of title has been obtained and the relevant economic benefits are likely to flow in. d. The product-related costs can be reliably calculated. The following requirements must be met to confirm the revenue of export products: a. The Company has declared the products in accordance with the contract, obtained the bills of lading, received the payment or obtained the receipt of payment and related economic benefits that are likely to flow in. b. The main risks and rewards of the product ownership have been transferred. c. The legal ownership of the goods has been transferred.

5. 40. Government grants

Government grants are monetary assets and non-monetary assets acquired free of charge by the Company from the government like fiscal subsidies.

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

Government grants related to assets are government grants that are acquired by the Company and used for forming long-term assets through purchasing and constructing or other ways. If the government documents do not clearly specify the target of the subsidy, the Company shall separately explain judgment basis of classifying the government grants into the government grants related to assets or income.

Accounting method: it shall be recognized as deferred income allocated evenly over the useful lives (the period of depreciation and amortization) of the relevant assets from the month of commence of depreciation or amortization when the relevant assets reaching the intended use condition, and included in the current profit or loss. However, government grants measured at the nominal amount shall be directly included in current profit and loss.

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

Government grants related to income are government grants other than government grants related to assets;

Accounting method:

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 on acquisition or written off of the related costs.

c. Recognition time-point of government grants

Government grants are recognized when the Company can meet the attached conditions for the government grants and the Company can receive the grants.

d. Measurement of government grants

If a government grant is a monetary asset, it shall be measured in the light of the received or receivable amount. If a government grant is a non-monetary asset, it shall be measured at its fair value; and if its fair value cannot be obtained in a reliable way, it shall be measured at a nominal amount.

5. 41. Deferred tax assets or deferred tax liabilities

The Company adopts the balance sheet liability method to account for income tax.

The Company recognizes deferred tax assets when the following conditions are met simultaneously:

- i. Temporary differences are highly likely to be reversed in the foreseeable future;
- ii. Taxable income that may be used to offset the deductible temporary difference is likely to be obtained in the future and is limited to the amount of taxable income that is likely to be obtained.

On each balance sheet date, the current income tax liabilities (or assets) incurred in the current period or prior periods shall be measured by the Company in light of the expected payable (refundable) amount of income taxes according to the tax law; The deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

The Company shall review the carrying amount of deferred income tax assets on each balance sheet date. The current income tax and deferred income tax shall be recorded into the current profit and loss as income tax expense or income, except for the income tax generated from the enterprise merger, transactions or events directly recognized in the owner's equity.

5. 42. Lease

From the effectiveness date of a contract, the Company assessed whether the contract was a lease or includes any lease. If a party to the contract transferred the right allowing the control over the use of one or more assets that had been identified within a certain period, in exchange for a consideration, such contract was a lease or includes a lease.

(1) Accounting treatment with the Company as lessee

On the commencement date of the lease term, the Company recognizes the right-of-use assets and lease liabilities for the lease, unless it is a simplified short-term lease or a low-value asset lease.

Right-of-use assets are initially measured at costs, including: A. The initial measurement amount of lease liabilities; B. If there is a lease incentive for the lease payment paid on or before the start date of the lease term, the relevant amount of the lease incentive already enjoyed shall be deducted; C. Initial

direct expenses incurred by the Company; D. The expected cost to be borne by the Company in order to dismantle and remove the assets leased, restore original state of the place where the assets leased are in, or restore the assets leased to the state stipulated in the lease terms.

The Company initially measures the lease obligation at the present value of the lease payments outstanding at the commencement date of the lease term. When calculating the present value of lease payments, the Company uses the interest rate implicit in lease as the rate of discount. If the interest rate implicit in lease cannot be determined, the Company's incremental lending rate is used as the rate of discount.

After the commencement of the lease term, the Company uses the cost model for subsequent measurement of right-of-use assets, depreciates right-of-use assets on a straight-line basis, calculates the interest expense on the lease liability within the lease term and includes it in the current profit or loss, unless such interest charge is stipulated to be included in the underlying asset cost. Variable lease payments that are not included in the measurement of the lease obligation should be included in the current profit or loss when they are actually incurred, unless such payments are stipulated to be included in the underlying asset cost.

After the commencement of the lease term, the Company remeasures the lease liability and adjusts the corresponding right-of-use asset, and if the carrying value of the right-of-use asset has been reduced to zero but the lease liability is subject to further reduction, the difference is recorded in current profit or loss: (1) When there is a change in the valuation of the purchase option, renewal option or termination option, or actual exercise, the Company remeasures the lease liabilities at the present value of the lease payments after the change and the revised discount rate; (2) When there is a change in the actual fixed payment, the estimated payable of the residual value of the guarantee, the index or rate used to confirm the lease payment, the Company calculated the present value based on the changed lease payment amount and the original discount rate to remeasure the lease liabilities. However, where changes in lease payments arise from changes in floating interest rates, a revised discount rate was used to calculate the present value.

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

(2) Accounting treatment with the Company as lessor

① Lease classification

The Company classifies leases into finance leases and operating leases at the inception of leases. A finance lease refers to a lease where almost all the risks and rewards, related to the ownership of the leased asset, are substantially transferred, regardless of whether the ownership is eventually transferred or not. All leases other than finance leases are classified as operating leases.

② Accounting treatment of finance leases

On the commencement date of the lease term, the Company recognizes the finance lease receivables for the finance lease and derecognizes the leased asset of the finance lease. In the initial measurement of finance lease receivables, the sum of the unsecured residual value and the present value of the lease payments receivable not yet received on the commencement date of the lease term discounted at the interest rate implicit in lease is the entry value of the finance lease receivables. The Company calculates and recognizes the interest income in each period within the lease term at a fixed interest rate implicit in the lease. The received variable lease payments that are not included in the measurement of the net investment in the lease are included in profit or loss for the current period when they are actually incurred.

③ Accounting treatment of operating leases

The Company recognizes the lease payments receivable of the operating lease as rental earnings in each period within the lease term on a straight-line basis or according to other systematic and reasonable methods. The initial direct costs related to the operating lease are capitalized, amortized within the lease term on the same basis as the recognition of rental earnings, and included in profit or loss for the current period. The received variable lease payments related to the operating lease that are not included in the lease payments receivable are included in profit or loss for the current period when they are actually incurred.

5.43. Income tax expenses

The Company adopts the balance sheet liability method to account for income tax.

The Company recognizes deferred tax assets when the following conditions are met simultaneously:

1. Temporary differences are highly likely to be reversed in the foreseeable future;
2. Taxable income that may be used to offset the deductible temporary difference is likely to be obtained in the future and is limited to the amount of taxable income that is likely to be obtained.

On each balance sheet date, the current income tax liabilities (or assets) incurred in the current period or prior periods shall be measured by the Company in light of the expected payable (refundable) amount of income taxes according to the tax law; The deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

The Company shall review the carrying amount of deferred income tax assets on each balance sheet date. The current income tax and deferred income tax shall be recorded into the current profit and loss as income tax expense or income, except for the income tax generated from the enterprise merger, transactions or events directly recognized in the owner's equity.

5.44 Changes in significant accounting policies and accounting estimates

5.44.1. Changes in significant accounting policies

Applicable N/A

Content and reason of changes	Approval procedures	Note
On 31 December 2021, the Ministry of Finance issued the <i>Interpretation No. 15 of the Accounting Standards for Business Enterprises</i> (C.K. [2021] No. 35), of which the “accounting treatment for the sale of products or by-products produced by an enterprise before the fixed assets reach their intended useable state or during the research and development process” and “judgment on loss-making contracts” were carried out by the Company from 1 January 2022.	N/A	This change in accounting policies does not significantly affect the Company’s consolidated financial statements.
On 30 November 2022, the Ministry of Finance issued the <i>Interpretation No. 16 of the Accounting Standards for Business Enterprises</i> (C.K. [2022] No. 31), of which the “accounting treatment of the income tax effects of dividends on financial instruments classified as equity instruments by the issuer” and “accounting treatment of the revision of cash-settled share-based payment to equity-settled share-based payment by an enterprise” were carried out by the Company from the date of publication.	N/A	This change in accounting policies does not significantly affect the Company’s consolidated financial statements.

There was no other change in significant accounting policies in the reporting period other than the above changes.

5.44.2. Changes in significant accounting estimates

Applicable N/A

5.45. Other

N/A

6. Taxes

6.1. Major tax types and rates

Tax type	Tax base	Tax rate
Value-added tax	Taxable sales income	13 %, 9%, 6%
Urban maintenance and construction tax	Taxable turnover tax	7%
Corporate income tax	Taxable income	25%, 15%, 16.5%, 9%, 0%
Consumption tax (based on price)	Baijiu tax price or ex-factory price	20%
Consumption tax (based on quantity)	Quantity of baijiu	CNY 1.00/kg
Education surcharge	Taxable turnover tax	3%
Local education surcharge	Taxable turnover tax	2%
Property tax	Original value of the property*70%;	1.2%, 12%

	house rent	
Land use tax	Land area	CNY 5-18.00/m ²
Others	According to national regulation	

Tax payment subject using different corporate income tax rates, the corporate income tax rates are as follows:

Company name	Corporate income tax rate
Luzhou Pinchuang Technology Co., Ltd.	15%
Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	16.5%
Luzhou Laojiao Commercial Development (North America) Co., Ltd.	21%-40%
Mingjiang Co., Ltd.	21%-40%
Luzhou Red Sorghum Modern Agricultural Development Co., Ltd.	Exempted from corporate income tax
Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd.	9%

6.2. Tax preferences

(1) According to Announcement of the Ministry of Finance, State Taxation Administration and National Development and Reform Commission on Continuing the Corporate Income Tax Policies Concerning the Western Development Strategy (No. 23 in 2020, Ministry of Finance), from 1 January 2021 to 31 December 2030, companies are located in the western region whose primary business is listed in the Catalogue of Encouraged Industries in the Western Region, and the primary business income accounting for over 60% of the total enterprise income. These companies shall be subject to the corporate income tax at a reduced rate of 15%. The Company's holding subsidiary, Luzhou Pinchuang Technology Co., Ltd., whose primary business income meet the requirements of scope and standard of the Catalogue of Encouraged Industries in the Western Region, is paid at the rate of 15% for corporate income tax.

(2) According to Article 27 of the Corporate Income Tax Law of the People's Republic of China and Article 86, Item 1 of the Implementation Regulations of the Corporate Income Tax Law, companies are exempted from enterprise income tax when they engage in agricultural, forestry, animal husbandry and fishery industries. The holding subsidiary of the Company, Luzhou Red Sorghum Modern Agricultural Development Co., Ltd., is engaged in the cultivation and sale of organic sorghum and enjoys the reduction of corporate income tax preferences.

(3) According to the Article 15, Item 1 of the Provisional Regulations on Value-Added Tax, agricultural producers sell self-produced agricultural products exempt from value-added tax. The holding subsidiary of the Company, Luzhou Red Sorghum Modern Agricultural Development Co., Ltd., is engaged in the cultivation and sale of organic sorghum and enjoys the value-added tax exemption.

(4) According to the Article 3, Item 7 of the Notice on Revise of Interim Measures of Accelerating the Development in Headquarters Economy of China-Malaysia Qinzhou Industrial Park, till 31 December 2025, the enterprises in the Qinzhou Industrial Park that enjoy 15% of tax rate of Western Development

with the half reduction in the tax period of preferential policies shall enjoy the local share of corporate income tax exemption (namely 40% of corporate income tax was exempted, and the proportion adjusted by the state shall be executed according to new proportion); Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd., the wholly-owned subsidiary of the Company, pays corporate income tax at the rate of 9% according to the tax preference policies.

7. Notes to the main items of the consolidated financial statements (All currency unit is CNY, except other statements)

7.1. Cash and cash equivalents

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Cash	28,711.93	26,281.86
Bank deposit	17,729,643,050.90	13,490,769,725.71
Other cash and cash equivalents	27,856,448.42	22,698,572.99
Total	17,757,528,211.25	13,513,494,580.56
Including: Total deposit outbound	68,948,954.39	63,993,390.31
Total amount with restriction to use due to mortgage, pledge or freeze	28,521,619.38	110,965,638.73

Other statements:

Note 1: The deposit outbound is the balance of cash and cash equivalents of the foreign holding subsidiary of the Company.

Note 2: The closing balance of other cash and cash equivalents is the balance of CNY 17,856,448.42 deposited by the subsidiary, Luzhou Laojiao Electronic Commerce Co., Ltd. on the third-party e-commerce platform, and guaranty letter deposit of CNY 10,000,000.00 by the subsidiary, Luzhou Laojiao Sales Co., Ltd., in the bank.

Note 3: There is no special benefit arrangement such as establishing a fund co-management account with related parties in the current period.

7.2. Held-for-trading financial assets

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Financial assets measured at fair value with their changes included into current profits/losses	1,073,466,780.37	706,352,241.79
Including:		
Financial products at fair value through profit or loss	1,073,466,780.37	706,352,241.79
Including:		
Total	1,073,466,780.37	706,352,241.79

Other statements:

The closing balance represents the wealth management products of the collective asset management plan purchased by the Company from securities-type companies and is measured at fair value based on the amount calculated on the basis of the net unit value of the underlying assets as published on

the official website of the asset manager.

7.3. Accounts receivable

7.3.1. Classification of accounts receivable

Monetary Unit: CNY

Type	Closing Balance					Opening Balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Including:										
Accounts receivable tested for impairment by the portfolio	6,265,890.81	100.00%	326,470.03	5.21%	5,939,420.78	1,713,947.55	100.00%	85,699.00	5.00%	1,628,248.55
Including:										
Accounts receivable tested for impairment on the portfolio with characteristics of credit risk	6,265,890.81	100.00%	326,470.03	5.21%	5,939,420.78 ¹	1,713,947.55	100.00%	85,699.00	5.00%	1,628,248.55
Total	6,265,890.81	100.00%	326,470.03	5.21%	5,939,420.78	1,713,947.55	100.00%	85,699.00	5.00%	1,628,248.55

Note: 1 The closing book balance increased by CNY 4,551,943.26, up 265.58% compared with the opening balance, which was mainly due to the impact of the policy about sales on open account of the overseas business of the Hong Kong Company.

Accounts receivable tested for impairment on the portfolio:

Monetary Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	6,265,890.81	326,470.03	5.21%
Other portfolio			

Total	6,265,890.81	326,470.03	
-------	--------------	------------	--

Please refer to the relevant information of disclosure of provision for bad debt of other accounts receivable if adopting the general mode of expected credit loss to withdraw provision for bad debt of accounts receivable

Applicable N/A

Disclosure by aging

Monetary Unit: CNY

Aging	Closing balance
Within 1 year (including 1 year)	6,002,381.01
1-2 years	263,509.80
Total	6,265,890.81

7.3.2. Provision and recovery for bad and doubtful debt in the current period

Allowance of provision for bad debt:

Monetary Unit: CNY

Type	Opening Balance	Current Period				Closing Balance
		Allowance	Reversal or recovery	Write-off	Other	
Provision allowance by risk portfolio	85,699.00	240,771.03				326,470.03
Total	85,699.00	240,771.03				326,470.03 ¹

Note: There is no significant provision in accounts receivable reversed or recovered in the reporting period.

