



泸州老窖

**Luzhou Laojiao Co., Ltd.**

**2025 Annual Report**

**【April 2026】**

# 2025 Annual Report

## Section I Important Statements, Contents and Definitions

The Board of Directors as well as directors 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 Song Ying, 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
Chen You'an	Non-executive director	Work	Li Guowang

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 this 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 1,471,941,963 shares, a cash dividend of CNY 44.17 (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.

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## **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 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.
Baijiu Production Company	Refer to	Luzhou Laojiao Baijiu Production Co., Ltd.
Golden Rudder	Refer to	Sichuan Golden Rudder Investment 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 Command Center, 71 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 Command Center, 71 Nanguang Road, Luzhou City, Sichuan Province, China	
Tel.	(0830)2398826	(0830)2398826
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### 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	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
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	ShineWing Certified Public Accountants
Business address of the accounting firm	8/F, Tower A, Fuhua Building, 8 Chaoyangmen North Street, Dongcheng District, Beijing, China
Name of accountants for writing signature	Wang Xiaodong, and Ouyang Lihua

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

	2025	2024	YoY Change	2023
Operating revenues (CNY)	25,731,010,647.32	31,196,248,208.33	-17.52%	30,233,301,388.26
Net profits attributable to shareholders of the Company (CNY)	10,830,713,936.14	13,472,986,476.01	-19.61%	13,246,394,700.59
Net profits attributable to shareholders of the Company before non-recurring gains and losses (CNY)	10,760,038,787.76	13,399,514,669.49	-19.70%	13,150,392,806.65
Net cash flows from operating activities (CNY)	7,123,218,677.88	19,181,768,363.65	-62.86%	10,648,364,935.46
Basic earnings per share (CNY/share)	7.36	9.18	-19.83%	9.02
Diluted earnings per share (CNY/share)	7.36	9.18	-19.83%	9.02
Weighted average ROE	22.66%	30.44%	-7.78%	35.07%
	At the end of 2025	At the end of 2024	YoY Change	At the end of 2023
Total assets (CNY)	64,794,994,851.27	68,334,595,564.58	-5.18%	63,294,455,201.60
Net assets attributable to shareholders of the Company (CNY)	49,780,293,635.74	47,388,500,553.46	5.05%	41,391,410,494.89

Whether the lower of the net profits 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 lowest of the audited total profits before tax, net profits, and net profits before non-recurring gains and losses for the reporting period 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	9,352,165,445.50	7,101,567,459.15	6,673,726,997.48	2,603,550,745.19
Net profits attributable to shareholders of the Company	4,592,780,509.90	3,070,127,303.08	3,099,486,836.34	68,319,286.82
Net profits attributable to shareholders of the Company before non-recurring gains and losses	4,595,090,018.42	3,054,914,449.63	3,091,592,912.45	18,441,407.26
Net cash flows from operating activities	3,307,744,331.60	2,756,725,698.55	3,758,120,702.84	-2,699,372,055.11

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	2025	2024	2023	Note
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Profit or loss from disposal of non-current assets (including the write-off portion of the impairment provision)	-534,054.68	1,058,750.22	44,694,238.37	
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 given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	50,033,249.88	41,225,885.28	51,950,003.11	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company's normal business operations)	35,768,978.71	54,342,655.46	68,181,502.73	
Reversed portions of impairment allowances for receivables which are tested individually for impairment	40,000,000.00	422,217.14		
Other non-operating income and expenditure except above-mentioned items	-30,596,009.53	-1,550,111.21	-35,875,412.66	
Less: Corporate income tax	23,034,464.44	20,932,166.54	31,697,444.12	
Minority interests (after tax)	962,551.56	1,095,423.83	1,250,993.49	
Total	70,675,148.38	73,471,806.52	96,001,893.94	--

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. 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 three 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 25.731 billion; and the net profit attributable to the shareholders of the listed company reached CNY 10.831 billion.

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, Luzhou Laojiao · Hey Guys, and Luzhou Laojiao Erqu



## 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	24,220,039,994.92	3,158,388,332.33	86.96%	-18.10%	-11.04%	-1.04%
Emerging channel operation model	1,385,502,058.29	239,020,780.41	82.75%	-6.34%	-18.76%	2.64%

## 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	1695	209	215	-0.35	
Overseas	93	19	11	9.41	

## 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 include 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 materials are purchased through bid invitation	Raw materials	3,936,169,970.79
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	195,468,129.63
Purchase through bid invitation	Low-value consumables	55,627,862.64

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

For details, please refer to Section III 4.2.5. "Breakdown of cost of sales".

## Production volume and inventory

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

Product classification	Production volume	Sales volume (ton)	Inventory (ton)	YoY change of production	YoY change of sales	YoY change of inventory	Description of major changes
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	(ton)			volume (%)	volume (%)		
Mid- and high-end baijiu	46,076.64	37,304.70	41,774.53	16.82%	-13.23%	26.58%	
Other baijiu	52,917.48	48,784.62	14,488.74	-19.12%	-19.72%	39.91%	The inventory increased by 39.91% year on year, mainly due to the increased stock of Touqu and Erqu products for the year-end period

## 2. Inventory at the end of the reporting period

Unit: Ton

Finished baijiu	Semi-finished baijiu (including base baijiu)
56,263.27	440,736.84

## 3. Capacity

Unit: Ton

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

## 2. Industry overview for the reporting period

In 2025, the baijiu industry entered a new round of policy adjustment, consumption structure transformation and intensifying competition. A host of contradictions have become prominent, including expanding production capacity amid slowing demand, weakening consumption momentum alongside falling prices, a shrinking number of distributors paired with rising inventory levels, and price conflicts between traditional sales channels and e-commerce platforms. The industry is likely to remain under pressure for a period of time. Nevertheless, opportunities will still outweigh challenges for the baijiu industry in the medium to long term. High-quality development remains the overarching theme of China's economy, and the fundamentals sustaining long-term economic prosperity remain unchanged. The current industry adjustment will allow outstanding enterprises with genuine strengths in brand presence, channel layout, innovation capability and operational management to stand out.