7.3.3. Top five entities with the largest balances of accounts receivable

Monetary Unit: CNY

Company name	Closing Balance	Proportion to total closing balance of accounts receivable	Closing balance of provision for bad debt
China Duty Free International LTD	3,890,598.54	62.09%	194,529.93
Sazerac Distiller LLC	1,182,640.06	18.87%	59,132.00
BAIWAN WINES INC.	559,788.31	8.93%	27,989.42
Beijing Secoo Trading Limited	263,509.80	4.21%	26,350.98
Park Street Imports, LLC	112,240.94	1.79%	5,612.05
Total	6,008,777.65	95.89%	

7.4. Accounts receivable financing

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Bank acceptance bill	4,583,352,503.37 ¹	4,757,631,778.64

Total	4,583,352,503.37	4,757,631,778.64
-------	------------------	------------------

Note: 1. The business mode to manage notes receivable aims to collect contract cash flow as well as to sell the financial assets, and thus the notes receivable is presented as accounts receivable financing; since the timing and price of bills discounted may not be reliably estimated due to the short maturity of the bills all being less than one year and the endorsement of the negotiable bills being valued at book value, the face value is regarded as the fair value of accounts receivable financing by the Company.

2. There was no allowance of provision for bad debt at the end of the reporting period.

Changes in accounts receivable financing in the reporting period and fair value:

Applicable N/A

Please refer to the relevant information of disclosure of impairment provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw impairment provision of accounts receivable financing.

Applicable N/A

Other statements:

(1) There was no accounts receivable financing pledge at the end of year.

(2) There is CNY 9,632,933,882.81 as follows of accounts receivable financing that have been endorsed to other parties by the Company but have not expired at the end of year:

Item	Derecognition at period-end	Not derecognition at period-end
Bank acceptance bill	9,632,933,882.81	
Subtotal	9,632,933,882.81	

Note: The acceptor of the bank acceptance bill is a commercial bank. The probability of not being paid due is very low, and the possibility of being recourse is very low, so the confirmation has been terminated.

(3) There are no accounts receivable financing transferred to accounts receivable due to the non-performance of the agreements by the issuers.

(4) There are no accounts receivable financing actually written off during the reporting period.

7.5. Prepayment

7.5.1. Aging analysis

Monetary Unit: CNY

Aging	Closing Balance		Opening Balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	108,917,843.70	95.33%	174,252,091.59	97.85%
1-2 years	3,541,174.81	3.10%	3,411,121.11	1.92%
2-3 years	1,633,422.20	1.43%	424,476.11	0.24%

Over 3 years	165,065.55	0.14%	
Total	114,257,506.26 ¹		178,087,688.81

Note: 1. The closing balance decreased by CNY 63,830,182.55 compared with opening balance, with an decrease by 35.84%, mainly due to the decrease of prepayments with the decline of product promotion activities.

Reasons for significant prepayments whose aging is longer than 1 year without timely settlement:

There is no significant prepayment whose aging is longer than 1 year.

7.5.2. Top five entities with the largest balances of prepayment

Company Name	Closing Balance	Proportion to the total closing balance of prepayment
Sports Equipment Center of General Administration of Sport of China	26,712,328.78	23.38%
China Railway Chengdu Group Co.,Ltd.	13,101,150.69	11.47%
Luzhou Western Gas Co., Ltd.	12,050,769.30	10.55%
Luzhou Power Supply Company of State Grid Sichuan Electric Power Company	6,984,742.47	6.11%
Sichuan Jiacheng Jingwei Culture Communication Co., Ltd.	5,342,465.75	4.68%
Subtotal	64,191,456.99	56.18%

7.6. Other receivables

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Other receivables	23,396,533.98 ¹	28,615,361.96
Total	23,396,533.98	28,615,361.96

Note: 1. Other receivables above-mentioned refer to other receivables after deducted interest receivable and dividend receivable.

7.6.1. Other receivables

7.6.1.1. Other receivables disclosed by nature

Monetary Unit: CNY

Nature	Closing book balance	Opening book balance
Intercourse funds	18,516,591.35	19,729,613.70
Petty cash	326,785.39	292,228.26
Saving deposits involving contract disputes	129,049,496.98	132,376,912.43
Total	147,892,873.72 ¹	152,398,754.39

Note 1: The saving deposits involving contract disputes are three deposits amounting to CNY 500,000,000.00 with Changsha Yingxin Sub-branch of Agricultural Bank of China and Nanyang Zhongzhou Sub-branch of Industrial and Commercial Bank of China disclosed by the Company in the 2014 Annual Report. The deposits have lost the nature of monetary fund due to their involvement in

contract disputes and have thus been transferred into “other receivables”.

7.6.1.2. Allowance of provision for bad debt

Monetary Unit: CNY

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2022	3,783,392.43		120,000,000.00	123,783,392.43
Balance of 1 January 2022 in the current period				
Allowance of the current period	924,947.31			924,947.31
Write-off of the current period	212,000.00			212,000.00
Balance of 31 December 2022	4,496,339.74 ¹		120,000,000.00	124,496,339.74

Note 1: There is no significant amount change of loss provision in the current period.

Changes of book balance with significant amount changed of loss provision in the current period

Applicable N/A

Disclosure by aging

Monetary Unit: CNY

Aging	Book balance
Within 1 year (including 1 year)	11,192,350.26
1-2 years	636,514.08
2-3 years	3,542,500.00
Over 3 years	132,521,509.38
3-4 years	122,800.00
4-5 years	1,168,807.90
Over 5 years	131,229,901.48
Total	147,892,873.72

7.6.1.3. Provision and recovery for bad and doubtful other receivables in the current period

Allowance of provision for bad debt:

Monetary Unit: CNY

Type	Opening Balance	Current Period				Closing Balance
		Allowance	Reversal or recovery	Write-off	Other	
Other receivables tested for impairment	120,000,000.00					120,000,000.00

individually					
Other receivables tested for impairment by the portfolio	3,783,392.43	924,947.31		212,000.00	4,496,339.74
Total	123,783,392.43	924,947.31		212,000.00	124,496,339.74

7.6.1.4. Other receivables actually verified in the current period

Monetary Unit: CNY

Item	Amount
Other receivables	212,000.00 ¹

Note 1: There are no other receivables actually verified in the current period.

7.6.1.4. Top five entities with the largest balances of the other receivables

Monetary Unit: CNY

Company Name	Nature	Closing Balance	Aging	Proportion in total receivables	Provisioning amount at period end
Agricultural Bank of China Changsha Yingxin Sub-branch, Industrial and Commercial Bank of China Nanyang Zhongzhou Sub-branch and another bank	Saving deposits involving contract disputes	129,049,496.98	Over 5 years	87.26%	120,000,000.00
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Security deposit and intercourse funds	5,111,743.43	Within 1 year, 2-3 years	3.46%	780,587.17
Longmatan Power Supply Bureau of Luzhou Power Bureau	Security deposit	1,520,000.00	Over 5 years	1.03%	1,520,000.00
Southwest United Equity Exchange Co., Ltd.	Security deposit	1,250,000.00	Within 1 year	0.85%	62,500.00
Online Banking (Beijing) Technology Co., Ltd.	Security deposit	500,000.00	1-2 years, 3-4 years	0.34%	80,000.00
Total		137,431,240.41		92.93%	122,443,087.17

7.7. Inventories

Whether the Company needs to comply with the disclosure requirements of real estate industry
No

7.7.1. Categories of Inventories

Monetary Unit: CNY

Category	Closing Balance			Opening Balance		
	Book Balance	Provision for stock obsolescence or impairment provision of contract performance costs	Book Value	Book Balance	Provision for stock obsolescence or impairment provision of contract performance costs	Book Value
Raw materials	128,252,608.95		128,252,608.95	123,986,924.38		123,986,924.38
Goods in progress	7,305,642,685.28		7,305,642,685.28	5,255,917,501.41		5,255,917,501.41
Finished goods	2,382,939,263.97		2,382,939,263.97	1,855,731,688.91		1,855,731,688.91
Goods in transit	23,907,816.65		23,907,816.65	41,937,052.10		41,937,052.10
Total	9,840,742,374.85 ¹		9,840,742,374.85	7,277,573,166.80		7,277,573,166.80

Note: 1. At the end of the period, it increased by CNY 2,563,169,208.05, up 35.22% compared with the beginning of the period, which was mainly due to the joint impact of the Company's continuous promotion of the plan on high-quality liquor production capacity and quality improvement, management requirements for product storage period and increase of the production volume of product.

2. The closing balance of inventories included no capitalized amount of borrowing expenses.

3. The closing balance included no restricted balance.

4. There were no unsettled assets of finished job caused by the construction contract at the end of the period.

7.8. Other current assets

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Value-added tax	139,165,221.10	82,734,324.31
Corporate income tax	9,447,204.77	24,638,887.44
Other taxes	4,423,521.07	4,601,321.16
Total	153,035,946.94	111,974,532.91

Other statements:

The value-added tax expected to be deducted in the next fiscal year and corporate income tax and other taxes are disclosed in other current assets.

7.9. Long-term equity investments

Monetary Unit: CNY

Investee	Opening Balance (book value)	Changes in current period								Closing Balance (book value)	Closing Balance of provision for impairment
		Increase	Decrease	Gain or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash dividend or profit declared	Provision for impairment	Other		
1. Joint Ventures											
2. Associate											
Huaxi Securities Co., Ltd.	2,493,328,165.33			43,897,917.31	-12,402,376.19		27,283,114.40			2,497,540,592.05	2,567,098.80
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.		40,000,000.00		185,894.77						40,185,894.77	
Sichuan Development Wine Investment Co., Ltd.	5,726,848.36			162,805.88						5,889,654.24	
Sichuan Tongniang Baijiu Industry Technology Research Institute Co., Ltd. Note	7,887,461.52			199,394.39						8,086,855.91	
CTS Luzhou Laojiao Cultural	119,801,761.04			-4,004,204.84						115,797,556.20	

Tourism Development Co., Ltd.										
Subtotal	2,626,744,236.25	40,000,000.00	40,441,807.51	12,402,376.19	-	27,283,114.40			2,667,500.55	2,567,098.80
Total	2,626,744,236.25	40,000,000.00	40,441,807.51	12,402,376.19	-	27,283,114.40			2,667,500.55	2,567,098.80

Note: 1. On 10 March 2022, Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd. was incorporated, and the Company contributes CNY 40 million with the shareholding ratio as 40.00% measured by equity method; Laojiao Group contributes CNY 51 million with the shareholding ratio as 51.00%; and Luzhou Energy Investment Co., Ltd. contributes CNY 9 million with the shareholding ratio as 9.00%.

7.10. Other equity instrument investment

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Financial assets designated to be measured at fair value through other comprehensive income		
Including:		
China Tourism Group Duty Free Corporation Limited	807,139,120.07 ¹	
Guotai Junan Securities Co., Ltd.	160,049,389.21	210,690,476.31
Luzhou Bank Co., Ltd.	120,158,392.72	102,174,621.71
Guotai Junan Investment Management Co., Ltd.	22,611,834.24	22,611,834.24
North Chemical Industries Co., Ltd.	14,931,950.24	15,963,896.54
Guojiu Big Data Co., Ltd.	10,000,000.00	10,000,000.00
Sichuan China Baijiu Golden Triangle Brand Operation Development Co., Ltd. and other equity instrument investments	1,846,291.63	1,871,291.63
Total	1,136,736,978.11	363,312,120.43

Note: 1 In August 2022, the Company subscribed 3,928,600 shares of China Tourism Group Duty Free Corporation Limited at HKD 158 per share; based on the holding intention, the Company classified them as financial assets measured at fair value through other comprehensive income.

Categories of non-trading equity instrument investment in the current period:

Monetary Unit: CNY

Item	Recognized dividends income	Accumulative gains	Accumulative losses	Amount of other comprehens	Reason for assigning to measure at	Reason of other comprehensiv

				ive income transferred to retained earnings	fair value and changes recorded into other comprehensive income	e income transferred to retained earnings
China Tourism Group Duty Free Corporation Limited		264,853,739.27			According to the mode of managing assets by management layer	
Guotai Junan Securities Co., Ltd.	8,008,357.96	147,330,232.45			According to the mode of managing assets by management layer	
Luzhou Bank Co., Ltd.		69,038,392.72			According to the mode of managing assets by management layer	
Guotai Junan Investment Management Co., Ltd.					According to the mode of managing assets by management layer	
North Chemical Industries Co.,Ltd.	70,359.97	13,901,950.24			According to the mode of managing assets by management layer	
Guojiu Big Data Co., Ltd.					According to the mode of managing assets by management layer	
Shenzhen Xingangfeng Development Co., Ltd.			2,354,000.00		According to the mode of managing assets by management layer	
Sichuan Deyang Jintai Hotel			2,000,000.00		According to the mode of managing assets by management layer	
Hainan Huitong International Trust			1,000,000.00		According to the mode of managing assets by	

Company					management layer	
Sichuan China Baijiu Golden Triangle Brand Operation Development Co., Ltd. and other equity instrument investments			398,926.37		According to the mode of managing assets by management layer	

7.11. Investment property

7.11.1. Investment property with cost measurement model

Applicable N/A

Monetary Unit: CNY

Item	Buildings and constructions	Land use right	Construction in progress	Total
I. Original cost:				
1. Opening balance				
2. Increase in current period	47,321,613.93	9,566,480.21		56,888,094.14
(1) External purchase				
(2) Transfer from inventories/ fixed assets/ construction in progress	47,321,613.93	9,566,480.21		56,888,094.14
(3) Increase from business combination				
3. Decrease in current period				
(1) Disposal				
(2) Other transfer out				
4. Closing Balance	47,321,613.93	9,566,480.21		56,888,094.14
II. Accumulated depreciation and amortization				
1. Opening Balance				
2. Increase in current period	15,125,126.70	2,613,513.22		17,738,639.92
(1) Provision or amortization				
(2) Transfer from fixed assets/ intangible assets	15,125,126.70	2,613,513.22		17,738,639.92
3. Decrease in				

current period				
(1) Disposal				
(2) Other transfer out				
4.Closing Balance	15,125,126.70	2,613,513.22		17,738,639.92
III. Provision for impairment				
1.Opening Balance				
2.Increase in current period				
(1) Provision				
3.Decrease in current period				
(1) Disposal				
(2) Other transfer out				
4.Closing Balance				
IV. Book Value				
1.Closing Book Value	32,196,487.23	6,952,966.99		39,149,454.22
2.Opening Book Value				

7.11.2. Investment property without certification of right

Monetary Unit: CNY

Item	Book value	Reason for not having the certification of right
Buildings of the Company	32,196,487.23	In procedure
Subtotal	32,196,487.23	

7.12. Fixed assets

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Fixed assets	8,853,348,204.83 ¹	8,088,216,508.58
Disposal of fixed assets	2,910,393.95	1,270,765.81
Total	8,856,258,598.78	8,089,487,274.39

Note 1: The fixed assets listed above refer to the fixed assets deducted those disposed.

7.12.1. Details of fixed assets

Monetary Unit: CNY

Item	Buildings and constructions	Specialized equipment	General equipment	Transportation equipment	Other equipment	Total
I. Original cost:						
1.Opening	6,810,063,839	1,116,825,737	894,181,275.8	45,071,455.46	1,491,462,062	10,357,604,37

balance	.38	.03	1		.44	0.12
2.Increase in current period	925,644,723.59	110,722,803.23	211,188,662.21	3,024,012.74	128,237,528.28	1,378,817,730.05
(1) External purchase	18,068,453.53	11,456,545.13	25,381,366.38	2,106,828.31	3,985,597.83	60,998,791.18
(2) Transfer from construction in progress	598,283,047.90	99,983,655.91	181,067,493.55	909,651.79	123,284,209.70	1,003,528,058.85
(3) Increase from business combination						
(4) Adjustment for completion settlement	309,293,222.16	-717,397.81	4,593,762.07	7,532.64	967,720.75	314,144,839.81
(5) Transfer from intangible assets			146,040.21			146,040.21
3.Decrease in current period	151,567,091.02	53,437,448.01	12,348,792.39	1,730,873.16	15,106,335.79	234,190,540.37
(1) Disposal or retirement	104,245,477.09	53,437,448.01	12,232,385.45	1,730,873.16	15,106,335.79	186,752,519.50
(2) Transfer to investment property	47,321,613.93					47,321,613.93
(3) Transfer to long-term deferred expenses			116,406.94			116,406.94
(4) Transfer to intangible assets						
4.Closing Balance	7,584,141,471.95	1,174,111,092.25	1,093,021,145.63	46,364,595.04	1,604,593,254.93	11,502,231,559.80
II. Accumulated depreciation						
1.Opening Balance	819,228,209.63	383,120,514.56	327,421,150.75	30,623,904.90	708,371,141.63	2,268,764,921.47
2.Increase in current period	232,220,325.76	138,186,034.01	108,522,159.64	3,286,434.42	65,524,430.56	547,739,384.39
(1) Provision	232,220,325.76	138,186,034.01	108,400,989.22	3,286,434.42	65,524,430.56	547,618,213.97
(2) Changes of exchange rates			121,170.42			121,170.42
3.Decrease in current period	94,729,431.21	50,538,170.92	9,048,465.02	1,644,329.52	12,283,494.29	168,243,890.96
(1) Disposal or retirement	79,604,304.51	50,538,170.92	9,016,498.18	1,644,329.52	12,283,494.29	153,086,797.42
(2) Transfer to investment property	15,125,126.70					15,125,126.70
(3) Transfer to long-term deferred expenses			31,966.84			31,966.84

4.Closing Balance	956,719,104.18	470,768,377.65	426,894,845.37	32,266,009.80	761,612,077.90	2,648,260,414.90
III. Provision for impairment						
1.Opening Balance	622,940.07					622,940.07
2.Increase in current period						
(1) Provision						
3.Decrease in current period						
(1) Disposal or retirement						
4.Closing Balance	622,940.07					622,940.07
IV. Book Value						
1.Closing Book Value	6,626,799,427.70	703,342,714.60	666,126,300.26	14,098,585.24	842,981,177.03	8,853,348,204.83
2.Opening Book Value	5,990,212,689.68	733,705,222.47	566,760,125.06	14,447,550.56	783,090,920.81	8,088,216,508.58

7.12.2. Fixed assets leased out through operating lease

Monetary Unit: CNY

Item	Closing book value
Buildings and constructions	25,700,763.32
Subtotal	25,700,763.32

7.12.3. Fixed assets without certification of right

Monetary Unit: CNY

Item	Book value	Reason for not having the certification of right
Buildings of the Company	23,940,326.21	The property ownership certificate has not been processed yet for the historical reasons, and it plans to be processed after gradually improving procedures.
Buildings of the Company	266,081,326.56	In procedure
Buildings of the subsidiary-brewing company	4,411,836,502.14	In procedure
Buildings of the subsidiary- Guangxi Imported Liquor Industry	59,132,570.34	In procedure
Subtotal	4,760,990,725.25	

7.12.4. Disposal of fixed assets

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Disposal and retirement of assets	2,910,393.95	1,270,765.81

Total	2,910,393.95	1,270,765.81
-------	--------------	--------------

7.13. Construction in progress

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Construction in progress	808,919,047.21	1,259,845,487.50
Total	808,919,047.21	1,259,845,487.50

7.13.1. Details of the construction in progress

Monetary Unit: CNY

Item	Closing Balance			Opening Balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Improvement and technical renovation project of Luzhou Laojiao production supporting				563,063,821.82		563,063,821.82
Technical renovation of Luzhou Laojiao Intelligent packaging center	638,798,849.16		638,798,849.16	301,985,162.65		301,985,162.65
Landscape improvement project of Luzhou Laojiao Huangyi Brewing Ecological Park				149,089,445.94		149,089,445.94
Technical renovation project of Luzhou Laojiao intelligent brewing (I)	12,284,062.35		12,284,062.35			
Other projects	157,836,135.70		157,836,135.70	245,707,057.09		245,707,057.09
Total	808,919,047.21 ¹		808,919,047.21	1,259,845,487.50		1,259,845,487.50

Note: 1. The closing balance decreased CNY 450,926,440.29 compared with the opening balance, with a decrease by 35.79%, because of the carry forward of the project for completion in the current period.

7.13.2. Significant changes in construction in progress

Monetary Unit: CNY

Item	Budget	Opening Balance	Increase in current period	Transfer into fixed assets	Other decreases	Closing Balance	Proportion of accumulated project input in budget	Progress (%)	Accumulated capitalized interest	Including: Capitalized interest for the period	Capitalization rate for the period (%)	Source of funds
Improvement and technical renovation project of Luzhou Laojiao production supporting	669,321,561.00	563,063,821.82	1,724,916.35	561,400,497.60	3,388,240.57		91.57%	100.00%				Other
Technical renovation of Luzhou Laojiao intelligent packaging center	1,886,176,000.00	301,985,162.65	337,766,482.97	685,771.68	267,024.78	638,798,849.16	36.54%	40.00%	150,769.29	150,769.29	3.59%	Other
Landscape improvement project of Luzhou Laojiao Huan gyi	200,065,400.00	149,089,445.94	28,259,956.65	177,345,748.65	3,653.94		95.16%	100.00%				Other

Brewing Ecological Park												
Technical renovation project of Luzhou Laojiao intelligent brewing (I)	4,782,509,000.00		583,300,245.67		739,432,017.93	571,016,183.32	12,284,062.35	12.20%	1.00%			Other
Total	7,538,071,961.00	1,014,138,430.41	951,051,601.64	739,432,017.93	574,675,102.61	651,082,911.51				150,769.29	150,769.29	3.59%

Note: 1. Other decreases refer to land use rights, software and low priced and easily worn articles transferred to intangible assets.

7.14. Right-of-use assets

Monetary Unit: CNY

Item	Land use right	Buildings and constructions	Total
I. Original cost			
1. Opening Balance	32,680,786.33	32,890,490.67	65,571,277.00
2. Increase in current period		4,759,660.94	4,759,660.94
(1) Lease in		3,237,563.67	3,237,563.67
(2) Changes of exchange rates		1,522,097.27	1,522,097.27
3. Decrease in current period		12,753,514.58	12,753,514.58
(1) Adjustment for change of lease term		12,753,514.58	12,753,514.58
4. Closing Balance	32,680,786.33	24,896,637.03	57,577,423.36
II. Accumulated amortization			
1. Opening Balance	3,634,912.70	9,221,554.26	12,856,466.96
2. Increase in current period	3,634,912.70	11,832,498.22	15,467,410.92
(1) Provision	3,634,912.70	11,003,664.32	14,638,577.02
(2) Changes of exchange rates		828,833.90	828,833.90
3. Decrease in current period		10,698,980.15	10,698,980.15
(1) Disposal			
(1) Adjustment for change		10,698,980.15	10,698,980.15

of lease term			
4. Closing Balance	7,269,825.40	10,355,072.33	17,624,897.73
III. Provision for impairment			
1. Opening Balance			
2. Increase in current period			
(1) Provision			
3. Decrease in current period			
(1) Disposal			
4. Closing Balance			
IV. Book Value			
1. Closing Book Value	25,410,960.93	14,541,564.70	39,952,525.63
2. Opening Book Value	29,045,873.63	23,668,936.41	52,714,810.04

7.15. Intangible assets

7.15.1. Details of intangible assets

Monetary Unit: CNY

Item	Land use right	Patent right	No-patent right technology	Computer software	Trademark right	Total
I. Original cost						
1. Opening Balance	2,744,202,317.34	1,700,050.44		60,715,751.05	1,890,746.08	2,808,508,864.91
2. Increase in current period	589,960,901.10			2,620,476.67	224,168.74	592,805,546.51
(1) Acquired	6,754,009.86			2,545,221.23	224,168.74	9,523,399.83
(2) Internal developed						
(3) Business combination						
(4) Transferred from construction in progress	582,258,391.12			75,255.44		582,333,646.56
(5) Adjustment for completion settlement	948,500.12					948,500.12
3. Decrease in current period	46,020,547.15					46,020,547.15
(1) Disposal	36,454,066.94					36,454,066.94
(2) Transfer to investment property	9,566,480.21					9,566,480.21
4. Closing Balance	3,288,142,671.29	1,700,050.44		63,336,227.72	2,114,914.82	3,355,293,864.27
II. Accumulated						

amortization						
1. Opening Balance	171,347,186.40	700,604.04		28,303,256.02	1,798,629.73	202,149,676.19
2. Increase in current period	76,292,727.98	130,005.05		4,104,831.25	76,477.68	80,604,041.96
(1) Provision	76,292,727.98	130,005.05		4,104,831.25	76,477.68	80,604,041.96
3. Decrease in current period	10,731,706.67					10,731,706.67
(1) Disposal	8,118,193.45					8,118,193.45
(2) Transfer to investment property	2,613,513.22					2,613,513.22
4. Closing Balance	236,908,207.71	830,609.09		32,408,087.27	1,875,107.41	272,022,011.48
III. Provision for impairment						
1. Opening Balance						
2. Increase in current period						
(1) Provision						
3. Decrease in current period						
(1) Disposal						
4. Closing Balance						
IV. Book Value						
1. Closing Book Value	3,051,234,463.58	869,441.35		30,928,140.45	239,807.41	3,083,271,852.79
2. Opening Book Value	2,572,855,130.94	999,446.40		32,412,495.03	92,116.35	2,606,359,188.72

There is no proportion of intangible assets formed by internal development to the balance of intangible assets at the period-end.

7.16. Long-term deferred expense

Monetary Unit: CNY

Item	Opening Balance	Increase	Amortization	Other decrease	Closing Balance
Improvement expense of rented fixed assets	1,463,869.21	116,406.94	872,334.97	-2,069.74	710,010.92
Total	1,463,869.21	116,406.94	872,334.97	-2,069.74 ¹	710,010.92

Note: 1 Other decrease was generated from changes of exchange rates.

7.17. Deferred tax assets/ deferred tax liabilities

7.17.1. Deferred tax assets before offset

Monetary Unit: CNY

Item	Closing Balance		Opening Balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairment	128,012,783.36	31,895,371.12	127,059,130.30	31,755,535.22
Unrealized profits from internal transactions	2,839,779,249.07	709,944,812.27	3,161,541,177.98	790,385,294.49
Deductible losses	9,551,262.70	2,312,572.68	5,716,197.58	1,429,049.40
Impact from salary	630,936,117.63	155,191,186.34	591,456,408.66	145,429,434.14
Impact from deferred earnings	33,704,323.80	8,426,080.95	28,531,014.28	7,132,753.57
Impact from fixed assets depreciation	227,859.62	37,596.84	529,787.16	96,441.51
Recognition costs of restricted shares for equity incentive in the vesting period	367,875,588.32 ¹	89,288,197.09	34,895,071.18	8,446,243.50
Impact from fair value changes of other equity instrument investment	5,752,926.37	1,438,231.59	5,752,926.37	1,438,231.59
Impact of income tax from fair value changes of held-for-trading financial assets	26,533,219.63	6,633,304.92		
Total	4,042,373,330.50	1,005,167,353.80	3,955,481,713.51	986,112,983.42

Note: 1. Deductible temporary differences of CNY 367,875,588.32 of costs and expenses recognized during the vesting period of restricted shares for share incentives represent the estimated future pre-tax deductible amounts based on the Company's share price less the grant price at the end of the period.

7.17.2. Deferred tax liabilities before offset

Monetary Unit: CNY

Item	Closing Balance		Opening Balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Fair value changes of other equity instrument investment	495,124,314.68	123,781,078.67	263,959,837.80	65,989,959.48
Fair value changes of held-for-trading financial assets			6,352,241.79	1,588,060.45
Impact from the policy of one-time pre-tax deduction of	172,516,000.07	42,262,585.21		

fixed assets				
Total	667,640,314.75	166,043,663.88	270,312,079.59	67,578,019.93

7.17.3. Details of unrecognized deferred tax assets

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Deductible losses	72,503,754.75	201,219,210.53
Credit impairment losses and Asset impairment losses	65.28	
Impact from employee benefits payable	2,369,328.86	139,023.54
Total	74,873,148.89	201,358,234.07

7.17.4. Deductible losses from unrecognized deferred tax assets will due on the following years

Monetary Unit: CNY

Year	Closing Amount	Opening Amount	Notes
The 1st year	6,496,423.50		
The 2nd year	14,491,365.44	6,713,657.39	
The 3rd year	21,651,366.58	14,491,365.44	
The 4th year	11,572,224.60	108,989,982.02	
The 5th year	18,292,374.63	71,024,205.68	
Total	72,503,754.75	201,219,210.53	

7.18. Other non-current assets

Monetary Unit: CNY

Item	Closing Balance			Opening Balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepaid equipment and land expense	196,095,702.09		196,095,702.09 ¹	650,384,435.70		650,384,435.70
Total	196,095,702.09		196,095,702.09	650,384,435.70		650,384,435.70

Note: 1. At the end of the period, it decreased by CNY 454,288,733.61, down 69.85%, which was mainly due to the impact of the completion and transfer to fixed assets of construction in progress and the settlement of project device prepayment of Brewing Company as the Company's subsidiary.

7.19. Accounts payable

7.19.1. Presentation of accounts payable

Monetary Unit: CNY

Category	Closing Balance	Opening Balance
----------	-----------------	-----------------

Materials and service expense	1,042,394,395.05	1,171,595,976.46
Engineering equipment expense	1,269,271,189.99	1,248,758,493.07
Total	2,311,665,585.04	2,420,354,469.53

7.19.2. Significant accounts payable whose aging is longer than 1 year

Monetary Unit: CNY

Category	Closing Balance	Reason for not payment or carrying forward
China Construction First Group Corporation Limited	257,461,125.73	Within the contract settlement period
Total	257,461,125.73	

7.20. Contract liabilities

Monetary Unit: CNY

Category	Closing Balance	Opening Balance
Within 1 year	2,540,635,630.98	3,484,385,115.64
1-2 years	10,654,577.66	4,042,470.18
2-3 years	1,199,843.23	1,569,941.86
Over 3 years	13,884,666.89	20,113,173.57
Total	2,566,374,718.76¹	3,510,110,701.25

Note: 1. There is no significant contract liability whose aging is longer than 1 year.

7.21. Employee benefits payable

7.21.1. Employee benefits payable shown as follows

Monetary Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
1. Short-term benefits	611,190,565.92	1,061,312,546.58	1,016,890,980.76	655,612,131.74
2. Post-employment benefits- defined contribution plans	36,904,203.51	122,740,481.69	140,230,903.16	19,413,782.04
3. Termination benefits	8,971.53	268,397.42	268,397.42	8,971.53
Total	648,103,740.96	1,184,321,425.69	1,157,390,281.34	675,034,885.31

7.21.2. Short-term employee benefits payable shown as follows

Monetary Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
1. Wages, bonuses, allowances and grants	549,316,255.45	901,369,990.30	838,840,852.30	611,845,393.45
2. Employees' welfare		19,745,831.50	19,745,831.50	

3. Social insurance premiums	5,366,001.71	61,808,037.97	65,136,740.21	2,037,299.47
Work-related injury insurance	1,409,665.57	1,615,456.21	2,514,871.07	510,250.71
Medical and maternity insurance premium	3,956,336.14	60,192,581.76	62,621,869.14	1,527,048.76
4. Housing funds	9,230,529.23	58,371,693.30	65,513,976.94	2,088,245.59
5. Labor union expenditures and employee education funds	47,277,779.53	20,016,993.51	27,653,579.81	39,641,193.23
Total	611,190,565.92	1,061,312,546.58	1,016,890,980.76	655,612,131.74

7.21.3. Defined contribution plan shown as follows

Monetary Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
1. Basic endowment insurance premium	17,650,834.85	87,225,437.36	86,514,493.25	18,361,778.96
2. Unemployment insurance premium	5,993,266.59	559,321.55	6,225,768.28	326,819.86
3. Enterprise annuity	13,260,102.07	34,955,722.78	47,490,641.63	725,183.22
Total	36,904,203.51	122,740,481.69	140,230,903.16	19,413,782.04

7.22. Taxes payable

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Value-added tax	502,641,326.22	421,216,223.94
Consumption tax	1,386,271,621.60	1,263,440,836.05
Enterprise income tax	1,345,243,541.07	1,327,750,786.20
Individual income tax	10,295,445.63	10,467,970.24
Urban maintenance and construction tax	131,841,222.44	82,437,545.17
Education surcharge	56,445,651.96	35,234,596.27
Local education surcharge	37,733,654.17	23,651,376.27
Stamp duty	9,937,931.91	8,490,523.62
Land use tax	437,618.74	437,619.35
Others	302,715.24	352,150.68
Total	3,481,150,728.98	3,173,479,627.79

7.23. Other payables

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Dividend payable	16,594,850.58	
Other payables	1,185,814,427.91 ¹	652,393,292.60
Total	1,202,409,278.49	652,393,292.60

Note: 1. Other payables listed in the above table are other payables minus interest payable and dividend payable.