## 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 production. 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 produces 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 the baijiu production 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 baijiu production 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 Baijiu Workshops were selected into China's Industrial Heritage List. The time-honored Traditional Baijiu Production Technique of Luzhou Laojiao is a 24-generation inheritance and a classic production 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 Baijiu Production 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 Baijiu Production Eco-Park has moved into full production in late 2020. Upholding the cultural connotations of "inheritance of ancient ways, pure-grain based production, traditional techniques, and intelligent technologies", the Company carries out production technique renovation featuring automatic, intelligent and information technology-based transformation. As such, it has established a baijiu production eco-park comprising distillation workshops, leaven making workshops, and base baijiu storage cellars, along with energy and sewage treatment facilities. This baijiu production 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 Baijiu" 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 Distillation, National Baijiu 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, informatization and intelligent transformation of production and packaging. 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 baijiu distillation, 2 masters of Chinese baijiu, 2 Chinese liquor connoisseurs, 1 master of Chinese baijiu technique, 18 senior professor engineers, 8 experts who receive special allowances from the State Council, 4 national technicians, 3 national model workers, 5 national Labor Day Medal winners, 4 academic and technologic leaders of Sichuan province, 1 expert with outstanding contribution in Sichuan province, 1 technology leader of Tianfu, 1 excellent engineer of Tianfu, 1 skills leader of Tianfu, 3 craftsmen of Tianfu, 5 craftsmen of Sichuan province, 1 technological elite of Tianfu, 2 young science and technology talents of Tianfu, 4 technicians of Sichuan province, 7 model workers of Sichuan province, as well as hundreds of highly skilled personnel including national baijiu judges, as well as master technicians, senior technicians and technicians in baijiu production and tasting. The comprehensive and professional personnel system assures the sound development of the Company.



## 4. Analysis of main business

### 4.1. Overview

2025 marked the 110th anniversary of Chinese strong aromatic baijiu going global, and it was also the final year of the Company's 14th Five-Year Plan strategy. Closely centering on the annual development theme of "Building Momentum for Breakthroughs, Advancing Stable Growth through Intensive Cultivation; Seizing Opportunities to Drive Development through Reform and Innovation", the Company continued to strengthen its endogenous growth drivers and vigorously build long-term momentum to navigate cycles and secure future success. Over the past year, the Company achieved the following key results:

#### A. A steadily strengthened market foundation

The Company remained market-oriented and consumer-centric and advanced its marketing initiatives on all fronts. **Its brand strategy was effectively implemented.** The Company firmly pursued its strategy of "dual brands, three product series, and major single products", with brand recognition and brand value continuing to increase. National Cellar 1573 maintained its position in the high-end segment, while the Luzhou Laojiao series achieved comprehensive coverage across the sub-premium, mid-range, and mass-market price bands. Health care baijiu, innovative baijiu, new retail, and overseas markets were cultivated with precision. **The Company made further breakthroughs in its nationwide market presence.** Strategic initiatives such as the "Hundred Cities Program", the "East China Strategy", and the "Double Hundred Project" were implemented in depth, with a continued focus on breakthroughs in core regions and the expansion of the sales network into lower-tier markets. As a result, channel control and market penetration were significantly enhanced. **Digital and intelligent marketing delivered remarkable results.** Supported by the "Five Codes in One" system and multidimensional scan-code data, the Company deeply advanced full-chain digital management and refined operations, achieving a genuine transformation toward consumer-centric digital and intelligent operations.

#### B. Brand leadership driving value growth

The Company firmly upheld the philosophy that "a brand of ten years depends on marketing, a brand of one hundred years depends on quality, and a brand of one thousand years depends on culture" to promote the continuous recovery of the value of Luzhou Laojiao as a famous baijiu brand. **The Company further enriched its cultural foundations.** The *Luzhou Laojiao Archive Documents 1771-1983* was successfully included in the China Documentary Heritage Catalogue of the Memory of the World Program, becoming the first documentary heritage project in the baijiu industry. The Company also successfully held themed activities such as the "110th Anniversary of Chinese Strong Aromatic Baijiu Going Global" while continuing to refine its corporate culture expression system. **Brand activities were vibrant and diverse.** The Company continued to develop distinctive IP events such as the "Baijiu Seal-off Ceremony", the "International Festival of Poetry & Baijiu", and the "Cellar Owner Festival" while engaging with major sporting events including the ITTF World Cup, the Australian Open, and the China Open. These initiatives further enhanced brand vitality. **The Company also advanced the integrated development of baijiu culture and tourism across multiple scenarios.** Cultural tourism projects such as the China Baijiu Museum and the new Chunyang Cave Scenario continued to progress steadily. The Luzhou Laojiao Scenic Area was

selected as a National Tourism Technology Demonstration Park and was recognized as an outstanding case in the 2025 Blue Book on the Integrated Development of Intangible Cultural Heritage and Tourism issued by the China Intangible Cultural Heritage Safeguarding Association.

### **C. Craftsmanship supporting intelligent and digital transformation**

The Company remained committed to craftsmanship and quality and continued to build a full-chain quality assurance system covering raw grain, distillation, production, and the supply chain, earning market trust through exceptional quality. **Quality control continued to be refined.** Guided by the philosophy of “making the quality visible”, the Company improved its grid-based Chief Quality Officer system and established a full-industry-chain, fully traceable, and full-lifecycle quality and safety management system from field to table. The Company has passed organic certification for 18 consecutive years and established eight organic sorghum bases. **Intelligent production helped reduce costs and improve efficiency.** The Huangyi Baijiu Production Eco-Park entered full operation. Through the application of artificial intelligence, big data, and other technologies, the park achieved significant improvements in baijiu yield and the acceptance rate of premium-grade baijiu while continuously reducing water use and carbon emissions. The equipment management system, baijiu production and leaven making MES systems were stably launched and put into operation, and the levels of digital intelligence, informatization, and automated production in baijiu production continued to rise steadily.

### **D. A fully formed innovation ecosystem**

The Company actively developed an “innovative Luzhou Laojiao”, embedding innovative thinking across all processes of corporate operations. **A strong atmosphere of innovation took shape.** The successful hosting of the first “Chinese-Style Mixology Competition” brought the Company’s innovative drinking model to nationwide attention. New consumption scenarios such as camping, skiing, and music festivals were successfully developed, expanding the boundaries of baijiu consumption in all dimensions. **Scientific and technological innovation produced strong results.** The Company established the industry’s first science and technology museum and worked with universities and research institutes to conduct research and application in key common technologies and frontier technologies, forming a thriving integrated ecosystem of “industry, academia, research, and application”. **Cross-sector integration also generated strong momentum.** The Company actively launched cross-sector brand collaborations, engaging with fields such as sports, art, and fashion, and it introduced derivative products including co-branded products with China’s national teams. It also explored innovative cross-industry cooperation and established strategic partnerships with leading enterprises, further deepening market penetration.

### **E. Multi-dimensional strengthening of headquarters capabilities**

The Company comprehensively advanced scientific, standardized, and information-based development, building a lean, efficient, strongly controlled, and value-creating headquarters. **Orderly coordination was achieved across the headquarters ecosystem.** The marketing, production, supply chain, and management systems worked together to create strong synergies, providing solid organizational support for the Company to remain competitive in a complex environment. Guided by the “one framework, five transformations, and five connected flows” approach, headquarters systems strengthened cross-departmental process alignment and information sharing. **Corporate**

**governance remained well-regulated and orderly.** The Company received the highest A rating in the Shenzhen Stock Exchange’s information disclosure assessment for the sixth consecutive year and won the “Best Practice Case of the Board of Directors of Listed Companies” award from the China Association for Public Companies. **The Company advanced team renewal in both scale and quality.** Applying systematic thinking, the Company reshaped its talent ecosystem and empowered its workforce through both institutional innovation and digital transformation, building a talent ecosystem in which the leadership team is aligned, middle management is united, and employees are fully engaged.