2. At the end of the period, the closing balance of other payables increased by CNY 533,421,135.31, up 81.76% compared with the opening balance, which was mainly due to the impact of liabilities of CNY 639,021,998.78 recognized for repurchase obligations under the restricted share incentive plan.

7.23.1. Dividend payable

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Ordinary share dividends	16,594,850.58 ¹	
Total	16,594,850.58	

Note: 1. The closing balance refer to the dividends distributed but not yet paid to minority shareholders of the Company's subsidiary Boda Marketing Company.

7.23.2. Other payables

7.23.2.1. Categories by nature

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Security deposit	527,881,969.37	628,174,772.12
Intercourse funds	10,226,769.10	17,757,284.78
Repurchase obligations of restricted shares	639,021,998.78	
Others	8,683,690.66	6,461,235.70
Total	1,185,814,427.91	652,393,292.60

7.23.2.2. Significant other payables whose aging are longer than 1 year

Other statements:

Other payables whose aging are longer than 1 year are mainly security deposits collected from dealers.

7.24. Non-current liabilities due within one year

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Long-term loans due within one year	20,400,000.00	
Lease liabilities due within one year	14,530,370.36	13,983,036.95
Interest of long-term loans due within one year	1,984,027.78	
Interest of bonds payable due within one year	44,965,068.49	72,219,178.08
Total	81,879,466.63	86,202,215.03

7.25. Other current liabilities

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Output VAT to be transferred	333,627,225.47	456,314,391.17
Total	333,627,225.47	456,314,391.17

7.26. Long-term loans

7.26.1. Long-term loans

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Credit loans	3,200,000,000.00	
Less: Long-term loans due within one year	-20,400,000.00	
Total	3,179,600,000.00	

7.27. Bonds payable

7.27.1. Bonds payable

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Corporate bonds in 2019 (Phase I)		2,494,539,629.08
Corporate bonds in 2020 (Phase I)	1,497,461,348.61	1,496,246,113.15
Corporate bonds in 2022 (Phase I)	1,498,638,223.25	
Total	2,996,099,571.86	3,990,785,742.23

7.27.2. Increase/decrease of bonds payable (excluding other financial instrument classified as financial liabilities such as preferred shares and perpetual bonds)

Monetary Unit: CNY

Bond name	Par value	Issuing date	Duration	Issuing amount	Opening Balance	Issued in the current period	Withdrawal of interest by par value	Amortization of premium and depreciation	Repayment in the reporting period	Closing Balance
Corporate bonds in 2019 (Phase I)	2,500,000.00	27 August 2019	3+2	2,490,000.00	2,494,539.62		58,849,315.07	5,460,370.92	2,500,000.00	
Corporate bonds in 2020 (Phase I)	1,500,000.00	16 March 2020	5	1,494,000.00	1,496,246.11		52,500,000.00	1,215,235.46		1,497,461,348.61

l)										
Corporate bonds in 2022 (Phase I)	1,500,000.00	2 December 2022	3	1,498,800.00		1,498,800.00	3,562,500.00	-161,776.75		1,498,638,223.25
Total	—			5,482,800.00	3,990,785.74	1,498,800.00	114,911,815.07	6,513,829.63	2,500,000.00	2,996,099,571.86

7.28. Lease liabilities

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Lease payment	48,776,000.46	61,305,700.55
Less: unrecognized financing cost	-5,148,660.44	-6,654,995.52
Lease liabilities due within one year	-14,530,370.36	-13,983,036.95
Total	29,096,969.66	40,667,668.08

7.29. Deferred income

Monetary Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance	Reason
Government grants	28,531,014.28	11,800,000.00	6,626,690.48	33,704,323.80	Reception of financial allocation
Total	28,531,014.28	11,800,000.00	6,626,690.48	33,704,323.80	--

Details:

Monetary Unit: CNY

Liability Item	Opening Balance	Increase in current period	Non-operating income in current period	Other income in current period	Cost reduction in current period	Other changes	Closing Balance	Related to assets/income
New mode application project of digital workshop for solid state baijiu production	6,070,300.00			1,386,000.00			4,684,300.00	Related to assets
Construction project of spirit room of Luzhou Laojiao brewing	5,950,000.00			1,400,000.00			4,550,000.00	Related to assets

technical renovation								
Luzhou Laojiao automatic wine production line technical renovation project	425,000.00	830,000.00		119,761.90			1,135,238.10	Related to assets
Boiler reconstruction project of Luohan Brewing Base of Luzhou Laojiao	7,585,714.28			1,264,285.72			6,321,428.56	Related to assets
Brewing wastewater treatment project	8,500,000.00	5,000,000.00		2,357,142.86			11,142,857.14	Related to assets
Improvement and technical renovation project of Luzhou Laojiao production supporting		5,970,000.00		99,500.00			5,870,500.00	Related to assets

7.30. Share capital

Monetary Unit: CNY

	Opening Balance	Increases/decreases in the current period (+, -)					Closing Balance
		Issuance of new shares	Bond s share	Conversi on of reserves funds into shares	Other s	Subtotal	
Total number of shares	1,464,752,476.00	7,142,624.00				7,142,624.00 ¹	1,471,895,100.00

Note: 1. In February 2022, the registration of 6,862,600 shares of the Restricted Share Incentive Plan granted by the Company for the first time were completed; in September 2022, the Company granted 342,334 shares of the Restricted Share Incentive Plan for the second time; in September 2022, with seven awardees no longer eligible, the Company decided to repurchase and retire the 62,310 restricted shares of them which had been granted but not lifted from restricted sales; so far, the above grant and repurchase of the Restricted Share Incentive Plan had all been registered and the total shares of the

Company changed to 1,471,895,100 shares.

7.31. Capital reserves

Monetary Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Share premium (capital premium)	3,542,967,507.48	659,653,965.64	5,512,316.46	4,197,109,156.66
Other capital reserves	212,387,158.25	390,658,154.08		603,045,312.33
Total	3,755,354,665.73	1,050,312,119.72	5,512,316.46	4,800,154,468.99

Other statements, including increase/decrease and reasons thereof:

Note 1: The increase and decrease of capital premium of the period is the premium payment received and paid for the grant and repurchase of restricted shares.

Note 2: The increase in other capital reserves for the period was mainly due to the impact of the income tax of the costs and expenses to be recognized in the period for the issuance of restricted shares and the expected pre-tax deductible amount in future periods in excess of the recognized costs and expenses.

7.32. Treasury shares

Monetary Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Perform the repurchase obligations under the equity incentive		666,858,899.64	27,836,900.86	639,021,998.78
Total		666,858,899.64	27,836,900.86	639,021,998.78

Other statements, including notes to increase and decrease during the reporting period and the reasons for changes:

Note: The Company recognized restricted shares repurchase obligations in the current period, raising the treasury stock by CNY 666,858,899.64; the Company repurchased and retired restricted shares in the current period, declining the treasury stock by CNY 5,574,626.46; and the treasury stock was down by CNY 22,262,274.40 due to the expected cash dividend of unlockable restricted shares.

7.33. Other comprehensive income

Monetary Unit: CNY

Item	Opening Balance	Current Period						Closing Balance
		Amount in current period before income tax	Less: Previously recognized in other comprehensive income transferred to profit	Less: Previously recognized in other comprehensive income transferred to	Less: Income tax	Amount attribute to parent company after tax	Amount attribute to non-controlling shareholders after tax	

			and loss	retained earnings				
I. Other comprehensive income that will not be reclassified into profit and loss	193,605,183.54	173,373,357.69				173,373,357.69		366,978,541.23
Fair value changes of other equity instrument investment	193,605,183.54	173,373,357.69				173,373,357.69		366,978,541.23
II. Other comprehensive income that will be reclassified into profit and loss	- 26,078,031.22	- 8,308,184.27				- 10,149,264.17	1,841,079.90	- 36,227,295.39
Including: Other comprehensive income that will be reclassified into profit and loss under equity method	- 26,382,364.46	- 12,402,376.19				- 12,402,376.19		- 38,784,740.65
Difference from conversion of financial statements in foreign currency	304,333.24	4,094,191.92				2,253,112.02	1,841,079.90	2,557,445.26
Total	167,527,152.32	165,065,173.42				163,224,093.52	1,841,079.90	330,751,245.84

7.34. Surplus reserves

Monetary Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Statutory surplus reserves	1,464,752,476.00	7,142,624.00		1,471,895,100.00
Total	1,464,752,476.00	7,142,624.00		1,471,895,100.00

7.35. Undistributed profits

Monetary Unit: CNY

Item	Current Period	Previous Period
Undistributed profit before adjustment at the end of the last year	21,187,860,235.89	16,236,513,212.43
Undistributed profit after adjustment at the beginning of year	21,187,860,235.89	16,236,513,212.43
Plus: Net profit attributable to owners of the parent company for the current period	10,365,383,281.80	7,955,554,351.73
Less: Provision of statutory surplus reserves	7,142,624.00	
Ordinary share dividends payable	4,773,919,306.55	3,004,207,328.27
Plus: Other transfer in	15,626.84 ¹	
Undistributed profits at the end of the period	26,772,197,213.98	21,187,860,235.89

Note: 1. Other transfers were the investment of the disposal of other equity instruments of Tourism Company as the subsidiary of the Company in the current period, which was due to the impact of transfers to retained earnings of relevant changes in fair value.

7.36. Operating revenue and cost of sales

Monetary Unit: CNY

Item	Current Period		Previous Period	
	Revenue	Cost of sales	Revenue	Cost of sales
Primary business	24,766,121,998.49	3,214,253,716.91	20,415,170,469.09	2,885,685,151.63
Other business	357,441,273.13	155,274,677.11	227,091,255.28	66,746,336.68
Total	25,123,563,271.62	3,369,528,394.02	20,642,261,724.37	2,952,431,488.31

Whether the lower of the net profit before and after deduction of non-recurring gains and losses through audit is negative

Yes No

Details:

Monetary Unit: CNY

Contract category	Liquor sales	Total
Commodity type		
Including:		
Medium and high grade liquor	22,132,546,058.64	22,132,546,058.64
Other liquor	2,633,575,939.85	2,633,575,939.85
By operating segment		
Including:		
Domestic	24,613,436,212.24	24,613,436,212.24
Outbound	152,685,786.25	152,685,786.25
Market or customer type		

Including:		
Contract type		
Including:		
Commodity sales contract	24,766,121,998.49	24,766,121,998.49
By commodity transfer time		
Including:		
By contract term		
Including:		
By sales channel		
Including:		
Total	24,766,121,998.49	24,766,121,998.49

7.37. Business taxes and surcharges

Monetary Unit: CNY

Item	Current Period	Previous Period
Consumption tax	2,753,367,764.57	2,251,935,882.19
Urban maintenance and construction tax	370,928,389.23	286,067,925.02
Educational surcharge	158,966,546.28	122,600,539.31
Property tax	75,661,405.90	74,979,375.32
Land use tax	35,777,691.90	30,117,077.49
Stamp duty	23,111,385.94	17,354,822.83
Local education surcharge	105,978,159.07	81,733,692.89
Others	156,944.59	112,227.80
Total	3,523,948,287.48	2,864,901,542.85

7.38. Selling and distribution expenses

Monetary Unit: CNY

Item	Current Period	Previous Period
Advertising promotion expense	1,880,179,769.91	1,769,053,962.56
Promotion expense	712,641,702.96	1,139,273,684.38
Employee compensation	355,699,286.88	357,659,249.63
Storage and logistics costs	138,589,417.94	100,059,219.52
Others	361,660,868.33	233,165,488.47
Total	3,448,771,046.02	3,599,211,604.56

7.39. General and administrative expenses

Monetary Unit: CNY

Item	Current Period	Previous Period
Employee compensation	467,979,805.98	540,848,428.46
Depreciation and amortization	132,084,757.27	128,396,634.90
Management fee and service expense	115,361,022.69	73,918,283.32
Others	446,996,671.29	312,953,021.17
Total	1,162,422,257.23	1,056,116,367.85

7.40. Research and development expenses

Monetary Unit: CNY

Item	Current Period	Previous Period
Comprehensive research and development expenses	206,248,486.57 ¹	137,712,329.78
Total	206,248,486.57	137,712,329.78

Note: 1. The current period increased CNY 68,536,156.79 compared with previous period with an increase by 49.77%, mainly due to increase in research and development projects.

7.41. Financial expenses

Monetary Unit: CNY

Item	Current Period	Previous Period
Interest expenses	229,673,136.36	195,125,786.35
Less: Interest income	505,746,664.32	419,897,541.04
Losses from currency exchange	-16,072,149.45	3,646,806.44
Handling charges	4,070,627.61	2,280,061.14
Amortization of unrecognized financing costs	1,698,122.32	1,958,887.90
Total	-286,376,927.48¹	-216,885,999.21

Note: The current period decreased CNY 69,490,928.27 compared with previous period with a decrease by 32.04%, mainly due to increase in interest income of capital.

7.42. Other income

Monetary Unit: CNY

Item	Current Period	Previous Period
Government grants	34,931,161.52	50,986,059.68
Individual income tax commission refund	1,593,155.57	1,333,171.71

7.43. Investment income

Monetary Unit: CNY

Item	Current Period	Previous Period
Investment income from long-term equity investments under the equity method	84,626,608.53	195,543,058.40
Investment income gained during the	6,813,617.83	

period of holding held-for-trading financial assets		
Investment income from disposal of held-for-trading financial assets	9,438,465.78	
Dividend income gained during the period of holding other equity instrument investment	8,078,717.93	6,662,660.52
Investment income from early redemption of bonds	-4,241,494.76	
Total	104,715,915.31	202,205,718.92

Other statements:

Note: There is no major restriction on the repatriation of the Company's investment income.

Including: investment income from long-term equity investments under the equity method:

Item	Current Period	Previous Period
Huaxi Securities Co., Ltd.	43,897,917.31	169,638,351.75
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	185,894.77	
Sichuan Development Wine Investment Co., Ltd.	162,805.88	-1,127,623.31
Sichuan Tongniang Baijiu Industry Technology Research Institute Co., Ltd.	199,394.39	-122,437.28
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	40,180,596.18	27,154,767.24
Subtotal	84,626,608.53	195,543,058.40

Including: dividend income gained during the period of holding other equity instrument investment:

Item	Current Period	Previous Period
North Chemical Industries Co., Ltd.	70,359.97	62,542.20
Guotai Junan Securities Co., Ltd.	8,008,357.96	6,595,118.32
Luzhou Zunchi Automobile Service Co., Ltd.		5,000.00
Subtotal	8,078,717.93	6,662,660.52

7.44. Gain on changes in fair value

Monetary Unit: CNY

Item	Current Period	Previous Period
Held-for-trading financial assets	-12,023,622.50	6,352,241.79
Total	-12,023,622.50	6,352,241.79

7.45. Credit impairment loss

Monetary Unit: CNY

Item	Current Period	Previous Period
Bad debt loss of other receivables	-924,947.31	81,132,441.19
Bad debt loss of accounts receivable	-240,771.03	-6,326.31
Total	-1,165,718.34	81,126,114.88

7.46. Gains from disposal of assets

Monetary Unit: CNY

Item	Current Period	Previous Period
Gains from disposal of non-current assets	19,805,093.70	-347,429.88
Including: Gains from disposal of fixed assets	24,600.37	-347,429.88
Gains from disposal of intangible assets	19,786,813.38	
Gains from disposal of use right assets	-6,320.05	

7.47. Non-operating income

Monetary Unit: CNY

Item	Current Period	Previous Period	The amount included in the extraordinary gains and losses of the current period
Government grants		770,893.47	
Others	8,326,631.57	6,916,063.05	8,326,631.57
Compensation for default	19,506,788.74	19,559,751.36	19,506,788.74
Total	27,833,420.31	27,246,707.88	27,833,420.31

7.48. Non-operating costs

Monetary Unit: CNY

Item	Current Period	Previous Period	The amount included in the extraordinary gains and losses of the current period
Donation	8,710,000.00	60,835,600.00	8,710,000.00
Losses from damage retirement of non-current assets	10,778,148.07	806,635.52	10,778,148.07
Others	471,344.99	5,075,251.57	471,344.99
Total	19,959,493.06	66,717,487.09	19,959,493.06

7.49. Income tax expense

7.49.1. Statement of income tax expense

Monetary Unit: CNY

Item	Current Period	Previous Period
Current period income tax	3,422,712,211.76	2,872,508,387.20
Deferred income tax	21,450,324.10	-258,811,286.01
Total	3,444,162,535.86 ¹	2,613,697,101.19

Note: 1. The current period increased CNY 830,465,434.67 compared with previous period with an increase by 31.77%, mainly due to the increase in corporate income tax with the increase in profits.

2. Details of income tax rates were shown on "6. Taxes".

7.49.2. Adjustment for accounting profit and income tax expense

Monetary Unit: CNY

Item	Current Period
Total profit	13,854,751,640.29
Income tax expenses determined by statutory/applicable tax rate	3,463,687,910.07
Impact from subsidiaries' different tax rates	-2,160,306.98
Impact from adjust for impact from income tax expense in previous period	704,999.35
Impact from non-taxable income	-13,330,549.27
Impact from non-deductible costs, expenses and losses	5,127,246.40
Impact from deductible loss of unrecognized deferred income tax assets in prior period	-21,129,993.66
Impact from deductible temporary difference or losses due to unrecognized deferred tax asset in current period	4,606,437.70
Income tax impact of expected pre-tax deductible amounts of restricted shares in future periods that are less than the recognized cost and expenses	6,656,792.25
Income tax expense	3,444,162,535.86

7.50. Other comprehensive income

Details in Note 7.33. Other comprehensive income.

7.51. Notes to the statement of cash flow**7.51.1. Cash received from other operation activities**

Monetary Unit: CNY

Item	Current Period	Previous Period
Recovery of saving deposits involving contract disputes	3,327,415.45	152,667,999.25
Government grants	40,104,471.04	50,548,967.43
Interest income from bank deposit	582,623,274.18	376,116,197.20
Others	242,137,090.66	390,669,424.61
Total	868,192,251.33	970,002,588.49

7.51.2. Cash paid for other operating activities

Monetary Unit: CNY

Item	Current Period	Previous Period
Cash paid for expenses	2,987,783,797.32	3,304,969,529.27
Restricted court frozen funds paid	1,181,683.24	
Total	2,988,965,480.56	3,304,969,529.27

7.51.3. Cash received from other financing activities

Monetary Unit: CNY

Item	Current Period	Previous Period
------	----------------	-----------------

Cash deposits received for L/G	509,017.10	
Cash deposits received for travel	1,400,000.00	
Total	1,909,017.10	

7.51.4. Cash paid for other financing activities

Monetary Unit: CNY

Item	Current Period	Previous Period
Cash paid for reducing registered capital	5,574,626.46	
Rating and registration fee for issuing bonds	1,394,339.62	
Net losses from early redemption of bonds	117,924.53	
Cash paid for rent of right-of-use assets	14,508,022.38	11,862,090.12
Cash deposits paid for L/G		10,509,017.10
Total	21,594,912.99	22,371,107.22

7.52. Supplementary information to statement of cash flow

7.52.1. Supplementary information to statement of cash flow

Monetary Unit: CNY

Item	Current Period	Previous Period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	10,410,589,104.43	7,937,262,386.93
Plus: Provision for asset impairment	1,165,718.34	-81,126,114.88
Depreciation of fixed asset, oil and gas assets and productive biological assets	547,618,213.97	486,856,196.13
Depreciation of right-of-use assets	14,638,577.02	12,910,912.35
Amortization of intangible assets	80,604,041.96	64,178,235.56
Amortization of long-term deferred expense	872,334.97	842,033.00
Losses from disposal of fixed assets, intangible assets and other long-term assets (Gains use "-")	-19,805,093.70	347,429.88
Losses from retirement of fixed assets (Gains use "-")	10,778,148.07	806,635.52
Losses from change in fair value (Gains use "-")	12,023,622.50	-6,352,241.79
Financial expenses (Gains use "-")	114,617,073.40	128,173,454.89
Losses on investments (Gains use "-")	-104,715,915.31	-202,205,718.92
Decrease in deferred income tax assets (Increase uses "-")	-19,224,200.66	-260,399,346.46
Increase in deferred income tax liabilities (Decrease uses "-")	40,674,524.76	1,588,060.45
Decrease in inventories (Increase use "-")	-2,563,169,208.05	-2,581,909,735.55

Decrease in operating receivables (Increase use "-")	279,234,000.55	-1,483,346,245.17
Increase in operating payables (Decrease use "-")	-543,252,672.53	3,681,022,162.57
Others		
Net cash flows from operating activities	8,262,648,269.72	7,698,648,104.51
2. Significant investing and financing activities not involving cash:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		
3. Net change in cash and cash equivalents:		
Closing balance of cash	17,729,006,591.87	13,402,528,941.83
Less: Opening balance of cash	13,402,528,941.83	11,568,195,062.81
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net change in cash and cash equivalents	4,326,477,650.04	1,834,333,879.02

7.52.2. Composition of cash and cash equivalent

Monetary Unit: CNY

Item	Opening Balance	Closing Balance
1. Cash	17,729,006,591.87	13,402,528,941.83
Including: Cash on hand	28,711.93	26,281.86
Unrestricted bank deposit	17,711,121,431.52	13,391,713,104.08
Other unrestricted cash and cash equivalents	17,856,448.42	10,789,555.89
3. Closing balance of cash and cash equivalents	17,729,006,591.87	13,402,528,941.83
Including: Cash and cash equivalent with restriction to use of parent company and subsidiaries	28,521,619.38 ¹	110,965,638.73

Note: 1. The cash and cash equivalent with restriction to use are CNY 28,521,619.38, of which, CNY 10,000,000.00 is the bank cash deposits for L/G, CNY 17,339,936.14 is provision for fixed deposit interest on an accrual basis and CNY 1,181,683.24 is the frozen fund by the court.

2: The amount of direct payment for goods and long-term assets (not involving cash flows) by the endorsement of bank acceptances receivable in the current and previous periods was CNY 1,074,632,849.98 and CNY 80,496,017.45, respectively, which were not included in "cash received from sales of goods or rendering of services", "cash paid for goods and services" and "cash paid for the purchase of fixed assets, intangible assets and other long-term assets" of the cash flow budget.

7.53. Assets with restricted ownership or use rights

Monetary Unit: CNY

Item	Closing book balance	Reason for restriction
Cash and cash equivalents	17,339,936.14	Provision for fixed deposit interest on

		an accrual basis
Cash and cash equivalents	10,000,000.00	Bank cash deposits for L/G
Cash and cash equivalents	1,181,683.24 ¹	Frozen fund by the court
Total	28,521,619.38	

Note: 1. According to the civil ruling issued by People's Court of Jiangyang District, Luzhou City, Sichuan Province, a total of CNY 516,806.00 bank deposits of Brewing Company, a subsidiary of the Company, were frozen in accordance with laws for the case of contractual dispute. The first trial of the relevant case has been decided on 12 January 2023, based on which Brewing Company was not required to pay the relevant liabilities. 2 According to the civil ruling issued by People's Court of Dongchangfu District, Liaocheng City, Shandong Province, a total of CNY 664,877.24 bank deposits of Boda Marketing Company, a subsidiary of the Company, were frozen in accordance with laws for the case of contractual dispute. As of 31 December 2022, the case was not decided. Based on the explanation issued by the third-party law firm, it was predicted that the probability of the rejection of the claims of the plaintiff by People's Court was over 60%.

7.54. Foreign currency transactions

7.54.1. Foreign currency transactions

Monetary Unit: CNY

Item	Closing Balance in Foreign Currency	Exchange Rate	Closing Balance in CNY
Cash at Bank and on Hand			
Including: USD	28,705,752.99	6.9646	199,924,087.27
EUR	189,276.07	7.4229	1,404,977.34
HKD	4,867,957.63	0.89327	4,348,400.51
GBP	140,099.22	8.3941	1,176,006.86
AUD	2,367.12	4.7138	11,158.13
Accounts Receivable			
Including: USD	185,923.24	6.9646	1,294,881.00
EUR			
HKD	4,982,129.53	0.89327	4,450,386.85
Long-term Loans			
Including: USD			
EUR			
HKD			
Other Receivables			
Including: HKD	1,531,409.56	0.89327	1,367,962.22
Accounts Payable			
Including: USD	305,139.48	6.9646	2,125,174.42
HKD	2,335,432.69	0.89327	2,086,171.96
Other Payables			
Including: USD	185,610.39	6.9646	1,292,702.12

HKD	33,389,449.95	0.89327	29,825,793.96
Non-current liabilities due within one year			
Including: USD	66,782.74	6.9646	465,115.07
HKD	4,375,620.00	0.89327	3,908,610.08
Lease liabilities			
Including: USD	201,558.98	6.9646	1,403,777.67
HKD	647,342.20	0.89327	578,251.37

7.54.2. Description of the foreign business entity, including the important foreign business entity, shall disclose its main foreign business place, bookkeeping standard currency and selection basis, and shall also disclose the reason for the change of the bookkeeping standard currency

Applicable N/A

Company	Operation site	Bookkeeping currency	Choosing Reason
Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	Hong Kong, China	HKD	Currency in the registration place
Luzhou Laojiao Commercial Development (North America) Co., Ltd.	USA	USD	Currency in the registration place
Mingjiang Co., Ltd.	USA	USD	Currency in the registration place

7.55. Government grants

7.55.1. Details of government grants

Monetary Unit: CNY

Item	Amount	Presentation	Amount included in profit or loss of the current period
Related to assets	33,704,323.80	Deferred income	6,626,690.48
Related to income	28,304,471.04	Other income	28,304,471.04
Total	62,008,794.84		34,931,161.52

7.55.2. Return of government grants

Applicable N/A

8. Changes in consolidated scope

8.1. Business combination under common control

8.1.1. Business combination under common control during current period

There is no business combination under common control during current period.

8.2. Reverse purchase

The basic information of the transaction, the basis of the transaction constitutes the reverse purchase, whether the assets and liabilities retained by the listed company constitute the business and its basis, the determination of the merger cost, and the adjustment of the equity amount and its calculation according to the equity transaction:

There is no reverse purchase during current period.

8.3. Disposing subsidiaries

Whether there is a situation of losing control after disposing the investment in the subsidiary only once

Yes No

Whether there is a situation of disposing the investment in the subsidiary through several transactions step by step and losing control during the period

Yes No

8.4. Consolidated scope changes due to other reasons

Explain other reasons for changing consolidated scope (such as establishing a new subsidiary, liquidating a subsidiary) and its related situation:

As the Note 3.6, two subsidiaries were newly established in the reporting period: Luzhou Laojiao International Trade (Hainan) Co., Ltd. and Luzhou Laojiao Technology Innovation Co., Ltd.; two subsidiaries were liquidated and cancelled: Luzhou Laojiao Bosheng Hengxiang Liquor Sales Co., Ltd. and Luzhou Laojiao Tourism Culture Co., Ltd.

9. Interests in other entities

9.1. Interests in subsidiaries

9.1.1. Group composition

Name of Subsidiaries	Major business location	Place of registration	Nature of business	Shareholding Proportion		Acquisition method
				Direct	Indirect	
Luzhou Laojiao Brewing Co., Ltd.	Luzhou	Luzhou	Baijiu manufacture and sales	100.00%		Investment
Luzhou Red Sorghum Modern Agricultural Development Co., Ltd.	Luzhou	Luzhou	Agricultural product planting and sales		60.00%	Business combination under common control
Luzhou Laojiao Sales	Luzhou	Luzhou	Baijiu sales	100.00%		Investment

Co., Ltd.						
Luzhou Laojiao Nostalgic Liquor Marketing Co., Ltd.	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Luzhou Laojiao Custom Liquor Co., Ltd.	Luzhou	Luzhou	Baijiu sales		15.00%	Investment
Luzhou Laojiao Selected Supply Chain Management Co., Ltd.	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd.	Qinzhou	Qinzhou	Red wine production and sales		100.00%	Investment
Luzhou Dingli Liquor Industry Co., Ltd.	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Luzhou Dingyi Liquor Industry Sales Co., Ltd.	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Luzhou Laojiao New Liquor Industry Co., Ltd.	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Luzhou Laojiao I & E Co., Ltd.	Luzhou	Luzhou	Wine import and export trade		100.00%	Investment
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	Luzhou	Luzhou	Baijiu sales		75.00%	Investment
Luzhou Laojiao Bosheng Hengxiang Liquor Sales Co., Ltd.	Luzhou	Luzhou	Baijiu sales		75.00%	Investment
Luzhou Laojiao Fruit Wine Industry Co., Ltd.	Luzhou	Luzhou	Fruit wine sales		41.00%	Investment
Mingjiang Co., Ltd.	America	America	Baijiu sales		54.00%	Investment
Luzhou Laojiao International	Hainan	Hainan	Food import and export		100.00%	Investment

Trade (Hainan) Co., Ltd.						
Luzhou Pinchuang Technology Co., Ltd.	Luzhou	Luzhou	Technology development and service	100.00%		Investment
Luzhou Laojiao Tourism Culture Co., Ltd.	Luzhou	Luzhou	Baijiu sales, tourism	100.00%		Investment
Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Wine sales	55.00%		Investment
Luzhou Laojiao Commercial Development (North America) Co., Ltd.	America	America	Business development		100.00%	Investment
Luzhou Laojiao Electronic Commerce Co., Ltd.	Luzhou	Luzhou	Wine sales	90.00%		Investment
Luzhou Laojiao Whitail Liquor Industry Co., Ltd. Note	Luzhou	Luzhou	Wine sales		35.00%	Investment
Luzhou Baonuo Biotechnology Co., Ltd.	Luzhou	Luzhou	Fermented product manufacture	100.00%		Investment
Luzhou Laojiao Health Liquor Industry Co., Ltd.	Luzhou	Luzhou	Health care wine manufacture and sales	100.00%		Business combination under common control
Luzhou Laojiao Health Sales Co., Ltd.	Luzhou	Luzhou	Health care wine sales		100.00%	Business combination under common control
Luzhou Laojiao New Retail Co., Ltd.	Luzhou	Luzhou	Baijiu sales	40.00%	100.00%	Investment
Luzhou Laojiao Technology Innovation Co., Ltd.	Chengdu	Chengdu	Technology development and service	40.00%	60.00%	Investment

Statement for that the proportion of share-holding is different from the proportion of voting rights:

As the Note 3.6, the Company holds less than 51% shares of Luzhou Laojiao Custom Liquor Co., Ltd., Luzhou Laojiao Fruit Liquor Industry Co., Ltd., and Luzhou Laojiao Whitail Liquor Industry Co., Ltd. but

in these companies' board, among the five members, the Company has sent three persons, which is in the majority. The Company has substantial control over these companies, so they are included in the consolidation scope.