#### F. Harmonious, inclusive, and green development

Upholding the corporate philosophy of “Baijiu for the World, a Shared Future”, the Company continued to shape itself as a responsible enterprise that dares to take responsibility and acts with purpose. **The Company actively fulfilled its social responsibilities.** It implemented projects covering rural infrastructure construction and industrial assistance to consolidate the achievements of rural revitalization. It also carried out public welfare activities such as the “Little Schoolbag, Big Love” initiative, benefiting nearly 10,000 teachers and students. **The Company advanced green, safe, and sustainable development.** Guided by the safety philosophy of “Life First, Happiness for All”, the Company achieved “zero workplace safety accidents”. It continued to promote low-carbon and clean production, achieving significant cost reduction and efficiency gains in water, heat, and waste management. **The Company remained committed to jointly creating and sharing the benefits of development.** It formulated the *2024-2026 Shareholder Dividend Plan*. Cumulative dividends since its listing have reached CNY 60.56 billion, representing a high dividend payout ratio of 63.50% (after the implementation of the 2025 final dividend distribution). The Company’s ESG ratings continued to improve, and it was included in the “2024 China Alcoholic Drinks Industry ESG List”.

## 4.2. Revenues and cost of sales

### 4.2.1. Breakdown of operating revenues

Unit: CNY

	2025		2024		YoY Change
	Amount	As % of operating revenues	Amount	As % of operating revenues	
Total	25,731,010,647.32	100%	31,196,248,208.33	100%	-17.52%
By business segment					
Baijiu	25,605,542,053.21	99.51%	31,052,653,337.55	99.54%	-17.54%
Other revenues	125,468,594.11	0.49%	143,594,870.78	0.46%	-12.62%
By product					
Mid- and high-end baijiu	22,967,954,695.59	89.26%	27,585,319,704.62	88.43%	-16.74%
Other baijiu	2,637,587,357.62	10.25%	3,467,333,632.93	11.11%	-23.93%
Other revenues	125,468,594.11	0.49%	143,594,870.78	0.46%	-12.62%
By geographical segment					
Domestic	25,534,165,136.80	99.23%	31,010,093,741.29	99.40%	-17.66%
Overseas	196,845,510.52	0.77%	186,154,467.04	0.60%	5.74%
By sales model					
Traditional	24,220,039,994.92	94.13%	29,573,326,673.25	94.80%	-18.10%

channel operation model					
Emerging channel operation model	1,385,502,058.29	5.38%	1,479,326,664.30	4.74%	-6.34%
Other revenues	125,468,594.11	0.49%	143,594,870.78	0.46%	-12.62%

#### 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	25,605,542,053.21	3,397,409,112.74	86.73%	-17.54%	-11.63%	-0.89%
By product						
Mid- and high-end baijiu	22,967,954,695.59	2,080,399,388.33	90.94%	-16.74%	-7.46%	-0.91%
Other baijiu	2,637,587,357.62	1,317,009,724.41	50.07%	-23.93%	-17.50%	-3.89%
By geographical segment						
Domestic	25,534,165,136.80	3,412,604,641.73	86.64%	-17.66%	-11.65%	-0.90%
By sales model						
Traditional channel operation model	24,220,039,994.92	3,158,388,332.33	86.96%	-18.10%	-11.04%	-1.04%

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	2025	2024	YoY Change
Baijiu	Sales volume	Ton	86,089.32	103,761.06	-17.03%
	Production volume	Ton	98,994.12	104,868.66	-5.60%
	Inventory	Ton	56,263.27	43,358.47	29.76%

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	2025		2024		YoY Change
		Amount	As % of cost of sales	Amount	As % of cost of sales	
Baijiu	Raw materials	2,667,985,376.23	78.53%	3,088,023,001.56	80.32%	-13.60%
Baijiu	Labor costs	278,927,288.16	8.21%	292,097,887.79	7.60%	-4.51%
Baijiu	Manufacturing overhead	450,496,448.35	13.26%	464,297,041.59	12.08%	-2.97%

Note:

None.

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

Yes  No

In August 2025, the Company invested in and established a wholly-owned subsidiary, namely Luzhou Laojiao Cultural Tourism Development Co., Ltd.

**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)	19,222,822,763.18
Total sales to top five customers as % of the total sales	74.71%
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	12,586,933,118.21	48.92%
2	Customer B	3,204,322,726.71	12.45%
3	Customer C	2,296,944,493.54	8.93%
4	Customer D	596,456,036.47	2.32%

5	Customer E	538,166,388.25	2.09%
Total	--	19,222,822,763.18	74.71%

## Other information on main customers

Applicable  N/A

## Main suppliers of the Company

Total purchases from top five suppliers (CNY)	1,454,050,675.99
Total purchases from top five suppliers as % of the total purchases	34.73%
Total purchases from related parties among top five suppliers as % of the total purchases	6.34%

## Information on top five suppliers

No.	Supplier	Purchases (CNY)	As % of the total purchases for the year
1	Supplier A	409,267,306.14	9.77%
2	Supplier B	335,876,137.00	8.02%
3	Supplier C	265,629,470.88	6.34%
4	Supplier D	252,958,673.55	6.04%
5	Supplier E	190,319,088.42	4.55%
Total	--	1,454,050,675.99	34.73%

## Other information on main suppliers

Applicable  N/A

Whether the Company's trading revenue accounted for more than 10% of its total operating revenue in the reporting period

Applicable  N/A

### 4.3. Expenses

Unit: CNY

	2025	2024	YoY Change	Reason for any significant change
Selling and distribution expenses	3,237,149,369.15	3,538,382,615.99	-8.51%	
General and administrative expenses	962,421,600.80	1,100,779,964.56	-12.57%	
Finance expenses	-511,995,793.73	-488,521,059.32		
R&D expenses	215,855,671.81	260,975,311.10	-17.29%	

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	2025	2024	YoY Change	Reason for any significant change
Advertising expenses	1,275,745,184.28	1,548,153,847.96	-17.60%	
Sales promotion expenses	1,281,434,004.00	1,109,741,814.61	15.47%	
Warehousing and logistics expenses	140,429,747.50	162,568,387.89	-13.62%	
Labor costs	323,502,036.15	387,418,851.76	-16.50%	
Other	216,038,397.22	330,499,713.77	-34.63%	Mainly due to the decreased conference and other expenses