9.1.2. Important non-wholly-owned subsidiaries

Monetary Unit: CNY

Name of subsidiary	Proportion of share holdings of non-controlling shareholders	Gains and losses attributable to non-controlling shareholders during current period	Dividends paid to non-controlling shareholders during current period	Closing balance of non-controlling shareholders interest
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	25.00%	17,783,639.47	16,594,850.58	61,843,872.29
Total		17,783,639.47	16,594,850.58	61,843,872.29

9.1.3. Major financial information of important non-wholly-owned subsidiaries

Monetary Unit: CNY

Name of 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
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	275,419,421.12		275,419,421.12	28,043,931.97		28,043,931.97	384,313,678.76	664,998.84	384,978,677.60	142,358,344.01		142,358,344.01

Monetary Unit: CNY

Name of subsidiary	Current Period				Previous Period			
	Operating revenue	Net profit	Total comprehensive income	Operating cash flow	Operating revenue	Net profit	Total comprehensive income	Operating cash flow
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	64,698,451.93	71,134,557.89	71,134,557.89	99,816,980.78	789,612,097.04	35,909,069.79	35,909,069.79	209,462,320.40

9.1.4. Significant restrictions on using the assets and liquidating the liabilities of the Company

No such cases for the reporting period.

9.1.5. Financial support or other supports provided to structural entities incorporated into the scope of consolidated financial statements

There is no structural entity incorporated into the scope of consolidated financial statements in the reporting period.

9.2. Interests in joint ventures and associates

9.2.1. Important joint ventures and associates

Name of joint venture/associates	Major business location	Place of registration	Business nature	Shareholding proportion		Accounting Method
				Direct	Indirect	
Important joint ventures: none						
Important associates:						
Huaxi Securities Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Securities	10.39%		Equity method

Note: 1. The Company has the substantive decision-making power, so the Company still has significant influence on Huaxi Securities.

9.2.2. Major financial information of important associates

Monetary Unit: CNY

	Closing Balance/Amount in current period	Opening Balance/Amount in previous period
Current assets	89,547,378,203.44	86,844,635,628.06
Non-current assets	8,199,779,781.47	8,950,278,369.10
Total assets	97,747,157,984.91	95,794,913,997.16
Current liabilities	54,767,331,978.36	57,157,134,622.07
Non-current liabilities	20,539,402,724.68	16,233,476,784.79
Total liabilities	75,306,734,703.04	73,390,611,406.86
Non-controlling shareholder interest	22,000,726.84	26,409,206.44
Shareholder interest attributable to parent company	22,418,422,555.03	22,377,893,383.86
Share of net assets calculated based on shareholding proportion	2,330,073,856.15	2,325,861,429.43
Adjusted		
--Goodwill		
--Unrealized profits of internal transactions		
--Others	167,466,735.90	167,466,735.90
Book value of equity investments in associate companies	2,497,540,592.05	2,493,328,165.33
Fair value of equity investments in associate companies that have public	2,054,418,514.32	2,687,386,768.40

quote		
Operating revenue	3,375,583,530.03	5,121,995,492.55
Net profit	422,356,594.84	1,632,123,985.51
Net profit from discontinued operation		
Other comprehensive income	-119,327,423.67	-284,563,526.94
Total comprehensive income	303,029,171.17	1,347,560,458.57
Dividends from associate companies this year	27,283,114.40	30,284,256.98

9.2.3. Financial information summarized of unimportant joint ventures and associate companies

Monetary Unit: CNY

	Closing Balance/Amount in current period	Opening Balance/Amount in previous period
Joint ventures:		
Total following items calculated on the basis of shareholding proportion		
Associate companies:		
Total book value of investments	169,959,961.12	133,416,070.92
Total following items calculated on the basis of shareholding proportion		
--Net profit	-3,456,109.80	-8,112,270.24
-- Total comprehensive income	-3,456,109.80	-8,112,270.24

Other statements:

Unimportant associate companies refer to Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd., Sichuan Development Wine Investment Co., Ltd., Sichuan Tongniang Baijiu Industry Technology Research Institute Co., Ltd. and CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.

9.2.4. Notes to the significant restrictions on the ability of joint ventures or associate companies to transfer funds to the Company

None

9.2.5. The excess loss of joint ventures or associate companies

None

9.2.6. The unrecognized commitment related to investment to joint ventures

None

9.2.7. Contingent liabilities related to investment to joint ventures or associate companies

None

10. Risks related to financial instruments

The Company's primary financial instruments include monetary capital, trading financial assets, accounts receivable, receivables financing, receivables other than tax refundable, other equity instruments, bills payable, accounts payable, other payables, lease liabilities, some other current liabilities and loans. A detailed description of each financial instrument is set out in Note V and notes to the Consolidated Financial Statement.

Risks related to these financial instruments, and risk management policies the Company has adopted to reduce these risks are described as follows. The Company management manages and monitors the risk exposure to ensure the above risks are controlled in a limited scope.

The Company adopts sensitivity analysis technology to analyze the possible impact of reasonable and possible changes of risk variables on current profits/losses or shareholders' equity. As any risk variable rarely changes in isolation, and the correlation between variables will have a significant effect on the final impact amount of the change of a risk variable, the following content is based on the assumption that the change of each variable is independent.

Risk management objective: The Company strikes an appropriate balance between risk and return, and strives to minimize the negative impact of risk on the Company's operating performance and maximize the interests of shareholders and other equity investors.

Risk management policy: The Board of Directors shall be responsible for planning and establishing a risk management framework, formulating risk management policies and related guidelines, and supervising the implementation of risk management measures. The Risk Management Committee shall carry out risk management through close collaboration (including the identification, evaluation and avoidance of relevant risks) with other business units of the Company in accordance with the policies approved by the Board of Directors. The internal audit department shall conduct regular audits on risk management controls and procedures and report the results to the Audit Committee.

The Company has formulated risk management policies to identify and analyze the risks it faces, clarifying specific risks and covering many aspects such as credit risk, liquidity risk and market risk management. On a regular basis, the Company evaluates the specific marketing environment and various changes in the Company's business operations to determine whether any risk management policy and system should be updated. The Company diversifies the risks to financial instruments through appropriately diversified investments and business portfolios, and reduces the risk of concentration in any single industry, specific geographic area or specific counterparty by formulating appropriate risk management policies.

10.1. Credit risk

Credit risk refers to the risk that one party to a financial instrument cannot perform its obligations, causing financial losses to the other party. The Company only trades with recognized, reputable, and large third parties. In accordance with the Company's policy, the terms of sale with customers are based on transactions of payment before delivery, with only a small amount of credit transactions, and

credit review for all customers who require credit to trade. In addition, the Company continuously monitors and controls the balance of the receivables to ensure that the Company does not face significant bad debt risks. In addition, the Company makes full provision for expected credit losses at each balance sheet date based on the collection of receivables. Therefore, the Company's management believes that the Company's credit risk has been greatly reduced.

The Company's working capital is deposited in banks with high credit rating, so the credit risk of working capital is low.

The Company's risk exposures are spread across multiple contract parties and customers in multiple geographies, with customers in the commerce industry in addition to the alcohol distribution industry (the main industry). No systemic risk has been identified in the relevant industries. Therefore, the Company has no significant credit concentration risk. As at 31 December 2022, the balance of the top five customers of the Company's accounts receivable amounted to CNY 6,008,800, accounting for 95.90% of the balance of the Company's accounts receivable.

10.2. Liquidity risk

Liquidity risk refers to the risk unable to obtain sufficient funds in time to meet business development needs or to repay debts due and other payment obligations. The Company has sufficient working capital. The liquidity risk is extremely small. The Company's objective is to use a variety of financing instruments such as bank clearing and bank loans to maintain a balance between financing sustainability and flexibility. As at 31 December 2022, the Company has been able to meet its own continuing operation requirements through the use of cash flow from operations.

The analysis of the financial liabilities held by the Company based on the maturity period of the undiscounted remaining contractual obligations is as follows:

Item	Closing Balance					
	Book value	Contract amount not discounted	Within 1 year	1-2 years	2-3 years	Over 3 years
Notes payable	0					
Accounts payable	2,311,665,585.04	2,311,665,585.04	2,311,665,585.04			
Other payable	1,185,814,427.91	1,185,814,427.91	1,185,814,427.91			
Non-current liabilities due within one year	81,879,466.63	81,879,466.63	81,879,466.63			
Other current liabilities	333,627,225.47	333,627,225.47	333,627,225.47			
Long-term loans	3,179,600,000.00	3,179,600,000.00		20,400,000.00	1,919,200,000.00	1,240,000,000.00
Bonds payable	2,996,099,571.86	3,000,000,000.00			3,000,000,000.00	
Lease liabilities	29,096,969.66	34,245,630.10		8,424,462.32	5,154,370.00	20,666,797.78
Subtotal	10,117,783,246.57	10,126,832,335.15	3,912,986,705.05	28,824,462.32	4,924,354,370.00	1,260,666,797.78

10.3. Market risk

10.3.1. Foreign exchange risk

The foreign exchange risk refers to the risk of loss due to exchange rate changes. Apart from the three subsidiaries of the Company which make purchases and sales in USD and HKD, the other major business activities are denominated and settled in CNY. The Company closely monitors the impact of exchange rate movements on the Company's foreign exchange risk. As at 31 December 2022, the Company's assets and liabilities are mainly in CNY balance. The Company's management considers the impact of changes in foreign exchange risk on the Company's financial statements to be minimal.

10.3.2. Rate risk

The Company's interest rate risk mainly arises from the borrowings. Financial liabilities based on the floating interest rate will cause the cash flow interest rate risk to the Company, and financial liabilities based on the fixed interest rate the fair value interest rate risk. The Company will determine the corresponding proportion between the contracts with fixed interest rate and those with floating interest rate in combination with current market condition.

10.3.3. Other price risks

Other price risk refers to the risk of fluctuation caused by market price changes other than foreign exchange risk and interest rate risk, whether these changes are caused by factors related to a single financial instrument or its issuer or all similar financial instruments traded in the market. Other price risks faced by the Company mainly come from investments in other equity instruments measured at fair value.

11. Fair value disclosure

11.1. Closing fair value of assets and liabilities measured at fair value

Monetary Unit: CNY

Item	Closing fair value			
	Level 1	Level 2	Level 3	Total
1. Continuous measurement at fair value	--	--	--	--
1.1 Held-for-trading financial assets			1,073,466,780.37	1,073,466,780.37
1.1.1 Financial assets measured at fair value with their changes included into current profits/losses			1,073,466,780.37	1,073,466,780.37
1.1.1.4 Wealth management products			1,073,466,780.37	1,073,466,780.37
1.3 Investments in other equity instruments	1,102,278,852.24		34,458,125.87	1,136,736,978.11
1.6 Accounts receivable financing			4,583,352,503.37	4,583,352,503.37
Total assets continuously measured at fair value	1,102,278,852.24		5,691,277,409.61	6,793,556,261.85

2. Discontinuous measurement at fair value	--	--	--	--
--	----	----	----	----

11.2. Determination basis of the market value of items measured continuously and discontinuously within Level 1 of the fair value hierarchy

The listed companies in mainland China determine the fair value of other equity instrument investment according to the closing price on the last trading day of Shenzhen Stock Exchange or Shanghai Stock Exchange at the period-end. The companies listed in Hong Kong determine the fair value of other equity instrument investment according to the closing price of Hong Kong Dollar on the last trading day of Hong Kong Stock Exchange at the period-end and the median price of CNY exchange rate disclosed on the same day by China Foreign Exchange Trade System.

11.3. Valuation technique adopted and nature and amount determination of important parameters for continuously and discontinuously within Level 2 of the fair value hierarchy

None

11.4. Valuation technique adopted and nature and amount determination of important parameters for continuously and discontinuously within Level 3 of the fair value hierarchy

Trading financial assets are wealth management products of the collective asset management plan and are measured at fair value based on the amount calculated on the basis of the net unit value of the underlying assets as published on the official website of the asset manager.

Accounts receivable financing: As the timing and price of bills discounted may not be reliably estimated due to the short maturity of the bills all being less than one year and the endorsement of the negotiable bills being valued at book value, the Company measures the bills receivable at their book value as a reasonable estimate of fair value.

Other equity instrument investment: Due to no significant changes in business environment, business condition and financial situation of invested companies, the Company shall measure the fair value according to the lower one between investment cost and the share of net assets enjoyed by invested companies on the base date as the reasonable estimation.

11.5. Continuous fair value measurement items at level 3, adjustment between the beginning carrying value and the ending carrying value and sensitivity analysis on unobservable parameters

None

11.6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among continuous fair value measurement items at different level

None

11.7. Changes in valuation techniques in the reporting period and reasons for the changes

None

11.8. Fair value of financial assets and liabilities not measured at fair value

None

12. Related parties and related party transactions

12.1. The parent company of the Company

Parent company	Registration place	Business nature	Registered capital	Shareholding proportion by the parent company	Voting rights proportion by the parent company
Luzhou Laojiao Group Co., Ltd.	Luzhou, Sichuan	Investment and asset management	2,798,818,800.00	25.89%	50.75%

Statements for situation of parent company:

Note: The reason for the inconsistency between the shareholding proportion and voting rights proportion by the parent company is that on 27 May 2021, Laojiao Group and XingLu Investment Group, the second biggest shareholder, renewed the concerted action agreement which is valid as of 1 June 2021 and ends on 31 May 2024. The agreement: when the parties in deal with the Company's business development and make decisions by shareholders meeting and board of directors according to the company law and other relevant laws and regulations and the articles of association, the parties should adopt the consistent actions. During the effective period of this agreement, before any party submits proposals involving the major issues of the Company's business development to the shareholders meeting or exercise the voting rights at the shareholders meeting and the board of directors, the internal coordination for relevant proposals and voting events shall be conducted by persons acting in concert. If there are different opinions, it will be subject to Laojiao Group's opinion.

The nature of parent company: Limited liability company (state-owned); Registration place: Ai Rentang Square, China Baijiu Golden Triangle Liquor Industry Park, Luzhou, Sichuan Province; Business Scope: General project: Social economy consulting services; business management consulting; financial consulting; business headquarters management; import and export agency; trade brokerage; crops planting services; trees planting operation; elder care services; tourism development project planning and consulting; technical agency services; engineering and technological research and experimental development; display device manufacturing; supply chain management services; technical services, technical development, technical consulting, technical

communication, technical transfer, and technical promotion; domestic freight transport agency; and equity fund-invested asset management services. It shall also include licensed projects (business activities can be carried out legally and independently with business license in addition to projects that must be approved by law): Agency bookkeeping; career intermediary activities; food production; food sales; and medical services. (business activities that require approval in accordance with laws can be carried out upon approval of relevant authorities, and the specific business projects shall be subject to the approval document or license of relevant departments)

The final control party of the Company is SASAC of Luzhou.

12.2. Subsidiaries of the Company

For details please see Note 9.1. Interests in subsidiaries.

12.3. Joint ventures and associates of the Company

For details please see Note 9.3. Interests in joint ventures and associates.

Other statements:

There are no other joint ventures or associates that have related party transactions with the Company in the current period or in the previous period and result in balance.

12.4. Other related party of the Company

Name of Other Related Party	Relationship with the Company
Luzhou Jiachuang Wine Supply Chain Management Co., Ltd.	The same parent company
Luzhou Laojiao Zhitong Trading Co., Ltd.	The same parent company
Sichuan Hongxin Financing Guarantee Co., Ltd.	The same parent company
Sichuan Lianzhong Supply Chain Service Co., Ltd.	The same parent company
New Shottes Brook Private Company	The same parent company
Guangzhou Zhongying Gongyuan Energy Saving Technology Co., Ltd.	Sub-subsidiary of parent company
Sichuan Yukun Logistics Co., Ltd.	Sub-subsidiary of parent company
Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.	Sub-subsidiary of parent company
Luzhou Qingxigu Scenic Area Management Co., Ltd.	Sub-subsidiary of parent company
Luzhou Yuanhai Lianzhong Supply Chain Co., Ltd.	Sub-subsidiary of parent company
Luzhou Sanrenxuan Liquor Industry Co., Ltd.	Joint venture of parent company
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Joint venture
Luzhou XingLu Water (Group) Co., Ltd.	Subsidiary of the second largest shareholder
Luzhou China Resources Xinglu Gas Co., Ltd.	Subsidiary of the second largest shareholder
Luzhou XingLu Property Management Co., Ltd.	Subsidiary of the second largest shareholder
Sichuan Meihe Winery Industry Co.,Ltd.	Minority shareholder of the subsidiary Fruit Wine Industry
Luzhou Public Transport Group Co., Ltd.	Subsidiary of the second largest shareholder
Other subsidiaries of Luzhou XingLu Investment Group Co., Ltd.	Other subsidiary of the second largest shareholder
Other subsidiaries of Luzhou Laojiao Group Co., Ltd.	Other subsidiary of parent company

Other statements:

Note: As the Note 10.1, the Company will disclose the transactions with XingLu Investment Group and its controlling enterprises as other related parties of the Company.

12.5. Related transactions

12.5.1. Related transactions of purchase and sales of goods / rendering and receipt of services

Table of purchase of goods / receipt of services

Monetary Unit: CNY

Name of Related Party	Transaction	Amount in current period	Approved trading amount	Whether over approved trading amount	Amount in previous period
Receipt of services:					
Luzhou XingLu Investment Group Co., Ltd. and its other subsidiaries	Property service, advertising service, etc.	26,186,859.88			13,609,282.77
Laojiao Group and its other subsidiaries	Loading and unloading transportation, technical services, installation services, etc.	27,895,483.79			28,428,157.86
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Conference fees, travel service fee, etc.	9,296,122.35			5,512,511.56
Purchase of goods:					
Laojiao Group and its other subsidiaries	Raw materials, water, power, etc.	106,345,871.05			21,190,526.05
Luzhou XingLu Investment Group Co., Ltd. and its other subsidiaries	Gas, water	11,773,961.98			11,547,390.36
Sichuan Meihe Winery Industry Co.,Ltd.	Other wine				976,637.50
Total		181,498,299.05			81,264,506.10

Table of sales of goods and rendering of service

Monetary Unit: CNY

Name of Related Party	Transaction	Amount in current period	Amount in previous period
Sales of goods:			
Laojiao Group and its subsidiaries	Wine	52,481,609.52	6,885,203.34
XingLu Investment Group and its subsidiaries	Wine		2,880.00

CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Wine	134,111,657.39	84,299,013.96
Luzhou Sanrenxuan Liquor Industry Co., Ltd.	Wine	162,125,345.72	47,171,605.12
Rendering of service:			
Luzhou Sanrenxuan Liquor Industry Co., Ltd.	Rendering of service		496,500.00
Total		348,718,612.63	138,855,202.42

12.5.2. Related party leasing

The Company as lessor:

Monetary Unit: CNY

Name of lessee	Type of leased asset	Leasing income recognized during current period	Leasing income recognized during previous period
Laojiao Group and its subsidiaries	House lease	1,681,340.00	2,690,880.00
Total		1,681,340.00	2,690,880.00

The Company as lessee:

Monetary Unit: CNY

Name of lessor	Type of assets leased	Rental expenses of short-term lease simplified treated and low-value asset lease (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Paid rent		Income expense of lease liabilities undertaken		Increased use right assets	
		Amount in current period	Amount in previous period	Amount in current period	Amount in previous period	Amount in current period	Amount in previous period	Amount in current period	Amount in previous period	Amount in current period	Amount in previous period
Laojiao Group and its subsidiaries	House lease					1,924,834.44	2,926,313.09				
Total						1,924,834.44	2,926,313.09				

12.5.3. Key management compensation

Monetary Unit: CNY

Item	Amount in current period	Amount in previous period
Key management	14,486,473.15	13,798,986.32

12.5.4. Other related transactions

As the Note 7.9, on 10 March 2022, the Company and Luzhou Energy Investment Co., Ltd. jointly incorporated Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd. The Company's

shareholding ratio is 40.00% measured by equity method; Laojiao Group's shareholding ratio is 51.00%; and Luzhou Energy Investment Co., Ltd.'s shareholding ratio is 9.00%.

12.6. Receivables and payables of related parties

12.6.1. Receivables

Monetary Unit: CNY

Item	Related party	Closing Balance		Opening Balance	
		Book value	Provision for bad debt	Book value	Provision for bad debt
Prepayment	Sichuan Meihe Winery Industry Co., Ltd.	2,961,479.50		2,961,479.50	
Prepayment	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	2,379.50			
Prepayment	Luzhou XingLu Water (Group) Co., Ltd.			690,115.49	
Prepayment	New Shottes Brook private company			611,542.54	
Prepayment	Luzhou China Resources Xinglu Gas Co., Ltd.			19,536.30	
Other receivables	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	5,111,743.43	780,587.17	3,590,790.65	354,539.53

12.6.2. Payables

Monetary Unit: CNY

Item	Related party	Closing Balance	Opening Balance
Accounts payable	Sichuan Lianzhong Supply Chain Service Co., Ltd.	6,993,503.13	3,679.25
Accounts payable	Luzhou Public Transport Group Co., Ltd.	469,479.45	
Accounts payable	Guangzhou Zhongying Gongyuan Energy Saving Technology Co., Ltd.		355,312.88
Accounts payable	Luzhou XingLu Property Management Co., Ltd.		130,000.00
Accounts payable	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.		10,838.00
Accounts payable	Sichuan Yukun Logistics Co., Ltd.		3,851.28
Contractual liabilities (tax inclusive)	CTS Luzhou Laojiao Cultural Tourism	6,070,341.82	19,017,274.30

	Development Co., Ltd.		
Contractual liabilities (tax inclusive)	Luzhou Jiachuang Wine Supply Chain Management Co., Ltd.	4,525,508.00	
Contractual liabilities (tax inclusive)	Luzhou Sanrenxuan Liquor Industry Co., Ltd.	1,621,994.29	14,745,240.00
Contractual liabilities (tax inclusive)	Sichuan Lianzhong Supply Chain Service Co., Ltd.	51,114.78	158,295.76
Contractual liabilities (tax inclusive)	Luzhou Laojiao Zhitong Trading Co., Ltd.	0.00	55,586.00
Contractual liabilities (tax inclusive)	Luzhou Laojiao Group Co., Ltd.	0.00	523,760.03
Contractual liabilities (tax inclusive)	Luzhou Yuanhai Lianzhong Supply Chain Co., Ltd.		37,762.51
Contractual liabilities (tax inclusive)	Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.		6,144.00
Contractual liabilities (tax inclusive)	Sichuan Hongxin Financing Guarantee Co., Ltd.		3,072.00
Contractual liabilities (tax inclusive)	Luzhou Qingxigu Scenic Area Management Co., Ltd.		460.80
Other payables	Sichuan Lianzhong Supply Chain Service Co., Ltd.	17,633,148.00	1,684,148.00
Other payables	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	750,000.00	396,000.00
Other payables	Luzhou Jiachuang Wine Supply Chain Management Co., Ltd.	360,000.00	1,500,000.00
Other payables	Luzhou Sanrenxuan Liquor Industry Co., Ltd.	150,000.00	150,000.00
Other payables	Guangzhou Zhongying Gongyuan Energy Saving Technology Co., Ltd.	140,444.35	
Other payables	Luzhou Laojiao Group Co., Ltd.	80,000.00	
Other payables	Luzhou Yuanhai Lianzhong Supply Chain Co., Ltd.		50,200.00
Other payables	Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.		34,175.78

13. Stock payment

13.1. The overall situation of share-based payments

Applicable N/A

Unit: Share

Total equity instruments granted by the Company in the reporting period	435,003.00
Total equity instruments exercised by the Company in the reporting period	0.00

Total equity instruments of the Company expired in the reporting period	128,310.00
Scope of the exercise price of outstanding stock options of the Company at the end of the reporting period and remaining contract term	N/A
Scope of the exercise price of other outstanding equity instruments of the Company at the end of the reporting period and remaining contract term	N/A

Other statements:

Note 1: In September 2022, the Company granted 342,334 shares of the Restricted Share Incentive Plan for the second time; in December 2022, the Company granted 92,669 shares of the Restricted Share Incentive Plan for the third time (not registered); the total granted shares of the period were 435,003 shares.

Note 2: In December 2021, the Company granted 6,928,600 shares of the Restricted Share Incentive Plan for the first time, and in January 2022, during the payment process after the grant date was determined, four awardees chose to waive a total of 66,000 restricted shares that the Company had intended to grant to them due to personal reasons; in September 2022, with seven awardees no longer eligible, the Company decided to repurchase and retire the 62,310 restricted shares of them which had been granted but not lifted from restricted sales; the total invalid shares in the period were 128,310 shares.

13.2. Equity-settled share-based payments

Applicable N/A

Monetary Unit: CNY

Method of determining the fair value of equity instruments on the grant date	The closing price of restricted stocks on the grant date deducted the grant price thereof
Basis to determine number of equity instrument that can be exercised	Making the best estimate based on the latest number of persons who can exercise rights
Reason for remarkable difference between the estimate of the current period and that of previous period	N/A
Total amount of equity-settled share-based payments included into capital reserves	1,077,377,405.86
Total costs of recognizing equity-settled share-based payments in the current period	396,102,725.02

13.3. Cash-settled share-based payments

Applicable N/A

13.4. Modification and termination of share-based payments

According to the 22nd Meeting of the 10th Board of Directors of the Company held on 2 September 2022, the Proposal on the Adjustment of the Granted Price of Reserved Restricted Shares of 2021 Restricted Share Incentive Plan was deliberated and approved. With the implementation of the 2021 profit distribution plan of the Company completed, the Company agreed to adjust the granted price of reserved restricted shares from CNY 92.71 per share to CNY 89.466 per share based on the 2021

Restricted Share Incentive Plan (Draft) of Luzhou Laojiao Co., Ltd. Other than that, all are consistent with relevant contents in the disclosed Incentive Plan.

14. Commitments and contingencies

14.1. Commitments

14.1.1. Significant contingencies at the balance sheet date

On 15 October 2014 and 10 January 2015, the Company disclosed three saving deposits involving contract disputes in Agricultural Bank of China Changsha Yingxin Sub-branch, Industrial and Commercial Bank of China Nanyang Zhongzhou Sub-branch and another bank, with a total amount of CNY 500 million. The public security organization has investigated, and the investigation of related cases and the preservation of assets are under way. The Company has initiated a civil procedure to recover the loss from the responsible unit. As of the period-end, the Company has recovered the abovementioned saving deposits involving contract disputes with CNY 370,950,500.

Except for the above matters, the Company has no other significant contingencies that need to be disclosed as the end of 31 December 2022.

14.1.2. Explanation shall be given even if there is no significant contingency for the Company to disclose

There was no significant contingency in the Company to disclose.

15. Post balance sheet event

15.1. Profit distribution

Monetary Unit: CNY	
Profits or dividends planned to distribute	6,219,148,324.03
Reviewed and approved profits or dividends declared to distribute	6,219,148,324.03
Profit distribution plan	Upon the resolution of the Board of Directors, the 2022 profit distribution plan was approved: Based on the current 1,471,987,769 shares, a cash dividend of CNY 42.25 (tax included) will be distributed for every 10 existing shares held, representing a total cash dividend amount of CNY 6,219,148,324.03 (tax included). Where any change occurs to the Company's total share capital before the implementation of the distribution plan, relevant adjustments shall be made with the same total distribution amount.

15.2. Sales return

There are no important sales returning after balance sheet date.

15.3. Statement for other post balance sheet events

Completing the payment and registration of reserved restricted shares

According to the 26th Meeting of the 10th Board of Directors of the Company held on 29 December 2022, the Board of Directors considered that the grant of reserved restricted shares for this period met the requirements of *Administrative Measures for Equity Incentive of Listed Companies* and other relevant laws and the *2021 Restricted Share Incentive Plan (Draft) of Luzhou Laojiao Co., Ltd.*, the conditions for the reserved grant under the Restricted Share Incentive Plan had been fulfilled, and the awardees met the requirements of relevant laws, administrative rules, departmental regulations and normative document and their qualifications of the awardees of Restricted Share Incentive Plan are legal and valid. Therefore, the Board agreed to grant 92,669 restricted shares to 17 eligible awardees at CNY 89.466 per share with 29 December 2022 as the date of grant. The Company issued an actual amount of 92,669 shares to 17 awardees through private offering in the period at a price of CNY 89.466 per share, with a total of CNY 8,290,724.74 granted restricted shares.

As of 15 January 2023, the Company has received a total of CNY 8,290,724.74 from the above 17 awardees for the subscription of restricted shares in monetary capital, of which CNY 92,669.00 was included in share capital and CNY 8,198,055.74 was included in capital reserve. The listing date of the granted shares is 17 February 2023. Upon completion of the grant registration, the total number of shares of the Company increased from 1,471,895,100 to 1,471,987,769, which will not change the controlling shareholder and the actual controller of the Company.

Except for the above matters, the Company has no other post balance sheet events that need to be disclosed as of 31 December 2022.

16. Other important information

16.1. Annuity plan

The Company carried out the enterprise annuity payment work normally during the reporting period. The enterprise annuity funds are paid by both the Company and employees. The Company's contribution shall not exceed 8% of the Company's total salary in the previous year as stipulated by the state, and the individual contribution shall be withheld by the Company according to 1% of total salary of the employee in the previous year.

16.2. Segment information

16.2.1 Recognition basis and accounting policies of reportable segment

Except for the business on wine sales, the Company does not operate other businesses that have a significant impact on operation results. In addition, the Company operates mainly from China and main assets also located in China, so the Company does not need to disclose segment data.

16.3. Lease

16.3.1 The Company as the lessee

Item	Amount
Interest expenses of lease liabilities	1,698,122.32
Simplistically treated short-term lease expenses included into related asset costs or the current profits/losses	8,551,460.53
Simplistically treated low-value asset lease expenses included into related asset costs or the current profits/losses (except the short-term lease expenses of low-value assets)	
Variable lease payments included into related asset costs or the current profits/losses but not included into lease liabilities to measure	
Income from the sublease of right-of-use assets	
Total cash outflow related to leases	23,059,482.91
Profits/losses generated from sale and leaseback transactions	

The leased assets of the Company include the buildings and constructions and the land use right involved in operation. The leasing period of land use right is normally 15-30 years and the lease contract of land use right generally includes the renewal option clause.