#### 4.3.2. Breakdown of advertising expenses

Unit: CNY

Advertising	Expenses
Online advertising (exclusive of TV advertising)	191,763,884.02
Offline advertising	201,775,642.12
TV advertising	430,685,900.55
Other (inclusive of branding ideas, exhibitions & showcases, advertising materials, activity planning, etc.)	451,519,757.59

#### 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 Distillation Waste	The project aims to realize the energy- and resource-based utilization of distillation waste with thermochemical technology, and develop a complete set of intelligent equipment systems for the resource- and energy-based utilization of distillation waste.	Focusing on distillation waste (discarded grains) as the research subject, the project adopted technologies such as high-efficiency drying and thermochemical conversion of biomass to thermally decompose the discarded grains into pyrolysis gas and biochar. The pyrolysis gas is reused as energy in	To develop an intelligent equipment system with packaged technology for the resource- and energy-based utilization of distillation waste, successfully build a demonstration base for the project industrialization, and achieve resource- and energy-based utilization of distillation waste to	Realize a large-scale resource- and energy-based utilization of distillation waste and achieve both ecological and economic benefits.

		<p>the distilling process, while the biochar serves as an organic fertilizer for sorghum cultivation. The project has completed the construction of a 100,000 tons/year energy- and resource-based coupled utilization project and a 200,000-mu green planting demonstration base. It has achieved a resource utilization rate of over 90% for distillation waste and a gas energy recycling rate of over 95%, filling the technological gap in thermochemical treatment of distillation waste (discarded grains) and promoting breakthroughs in key general technologies for the efficient conversion and safe disposal of organic solid waste under the solid waste resource utilization initiative.</p>	<p>ensure the low-carbon, green development of the Chinese baijiu industry.</p>	
<p>High-value Patent Incubation Center Project of Luzhou Laojiao</p>	<p>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 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</p>	<p>The Company continuously improved the intellectual property management system, and obtained certification in the Enterprise intellectual property compliance management system—Requirements (GB/T 29490-2023) as well as graded evaluation under the international standard Innovation management — Tools and methods for intellectual</p>	<p>The Company has strengthened the close integration of intellectual property creation and protection with the whole process of technological innovation, enhanced the capability of the enterprise to create intellectual property and prevent potential intellectual property risks. The Company has strengthened the analysis and application of patent information, laid out and explored intellectual property</p>	<p>The Company has established a sound intellectual property management system, strengthened the creation and protection of intellectual property, and enhanced the core competitiveness of the enterprise.</p>

	technologies.	property management — Guidance (ISO 56005). Focusing on key distillation technologies, the Company fully utilized patent analysis tools to conduct competitive situation analysis and layout analysis. Patent risk warning measures were reinforced through regular monitoring and analysis of key technical outcomes in relevant branches. The Company also organized high-value patent cultivation training and mining workshops, comprehensively enhancing R&D personnel's awareness of innovation, drafting competence, and protection capabilities.	around core key technologies, and formed a series of high-value patents with technical, economic, and legal value.	
Selection and Breeding of New Varieties for Baijiu Production and Integrated Demonstration of New Technologies	The project aims to carry out integrated research on major new green and high-efficiency varieties dedicated to distillation and supporting technologies. It seeks to establish a comprehensive integrated innovation demonstration base for new varieties and supporting technologies, develop core demonstration plots jointly involving baijiu companies, seed companies, research institutions, and new types of business entities, and form a technology transformation	The Company carried out the breeding of new sorghum varieties dedicated to baijiu production and successfully developed one new sorghum variety for baijiu production. It established two high-quality sorghum seed breeding bases in Hainan and Luzhou and built one comprehensive integrated innovation demonstration base for major new sorghum varieties and technologies dedicated to baijiu production. Average yield per unit increased by 11.6%, and new sorghum	Through industrialization demonstration, the project aims to fully leverage the advantages of combining the varieties developed under the project with supporting technologies and promote the development of a modern agricultural industry system that integrates "variety breeding, seed multiplication, and promotion".	The project is expected to help ensure a high-quality and stable supply of sorghum for baijiu production at the source, laying a foundation for Luzhou Laojiao's long-term quality upgrading, cost control, and coordinated industrial development.

	mechanism linking new varieties, supporting technologies, demonstration, and promotion.	varieties for baijiu production were promoted for cultivation on 72,000 mu of farmland in Luzhou.		
Establishment of Sichuan Innovation Center for Solid-state Distillation Technologies	Luzhou Laojiao took the lead to jointly build the Sichuan Innovation Center for Solid-state Distillation Technologies with several universities, institutes and other enterprises, aiming to overcome a batch of core technological challenges in solid-state distillation and facilitate the development of the solid-state distillation sector.	In research areas such as distillation process intelligentization, fermentation mechanisms and microbiology, as well as flavor and health, Sichuan Innovation Center for Solid-state Distillation Technologies continuously advanced innovation, R&D, and application of key common technologies and cutting-edge leading technologies across the industry chain. These efforts supported solid-state distillation technology research, industry exchanges, result transformation and talent training. It organized and convened the 2025 Annual Work Meeting of Sichuan Innovation Center for Solid-state Distillation Technologies, to discuss the industrial technological orientation and development paths. Focusing on key common technical challenges of the industry, it released the 2025 Application Guidelines for Alliance Open Projects, with 12 new projects approved and initiated.	To gather innovative resources in solid-state distillation, create an innovation alliance in the solid-state distillation sector, make breakthroughs in core key technologies in the solid-state distillation 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	By applying modern technologies such as intelligent sensing,	Luzhou Laojiao carried out industry-university-research	To build an intelligent demonstration production line.	Level up the Company's intelligent production and

and the System Control for Baijiu Production	image recognition, spectral technology and bio-chips, the project aims to develop core technologies for each link of production, including fermentation, vinasse-based ingredient making, distillation of grains in vats and baijiu selection, and build intelligent production lines with independent optimization, production decision-making and execution capabilities to comprehensively upgrade the solid-state distillation technologies in the baijiu industry.	cooperation with universities and research institutes in the field of intelligent production, deeply analyzed traditional production processes and fermentation principles, innovatively applied simulation technology, automation technology, online testing, industrial robots, big data analysis, intelligent decision-making and other technologies to the production engineering renovation project of Luzhou Laojiao. The Company has mastered core technologies such as automated robot-based steam detection and vat filling, graded baijiu selection by quantity and quality, and intelligent cellar management. It has also independently developed supporting equipment and system integration for baijiu distillation processes including sorghum pretreatment, proportioning and material mixing, created intelligent decision-making modules covering the entire distillation workflow, and realized precise control and optimization of the production process.		promote the transformation and upgrading of the traditional baijiu production industry.
Construction of the Baijiu Production Microbial Resources and Data Platform	The project aims to carry out collection of baijiu production microbial resources,	Luzhou Laojiao carried out industry-university-research cooperation with	To establish a baijiu production microbial strain bank of a certain scale, which	Master the core resources of baijiu production microorganisms and