16.3.2 See “Note X. Risks Related to Financial Instruments” for information about the lease liabilities maturity analysis and corresponding liquidity risk management.

16.4. Other significant events that can affect investors’ decision

16.4.1. Saving deposits involving contract disputes

As stated in Note 12.2, three saving deposits involved contract disputes in Agricultural Bank of China Changsha Yingxin Sub-branch, Industrial and Commercial Bank of China Nanyang Zhongzhou Sub-branch and another bank, with a total amount of CNY 500 million. At present, the investigation of related cases and the preservation of assets have been under way. The Company has initiated a civil procedure to recover the loss from the responsible unit.

Taking into account the current amount of assets preserved by the public security authorities and the contents of the professional legal opinion issued by Beijing Weiheng (Chengdu) Law Firm on 24 February 2023 that “given that since the issuance of the previous legal opinion, a few recovery has been achieved through the criminal and civil execution, totalling CNY 371 million. At the same time, it is suggested that the total amount of bad debt provision for the three aforementioned places remain CNY 120 million”, the Company has made a bad debt provision of CNY 120 million for savings deposit involved in contractual disputes as of the end of the period, and the amount of the bad debt provision may be adjusted in the future based on the litigation process and recovery.

16.4.2. Deliberating and approving the Proposal on the De-registration of Luzhou Baonuo Biotechnology Co., Ltd.

On 2 December 2022, the Proposal on the De-registration of Luzhou Baonuo Biotechnology Co., Ltd. was deliberated and approved on the 25th Meeting of the 10th Board of Directors. Luzhou Baonuo Biotechnology Co., Ltd. (hereinafter referred to as “Baonuo”) is wholly owned by the Company and mainly takes charge of the comprehensive use and research as well as result transformation of brewing by-product and waste. According to the position and schedule of the scientific and technological research and innovation of the brewing production system of the Company, relevant business of Baonuo will be taken over by Brewing Company, a subsidiary of the Company, based on which the Company decided to cancel Baonuo.

Except for the above matters, the Company has no other significant events that can affect investors’ decision that need to be disclosed as of 31 December 2022.

17. Notes to the main Items of the financial statements of parent company (all currency unit is CNY, except other statements)

17.1. Accounts receivable

17.1.1. Analysis by categories

Monetary Unit: CNY

Type	Closing Balance					Opening Balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Including:										
Accounts receivables tested for impairment by the portfolio	50,000.00	100.00%	2,500.00	5.00%	47,500.00	1,209,701.49	100.00%	2,223.86	0.18%	1,207,477.63
Including:										
Accounts receivables tested for impairment on the portfolio with charact	50,000.00	100.00%	2,500.00	5.00%	47,500.00	1,209,701.49	100.00%	2,223.86	0.18%	1,207,477.63

eristics of credit risk										
Total	50,000.00	100.00%	2,500.00	5.00%	47,500.00	1,209,701.49	100.00%	2,223.86	0.18%	1,207,477.63

Accounts receivables tested for impairment by the portfolio:

Monetary Unit: CNY

Item	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	50,000.00	2,500.00	5.00%
Other portfolios			
Total	50,000.00	2,500.00	

Please refer to the relevant information of disclosure of provision for bad debt of other accounts receivable if adopting the general mode of expected credit loss to withdraw provision for bad debt of accounts receivable.

Applicable N/A

Disclosure by aging

Monetary Unit: CNY

Aging	Book balance
Within 1 year (including 1 year)	50,000.00
Total	50,000.00

17.1.2. Provision and recovery for bad and doubtful debt in the current period

Allowance of provision for bad debt:

Monetary Unit: CNY

Type	Opening Balance	Current Period				Closing Balance
		Allowance	Reversal or recovery	Write-off	Other	
Accounts receivables tested for impairment by the portfolio	2,223.86	276.14				2,500.00
Total	2,223.86	276.14				2,500.00

Note: There is no accounts receivable reversed or recovered with significant amount during the reporting period.

17.1.3. Top five entities with the largest balances of accounts receivable

Monetary Unit: CNY

Company Name	Closing Balance	Proportion to total closing balance of accounts receivable	Closing Balance of provision for bad debt
One-time sporadic customers	50,000.00	100.00%	2,500.00
Total	50,000.00	100.00%	

17.1. 4. Accounts receivable derecognized due to the transfer of financial assets

There are no assets and liabilities formed from the transfer of accounts receivable and continued involvement during the reporting period.

17.2. Other receivables

Monetary Unit: CNY

Item	Closing Balance	Opening Balance
Other receivables	12,042,401,844.84	10,033,554,898.57
Total	12,042,401,844.84	10,033,554,898.57

17.2.1. Other receivables

17.2.1.1. Other receivables disclosed by nature

Monetary Unit: CNY

Nature	Closing book balance	Opening book balance
Intercourse funds of subsidiaries receivable	12,023,243,459.84	10,015,555,743.27
Intercourse funds and others	11,257,616.61	6,158,145.13
Petty cash		2,574.63
Saving deposits involving contract disputes	129,049,496.98 ¹	132,376,912.43
Total	12,163,550,573.43	10,154,093,375.46

Note: 1. The saving deposits involving contract disputes refer to three deposits amounting to CNY 500,000,000.00 with Changsha Yingxin Sub-branch of Agricultural Bank of China and Nanyang Zhongzhou Sub-branch of Industrial and Commercial Bank of China disclosed by the Company in the 2014 Annual Report. The deposits have lost the nature of monetary fund due to their involvement in contract disputes and have thus been transferred into "other receivables". As of 31 December 2022, the closing balance of that fund was CNY 129,049,496.98.

17.2.1.2. Provision for bad and doubtful other receivables in the current period

Monetary Unit: CNY

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2022	538,476.89		120,000,000.00	120,538,476.89
Balance of 1 January 2022 in the current period				
Allowance	610,251.70			610,251.70
Balance of 31 December 2022	1,148,728.59		120,000,000.00	121,148,728.59

Changes of carrying amount with significant amount changed of loss provision in the current period

Applicable N/A

Disclosure by aging

Monetary Unit: CNY

Aging	Closing balance
Within 1 year (including 1 year)	12,030,843,921.37
1-2 years	72,855.08
2-3 years	3,511,500.00
Over 3 years	129,122,296.98
3-4 years	22,800.00
Over 5 years	129,099,496.98
Total	12,163,550,573.43

17.2.1.3. Provision and recovery for bad and doubtful other receivables in the current period

Allowance of provision for bad debt:

Monetary Unit: CNY

Type	Opening Balance	Current Period				Closing Balance
		Allowance	Reversal or recovery	Write-off	Other	
Other receivables tested for impairment individually	120,000,000.00					120,000,000.00
Other receivables tested for impairment by the portfolio	538,476.89	610,251.70				1,148,728.59
Total	120,538,476.89	610,251.70				121,148,728.59

17.2.1.4. Other receivables with actual verification in the current period

No such cases for the reporting period.

17.2.1.5. Top five entities with the largest balances of the other receivables

Monetary Unit: CNY

Company Name	Nature	Closing Balance	Aging	Proportion in total receivables	Provisioning amount at period end
Luzhou Laojiao Brewing Co., Ltd.	Internal transactions	10,107,795,765.44	Within 1 year	83.10%	
Luzhou Laojiao Sales Co., Ltd.	Internal transactions	1,028,552,748.43	Within 1 year	8.46%	
Luzhou Dingyi Liquor Industry Sales Co., Ltd.	Internal transactions	418,929,316.46	Within 1 year	3.44%	
Luzhou Laojiao Electronic	Internal	150,162,478.49	Within 1 year	1.23%	

Commerce Co., Ltd.	transactions				
Agricultural Bank of China Changsha Yingxin Sub-branch, Industrial and Commercial Bank of China Nanyang Zhongzhou Sub-branch and another bank.	Saving deposits involving contract disputes	129,049,496.98	Over 5 years	1.06%	120,000,000.00
Total		11,834,489,805.80		97.29%	120,000,000.00

17.2.1.6. Accounts receivable involving government grants

There is no accounts receivable involving government grants in the current period.

17.2.1.7. Other receivables derecognized due to the transfer of financial assets

There are no other receivables derecognized due to the transfer of financial assets in the current period.

17.2.1.8. The amount of the assets and liabilities formed due to the transfer and continued involvement of accounts receivable

No such cases for the reporting period.

17.3. Long-term equity investments

Monetary Unit: CNY

Item	Closing Balance			Opening Balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiary	3,611,563,148.96		3,611,563,148.96	3,429,436,240.91		3,429,436,240.91
Investment in associates and joint venture	2,669,970,043.71	2,567,098.80	2,667,402,944.91	2,624,531,691.80	2,567,098.80	2,621,964,593.00
Total	6,281,533,192.67	2,567,098.80	6,278,966,093.87	6,053,967,932.71	2,567,098.80	6,051,400,833.91

17.3.1. Investment in subsidiary

Monetary Unit: CNY

Investee	Opening Balance (book value)	Changes in current period				Closing Balance (book value)	Closing balance of provision for impairment
		Increase	Decrease	Provision for impairment	Other		
Luzhou Pinchuang	59,136,031.69				17,817,693.63	76,953,725.32	

Technology Co., Ltd.										
Luzhou Laojiao Sales Co., Ltd.	110,966,255.34					94,798,800.22			205,765,055.56	
Luzhou Laojiao Brewing Co., Ltd.	3,176,693,836.28					57,485,392.03			3,234,179,228.31	
Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	5,706,190.40					3,317,446.56			9,023,636.96	
Luzhou Laojiao Electronic Commerce Co., Ltd.	52,525,326.26					7,423,061.08			59,948,387.34	
Luzhou Baonuo Biotechnology Co., Ltd.	20,000,000.00								20,000,000.00	
Luzhou Laojiao Tourism Culture Co., Ltd.	4,000,000.00			4,000,000.00						
Luzhou Laojiao Health Liquor Industry Co., Ltd. Note	408,600.94					5,284,514.53			5,693,115.47	
Total	3,429,436,240.91			4,000,000.00		186,126,908.05			3,611,563,148.96	

17.3.2. Investment in associate and joint venture

Monetary Unit: CNY

Investee	Opening Balance (book value)	Changes in current period								Closing Balance (book value)	Closing Balance of provision for impairment	
		Increase	Decrease	Gain or loss recognized under equity method	Adjustments of other comprehensive income	Changes in other equity	Cash dividend or profit declared	Provision for impairment	Other			
1. Joint Venture												
2. Associate												
Huaxi Securities Co.,	2,493,328,165.33			43,897,917.31	-12,402,376.19		27,283,114.40				2,497,540,592.05	2,567,098.80

Ltd.											
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.		40,000,000.00		185,894.77						40,185,894.77	
Sichuan Development Wine Investment Co., Ltd.	5,726,848.36			162,805.88						5,889,654.24	
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	122,909,579.31			877,224.54						123,786,803.85	
Subtotal	2,621,964,593.00	40,000,000.00		45,123,842.50	12,402,376.19				27,283,114.40	2,667,402,944.91	2,567,098.80
Total	2,621,964,593.00	40,000,000.00		45,123,842.50	12,402,376.19				27,283,114.40	2,667,402,944.91	2,567,098.80

17.4. Operating revenue and cost of sales

Monetary Unit: CNY

Item	Current Period		Previous Period	
	Revenue	Cost of sales	Revenue	Cost of sales
Primary business	8,390,524,714.12	6,176,755,863.73	7,558,340,885.88	5,664,019,938.24
Other business	19,908,823.14	1,309,332.64	44,286,894.17	1,137,093.20
Total	8,410,433,537.26	6,178,065,196.37	7,602,627,780.05	5,665,157,031.44

Details:

Monetary Unit: CNY

Contract category	Liquor sales	Total
Commodity type		
Including:		

Medium and high grade liquor	8,361,787,830.28	8,361,787,830.28
Other liquor	28,736,883.84	28,736,883.84
By operating segment		
Including:		
Domestic	8,390,524,714.12	8,390,524,714.12
Outbound		
Market or customer type		
Including:		
Contract type		
Including:		
Commodity sales contract	8,390,524,714.12	8,390,524,714.12
By commodity transfer time		
Including:		
By contract term		
Including:		
By sales channel		
Including:		
Total	8,390,524,714.12	8,390,524,714.12

17.5. Investment income

Monetary Unit: CNY

Item	Current Period	Previous Period
Investment income from long-term equity investments under cost method	7,777,018,295.87	6,296,151,637.80
Investment income from long-term equity investments under equity method	45,123,842.50	171,693,567.56
Investment income gained during the period of holding held-for-trading financial assets	6,813,617.83	
Investment income from disposal of held-for-trading financial assets	9,438,465.78	
Dividends income gained during the period of holding other equity instrument investment	8,078,717.93	6,657,660.52
Investment income from early redemption of bonds	-4,241,494.76	
Total	7,842,231,445.15	6,474,502,865.88

17.6. Other

Note: There is no major restriction on the repatriation of the Company's investment income.

Including: investment income from long-term equity investments under the cost method:

Item	Current Period	Previous Period
Luzhou Laojiao Sales Co., Ltd.	7,709,806,254.66	6,269,283,588.58
Luzhou Baonuo Biotechnology Co., Ltd.	10,515,293.70	
Luzhou Pinchuang Technology Co., Ltd.	30,991,503.61	26,868,049.22
Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	18,070,349.00	
Luzhou Laojiao Tourism Culture Co., Ltd.	7,634,894.90	
Subtotal	7,777,018,295.87	6,296,151,637.80

Including: investment income from long-term equity investments under the equity method:

Item	Current Period	Previous Period
Huaxi Securities Co., Ltd.	43,897,917.31	169,638,351.75
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	185,894.77	
Sichuan Development Wine Investment Co., Ltd.	162,805.88	-1,127,623.31
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	877,224.54	3,182,839.12
Subtotal	45,123,842.50	171,693,567.56

Including: dividend income gained during the period of holding other equity instrument investment:

Item	Current Period	Previous Period
North Chemical Industries Co., Ltd.	70,359.97	62,542.20
Guotai Junan Securities Co., Ltd.	8,008,357.96	6,595,118.32
Subtotal	8,078,717.93	6,657,660.52

18. Supplementary information

18.1. Detailed statement of extraordinary gain and loss in the current period (+ for gain, - for loss)

Applicable N/A

Monetary Unit: CNY

Item	Amount	Note
Gains or losses on disposal non-current assets	19,805,093.70	For details please see Note 7.46
Government grants included into current profits and losses (other than government grants closely related to enterprise business and granted by quota or quantity according to national unified standard)	34,931,161.52	For details please see Note 7.42 and Note 7.47
Gain or loss on fair-value changes on held-for-trading financial assets and	-2,585,156.72	For details please see Note 7.43

liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)		
Other non-operating income and costs other than above items	7,873,927.25	For details please see Note 7.47 and Note 7.48
Less: Impact from income tax	14,413,895.31	
Impact from non-controlling shareholders' equity	1,709,085.57	
Total	43,902,044.87	--

Other items that meet the definition of non-recurring gain/loss:

Applicable N/A

No such cases for the reporting period.

Explain the reasons if the Company classifies any non-recurring gain/loss item mentioned in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public-Non-Recurring Gains and Losses* as a recurring gain/loss item.

Applicable N/A

18.2. Return on equity and earnings per share

Profit during reporting period	Weighted average ROE	EPS(CNY/Share)	
		Basic EPS	Diluted EPS
Net profits attributable to common shareholders of the Company	33.32%	7.06	7.06
Net profits attributable to common shareholders of the Company before non-recurring gains and losses	33.18%	7.03	7.03

18.3. Differences between accounting data under domestic and overseas accounting standards

18.3.1. Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

Applicable N/A

18.3.2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Applicable N/A