	rapid isolation, authentication, review and transfer of microbial resources in the production process of baijiu and development of excellent strains for industrial use, establish a baijiu production microbial strain library and related enzymology library, and promote the protection, sharing and sustainable utilization of baijiu production microbial resources.	universities, and based on the analysis of the metabolic mechanisms of the microbial flora in the mud of the 400-year-old national treasure fermentation pit, completed diversity analysis on 1,394 baijiu samples, preserved 3,300 microbial strains, and obtained flavor compound data for 315 strains and whole-genome sequencing data for 310 strains. The Company screened and obtained a series of new species and key functional microorganisms such as the “Laojiao Lactobacillus”, “Laojiao Syntrophococcus”, and “Laojiao Clostridium”, and filed 24 applications for invention patents related to functional strains, of which 15 have been granted.	can achieve long-term safe preservation of strains and is supplemented by special information technology to manage strain information.	enhance the Company's ability to protect and utilize baijiu production microbial resources.
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## Information about R&amp;D personnel

	2025	2024	YoY Change
Number of R&D personnel	480	475	1.05%
R&D personnel as % of total employees	12.27%	12.40%	-0.13%
Educational backgrounds of R&D personnel			
Bachelor's degree	237	276	-14.13%
Master's degree	193	149	29.53%
Doctoral degree (including postdoctoral workstations)	50	50	0.00%
Age structure of R&D personnel			
Below 30	194	188	3.19%
30~40	224	207	8.21%

## Information about R&amp;D investments

	2025	2024	YoY Change
R&D investments (CNY)	220,140,589.52	280,166,160.16	-21.42%
R&D investments as % of operating revenues	0.86%	0.90%	-0.04%
Capitalized R&D investments (CNY)	4,284,917.71	0.00	0.00%
Capitalized R&D investments as % of total R&D investments	1.95%	0.00%	1.95%

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	2025	2024	YoY Change
Subtotal of cash inflows from operating activities	28,520,870,603.68	41,014,285,259.97	-30.46%
Subtotal of cash outflows from operating activities	21,397,651,925.80	21,832,516,896.32	-1.99%
Net cash flows from operating activities	7,123,218,677.88	19,181,768,363.65	-62.86%
Subtotal of cash inflows from investing activities	2,296,764,566.58	2,277,579,273.71	0.84%
Subtotal of cash outflows from investing activities	4,032,762,969.97	3,660,085,206.26	10.18%
Net cash flows from investing activities	-1,735,998,403.39	-1,382,505,932.55	
Subtotal of cash inflows from financing	408,166,310.93	2,000,079,496.11	-79.59%

activities			
Subtotal of cash outflows from financing activities	12,228,285,214.29	12,328,932,533.79	-0.82%
Net cash flows from financing activities	-11,820,118,903.36	-10,328,853,037.68	
Net increase in cash and cash equivalents	-6,442,574,052.64	7,474,638,736.60	-186.19%

Explanation of why the data above varied significantly

Applicable  N/A

Net cash flows from operating activities decreased by 62.86%, mainly due to the decreased cash received from sales of goods and discounted notes 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

This is mainly due to the advance collection of part of current-year revenue in the prior year as a result of the accrual basis of accounting and the increased inventory in the current year.

## 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 2025		At the beginning of 2025		Change in percentage	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Cash and cash equivalents	27,341,566,698.37	42.20%	33,578,396,831.33	49.14%	-6.94%	
Accounts receivable	6,075,570.66	0.01%	11,022,302.31	0.02%	-0.01%	
Contract assets		0.00%		0.00%	0.00%	
Inventories	15,396,031,707.35	23.76%	13,392,794,475.96	19.60%	4.16%	
Investment property	47,892,751.08	0.07%	50,246,694.16	0.07%	0.00%	
Long-term equity investments	2,930,804,469.77	4.52%	2,801,252,317.93	4.10%	0.42%	
Fixed assets	8,523,891,404.03	13.16%	9,131,776,915.51	13.36%	-0.20%	

Construction in progress	2,064,766,283.24	3.19%	807,233,988.90	1.18%	2.01%	
Right-of-use assets	19,863,214.19	0.03%	29,254,214.23	0.04%	-0.01%	
Short-term loans		0.00%		0.00%	0.00%	
Contract liabilities	3,367,443,727.83	5.20%	3,978,131,528.88	5.82%	-0.62%	
Long-term loans	2,627,166,310.93	4.05%	6,279,900,000.00	9.19%	-5.14%	Mainly due to the repayment of loans, and the reclassification of loans due within one year as non-current liabilities due within one year
Lease liabilities	15,693,190.61	0.02%	24,528,519.13	0.04%	-0.02%	

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)	1,694,282,295.97	7,777,112.49			2,100,000,000.00	2,217,287,449.09		1,584,771,959.37
4. Investments in other equity instruments	407,194,706.55		219,220,333.62					475,499,237.90
6. Accounts receivable financing	1,801,947,455.78						335,452,481.82	1,466,494,973.96
Subtotal of financial assets	3,903,424,458.30	7,777,112.49	219,220,333.62		2,100,000,000.00	2,217,287,449.09	335,452,481.82	3,526,766,171.23

Total	3,903,424,458.30	7,777,112.49	219,220,333.62		2,100,000,000.00	2,217,287,449.09	- 335,452,481.82	3,526,766,171.23
Financial liability	0.00							0.00

Contents of other changes

None

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

Unit: CNY

Item	Closing balance	Reason
Cash and cash equivalents	393,834,614.88	Accrued interest on term deposits
Cash and cash equivalents	10,000,053.87	Under management in accordance with the management measures for the use of special project funds
Cash and cash equivalents	10,023,572.23	Security deposits for bank guarantees
Cash and cash equivalents	1,404,495.57	Security deposits at e-commerce platforms
Cash and cash equivalents	1,200,000.00	Funds frozen by court order
Cash and cash equivalents	10,000.00	Funds frozen for other reasons
<b>Total</b>	<b>416,472,736.55</b>	

## 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
3,543,132,798.33	2,954,722,709.66	19.91%

### 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 investment	Industry of the investment project	Amount of input in the reporting period	Accumulated actual input amount by the end of the reporting period	Capital source	Project progress	Projected income	Accumulated actual income by the end of the reporting period	Reasons for not meeting the schedule and projected income	Date of disclosure (if any)	Disclosure index (if any)
Luzhou Laojiao Technical Renovation Project of Intelligent Baijiu Production (Phase I)	Self-built	Yes	Baijiu	996,059,128.18	2,073,457,683.07	Self-financing	56.00%	0.00	0.00	N/A	July 13, 2022	Announcement on the Implementation of Luzhou Laojiao Technical Renovation Project of Intelligent Baijiu Production (Phase I) by Subsidiary
Total	--	--	--	996,059,128.18	2,073,457,683.07	--	--	0.00	0.00	--	--	--

### 7.4. Financial assets investment

#### 7.4.1. Securities investment

Applicable  N/A

Unit: CNY

Category of security	Stock code	Abbreviation of	Initial investment	Accounting measurement	Beginning book	Changes in fair	Changes in the	Amount of purchase	Amount of sale	Profit and loss	Closing book balance	Accounting item	Capital source
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ies		securit ies	cost	rement model	balanc e	value recogn ized in profit or loss	cumul ative fair value record ed into equity	se		during the reporti ng period	e		
Dome stic and foreign stock	60121 1	GTHT	12,719 ,156.7 6	Fair value measu rement	219,64 0,994. 03		229,29 8,131. 57			5,064, 108.71	242,01 7,288. 33	Invest ments in other equity instru ments	Own fund
Dome stic and foreign stock	00224 6	SNC	1,030, 000.00	Fair value measu rement	15,870 ,083.2 4		27,145 ,261.0 9			62,542 .20	28,175 ,261.0 9	Invest ments in other equity instru ments	Own fund
Dome stic and foreign stock	01983	LZBA NK	51,120 ,000.0 0	Fair value measu rement	78,356 ,318.9 9		33,927 ,773.2 7			5,207, 040.00	85,047 ,773.2 7	Invest ments in other equity instru ments	Own fund
Dome stic and foreign stock	01880	CTG Duty- Free	542,28 5,380. 80	Fair value measu rement	60,069 ,399.6 4		- 64,197 ,690.7 2			1,282, 673.77	87,001 ,004.5 6	Invest ments in other equity instru ments	Own fund
Total			607,15 4,537. 56	--	373,93 6,795. 90	0.00	226,17 3,475. 21	0.00	0.00	11,616 ,364.6 8	442,24 1,327. 25	--	--

#### 7.4.2. Derivative investment

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	Sales of baijiu series such as "National Cellar 1573" and "Luzhou Laojiao"	100,000,000.00	6,874,023,782.55	2,465,752,852.94	24,822,037,200.58	9,393,409,955.36	6,927,511,027.75

Acquisition and disposal of subsidiaries during the reporting period

Applicable  N/A

Notes for major holding companies and joint stock companies

None

## 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 data from the National Bureau of Statistics, in 2025, baijiu enterprises above the designated size nationwide produced a total of 3.5490 million kiloliters of baijiu, representing a year-on-year decrease of 12.10%. In recent years, the output of baijiu enterprises above the designated size nationwide has continued to decline, and the baijiu industry is shifting from scale expansion to deeper value creation.

B. Consumption logic is being reshaped. Against the macro backdrop of a transition between old and new growth drivers in economic development, the driving paradigm and value anchors of baijiu consumption are being redefined. Consumer demand is shifting from satisfying quantity-based needs to pursuing quality, and the industry's core focus is moving from "company-defined value" to "consumer-defined value". Going forward, the baijiu industry will place greater emphasis on both the hard strength of product quality and the soft strength of services.

C. The consumption structure is changing. With the rise of younger consumer groups, the consumption structure of the baijiu industry is undergoing subtle changes. Specifically, business and managerial consumers remain the mainstay of baijiu consumption, while "youth-oriented consumption" is gradually becoming a development trend in the baijiu industry. "Lower alcohol content, youth-oriented consumption, and scenario-based consumption" will become important themes for baijiu enterprises as they explore future development.

## **11.2. The Company's development strategy**

### **11.2.1. Development opportunities in the future**

A. In October 2025, the Ministry of Industry and Information Technology included baijiu production in the category of "time-honored classic industries" for the first time, placing it alongside industries such as silk, tea, and porcelain. This has injected strong momentum into the industry. In the long run, fine baijiu will always be an important part of a better life, and baijiu culture is also an important component of Chinese civilization. With further policy support and resource allocation in the future, the baijiu industry still has broad room for development.

B. In recent years, the digital transformation of the baijiu industry has moved from the initial stage of building foundational systems into a critical phase of deep integration across the entire business chain. As cutting-edge technologies such as artificial intelligence, blockchain, and the Internet of Things are increasingly applied in practical scenarios within the baijiu industry, more breakthroughs are expected in both intelligent upgrades on the production side and personalized services on the consumer market side. These developments will drive higher-quality development of the baijiu industry.

C. During the 14th Five-Year Plan period, the Company steadily advanced its supply chain operation strategy and successfully completed its strategic transformation from a traditional baijiu enterprise to a high-tech baijiu enterprise. The Company has developed strong advantages as a supply chain leader. Looking ahead to the 15th Five-Year Plan period, the Company will unswervingly advance its "ecosystem chain operation strategy". Through forward-looking strategic planning, strong technological empowerment, and efficient ecosystem collaboration, the Company will comprehensively promote Luzhou Laojiao's high-quality development to a new level.

### **11.2.2. Possible challenges and risks in the future**

A. Risk of a slower-than-expected recovery in consumption. At present and for some time to come, the domestic and international environments are becoming more complex and uncertain, and the consumer market faces multiple pressures, including contracting demand, supply shocks, and weakening expectations. As a typical pro-cyclical industry, the baijiu industry is highly correlated with consumer sentiment. If the recovery of the consumer market falls short of expectations, the industry may remain in an adjustment period for an extended time.

B. Risk of intensified price competition. The supply-demand imbalances accumulated during the period of rapid growth in the baijiu industry have continued to emerge, and market price inversion has become widespread. If the supply-demand structure cannot be effectively improved, further price-based competition may occur, affecting revenue and profit margins across the entire industry chain.

C. Risk arising from generational changes in consumers. Younger consumer groups have more diversified preferences, and the industry faces challenges in scenario innovation, taste adaptation, and cultural identification. If the baijiu industry cannot effectively reach young consumers and build emotional connections through innovation in products, marketing, and consumption scenarios, it may lead to weakened growth momentum and a diversion of market share.

### **11.2.3. The Company's "15th five-year" development strategy**

Guided by the development approach of “staying focused on returning to the top three in the industry, tackling key challenges through coordination, and pursuing steady, long-term progress”, the Company formulated, after careful study, its strategic plan for the 15th Five-Year Plan period: the “156” Strategy.

#### **Firmly pursuing “1” development goal**

The Company will remain firmly committed to the strategic goal of “returning to the top three in the industry” and will follow through on this blueprint with consistency. It will strive to enter the first tier of China’s baijiu industry across key areas including business scale, profitability, quality production capacity, brand value, and digital and intelligent innovation.

#### **Upholding “5” development philosophies**

First, the Company will uphold a long-term philosophy and remain firmly consumer-centric. By pursuing the corporate vision of “Luzhou Laojiao moves the world, and National Cellar 1573 brings the taste of China to the world”, the Company aims to grow into a great enterprise capable of navigating cycles and achieving steady, long-term development.

Second, the Company will uphold a quality philosophy and remain firmly committed to quality as its belief. By practicing the baijiu production culture of “A lifetime devoted to one craft: Producing fine baijiu”, the Company is committed to making the quality of Chinese baijiu visible and setting a quality benchmark that leads the industry.

Third, the Company will uphold a value philosophy and remain firmly driven by value creation. The Company is committed to building an internal and external ecosystem for value co-creation, delivering outstanding returns to shareholders and partners externally, and providing a platform for employee growth internally, thereby creating a virtuous cycle of value co-creation and shared outcomes.

Fourth, the Company will uphold an innovation philosophy and remain firmly committed to innovation grounded in tradition. By carrying forward the corporate spirit of “daring to be the first, striving with joy, respecting people and work, and pursuing innovation and excellence”, the Company will promote innovation-driven development across its major systems and continuously strengthen its internal growth momentum.

Fifth, the Company will uphold a philosophy of coexistence and remain firmly committed to the mission of “producing happiness”. By practicing the corporate philosophy of “Baijiu for the World, a Shared Future”, the Company will move forward with society, stay in harmony with the environment, and coexist with humanity while continuing to build an ecosystem and platform for coexistence.

#### **Building “6” excellent systems**

First, the Company will focus on building an excellent system for market expansion and consumption innovation. It will respond precisely to market demand, upgrade its marketing model, innovate consumption scenarios, and optimize service experiences.

Second, the Company will focus on building an excellent system for cultural empowerment and brand management. It will highlight the core role of culture, deepen cultural expression, enhance brand value, and expand brand communication. It will also promote the deeper operation of “dual brands, three product series, and major single products”, advance the integrated development of baijiu culture and tourism, and build a “baijiu culture plus” industrial ecosystem. The goal is to establish Luzhou Laojiao’s position as a cultural leader.

Third, the Company will focus on building an excellent system for quality production capacity and supply assurance. It will uphold exceptional quality and organic standards, remain committed to pure-grain solid-state distillation, maintain vintage storage, and strengthen its production system underpinned by high-quality capacity. It will adhere to the principle of dynamic and balanced production, build an efficient and agile supply assurance system, and become a leader in supply assurance in the industry.

Fourth, the Company will focus on building an excellent system for digital and intelligent integration and efficiency improvement. It will comprehensively develop new quality productive forces driven by digital and intelligent technologies, continue to tackle key challenges in intelligent production technologies, optimize its smart marketing platform, and strengthen its digital and intelligent management hub. It will also unlock the value of data assets, promote the management of data applications, and empower key business processes, thereby reducing costs while improving efficiency across the value chain.

Fifth, the Company will focus on building an excellent system for organizational vitality and talent development. It will build a battle-ready marketing force, cultivate a production team capable of overcoming tough challenges, and develop an administrative team that creates value. The Company will continue to deepen its nationwide talent deployment and professional talent development and build an agile, value-creating organization with a sound structure, lean operations, and high efficiency.

Sixth, the Company will focus on building an excellent system for coordinated industrial development and ecosystem co-development. It will focus on building a business ecosystem of mutual growth and shared success, deepen co-creative and win-win partnerships, strengthen its leading role as the “chain leader” in the industrial chain, fulfill its social responsibilities as a state-owned enterprise, and build sound relationships with local communities, governments, and the public.

### **11.3. Completion of the business plan in 2025**

In 2025, the Company recorded operating revenue of CNY 25.731 billion, down 17.52% year on year, and a net profit attributable to its shareholders of CNY 10.831 billion, down 19.61% year on year. This was mainly because the baijiu industry as a whole entered a new round of adjustment characterized by lower volume and higher quality, reflected in “contracting external demand, the pains of internal adjustment, and increasingly intense competition”. Under the combined impact of these pressures, baijiu enterprises saw weaker overall growth momentum and pressure on profitability. Going forward, the Company will remain firmly focused on its “ecosystem chain operation strategy”. It will concentrate on key areas and take targeted actions to ensure a strong start, laying a solid foundation for high-quality development.

#### 11.4. Business plan in 2026

According to the *2026 Production and Operation Guidelines* reviewed and approved by the Board of Directors, the Company will steadfastly implement the “156” development strategy and further advance the “ecosystem chain operation strategy”. Upholding the general principle of pursuing progress while ensuring stability, the Company will unite its efforts, act with pragmatism and determination, and make every effort to win the critical battle in the first year of the strategy. (The business plan in 2026 is formulated by the Company according to the 15th five-year strategic plan and based on its business capabilities. It does not represent the Company's profit forecast for 2026, 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. Maintaining the development pace of “pursuing progress, efficiency, and returns while ensuring stability”**

**On the marketing front, the Company will pursue progress while maintaining stability.** On the basis of stabilizing market pricing and channel margins, the Company will make every effort to stimulate actual consumer consumption, expand channel presence, and broaden market coverage. It will advance channel penetration and refined digital and intelligent marketing operations in an orderly manner to further strengthen its market fundamentals. The Company will also steadily advance its international presence and explore marketing models tailored to local consumer preferences. **On the support front, the Company will pursue efficiency while maintaining stability.** It will continue to promote standardized management, lean processes, systematic institutional development, and digital and intelligent operations. Through the development of platforms such as business-finance integration, supply chain collaboration, and data middle platforms, the Company will enable more efficient resource allocation and more precise decision-making and execution. **On the production front, the Company will pursue returns while maintaining stability.** Driven by both traditional capabilities and digital and intelligent technologies, the Company will continue to improve lean production, data application capabilities, product quality assurance, and resource utilization efficiency, further strengthening the quality foundation for high-quality development.

##### **B. Advancing the three major initiatives of “brand enhancement, cultural empowerment, and talent quality improvement”**

**For brand enhancement,** the Company will focus on its “dual brands, three product series, and major single products”, continuously optimize its product portfolio, and enhance product distinctiveness. It will effectively integrate scarce resources in culture, art, sports, and other fields to systematically communicate the brand values of “scarcity, premium quality, fashion, and health”, thereby strengthening consumers’ value recognition. **For culture empowerment,** the Company will center on its corporate culture framework of “Philosophy of Symbiosis” and promote the integration of cultural concepts into management systems, business processes, and codes of conduct. Through cultural training, role-model recognition, and the sharing of exemplary stories, the Company will help employees internalize the culture and reflect it in their actions. **For talent quality improvement,** the Company will respond to the needs of its international, digital and intelligent, and youth-oriented transformation by accelerating the development of leading technical R&D talent, interdisciplinary professionals, and innovative young talent. In doing so, it will build a talent system with a sound structure, well-matched capabilities, and strong vitality.

### C. Achieving three major breakthroughs in “project tackling, public relations empowerment, and headquarters coordination”

The Company will **focus on project tackling** and continue to promote the smooth and orderly implementation of major projects. It will continue to advance the integrated development of baijiu culture with tourism, urban development with tourism, and culture with tourism, further create baijiu consumption and experience scenarios, and steadily promote the construction of production-related projects, injecting new momentum into quality assurance. The Company will **deepen public relations empowerment** and continue to enhance brand awareness and influence. It will systematically advance market public relations, public opinion management, and targeted engagement with key communities. By strengthening multidimensional interaction with well-known enterprises, think tanks, organizations, media outlets, and consumers, the Company will convert public relations momentum into brand trust. The Company will **strengthen headquarters coordination** and build a professional and refined service support system. By integrating internal and external resources, it will continue to improve the service support capabilities of its headquarters.

## 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
March 21, 2025	Conference Center of Huaxi Securities	Field survey	Institution	Institutional investor	Industry trends and company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
April 29, 2025	Company Headquarters	Communication through an online platform	Institution	Institutional investor	Company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
May 16, 2025	Company Headquarters	Communication through an online platform	Other	All investors	Industry trends and company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
June 27, 2025	Company Headquarters	Field survey	Institution	Institutional and individual investors and media	Industry trends and company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
September 1, 2025	Company Headquarters	Communication through an online platform	Institution	Institutional investor	Industry trends and company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
September 12, 2025	Company Headquarters	Communication through an online platform	Other	All investors	Industry trends and company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
October 31,	Company	Communication	Institution	Institutional	Industry	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>

2025	Headquarters	n through an online platform		investor	trends and company performance	nfo.com.cn/
December 24, 2025	Company Headquarters	Field survey	Institution	Institutional and individual investors and media	Industry trends and company performance	http://www.cninfo.com.cn/

### 13. Development and implementation of market value management rules and valuation enhancement plan

Indicate whether the Company has developed market value management rules.

Yes  No

Indicate whether the Company has disclosed its valuation enhancement plan.

Yes  No

In order to strengthen the Company's market value management, effectively promote the Company to enhance investment value, enhance investor returns and safeguard investor interests, in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Information Disclosure Management Measures for Listed Companies*, the *Listed Company Regulatory Guideline No. 10 - Market Value Management* and other applicable laws, regulations, normative documents and the Company's *Articles of Association*, etc., the *Market Value Management Rules of Luzhou Laojiao Co., Ltd.* have been formulated upon approval at the Sixth Meeting of the 11th Board of Directors.

### 14. Implementation of the action plan for "Dual Enhancement of Development Quality and Shareholder Returns"

Indicate whether the Company has disclosed its action plan for "Dual Enhancement of Development Quality and Shareholder Returns".

Yes  No

In accordance with the guiding ideology of "further invigorating the capital market and boosting investor confidence" proposed at the Political Bureau meeting of the CPC Central Committee and "vigorously improving the quality and investment value of listed companies, taking more powerful and effective measures, and focusing on stabilizing the market and confidence" proposed at the State Council Executive Meeting, in order to safeguard the interests of all shareholders, boost investor confidence, and promote the long-term healthy and sustainable development of the Company, Luzhou Laojiao Co., Ltd. (hereinafter referred to as "the Company") has formulated its action plan for "Dual Enhancement of Development Quality and Shareholder Returns" in combination with the Company's development strategy, business picture, and financial condition. The specific measures are as follows:

### **A. Strengthening confidence in strategic planning and aiming at the Company's development goals**

The Company has formulated the "136" strategic plan for the 14th Five-Year Plan based on the development idea of "giving play to advantages, tackling areas of weaknesses, improving quality, building strength, and seeking rejuvenation". Specifically, "1" refers to one development goal, namely, firmly insisting on the goal of regaining the "Top 3" ranking among the Chinese baijiu industry; "3" refers to three major development principles, namely, insisting on brand leadership and fully enhancing the value of Chinese famous baijiu brands, insisting on taking quality as foundation and sparing no efforts to build a core production area of world famous baijiu, and insisting on taking culture as the foundation and striving to build a pilgrimage site for Chinese baijiu culture; "6" refers to "Six-in-One" Luzhou Laojiao, namely, building a strong-brand Luzhou Laojiao, a quality Luzhou Laojiao, a cultural Luzhou Laojiao, an innovative Luzhou Laojiao, a digital and intelligent Luzhou Laojiao, and a harmonious Luzhou Laojiao. Since the 14th Five-Year Plan period, the Company has firmly implemented the "136" development strategy, won key battles such as expanding production capacity, upgrading brands, and strengthening teams, and has entered a stage of high-quality development. The National Cellar 1573 brand achieved comprehensive coverage in the domestic market and was fully expanding in overseas markets; the Luzhou Laojiao brand built a strong basis in the granary market, and has gained a stable and penetrating presence in the opportunity market, with much good news of the revival of famous baijiu; the breakthrough project of expanding key sales areas has been deeply promoted, market consumption has been further activated, and market share has been further increased. In terms of digital marketing and brand building, channel development and public relations empowerment, online expansion and offline integration, and overseas layout and domestic boosting, a clearer and more effective path has been created with the characteristics of Luzhou Laojiao, which has made contributions to the healthy and rapid development of the Company. During the 14th Five-Year Plan period, the compound growth rate of the Company's net profit attributable to the parent company reached 12.52%. Going forward, the Company will continue to steadfastly implement the principle of "growing as fast as possible on the basis of healthy development", and resolutely "compete" for better performance while benchmarking against outstanding enterprises in the industry and main competitors, and move towards the established goals prudently and meticulously.

### **B. Deeply promoting technological innovation and strengthening the transformation of scientific research achievements**

In recent years, the Company has attached great importance to the development mode of innovation leading progress, integrated innovation forces, gathered innovation resources, tackled the frontier and common key technologies of the baijiu industry, and promoted the transfer and transformation of achievements and industry sharing, thus promoting the transformation of the baijiu industry from experience oriented to technological oriented. This has made important contributions to the technological innovation, transformation and upgrading of the baijiu industry in China. First, the Company has successfully established multiple major national-level technological innovation platforms, including the National Engineering Research Centre of Solid-State Distillation, the National Industrial Design Centre, and the National Postdoctoral Workstation. The Company has formed a comprehensive technological innovation platform system with the National Engineering Research Centre of Solid-State Distillation as the R&D core, covering basic R&D, talent cultivation, and engineering transformation in multiple fields, and has built a highland for technological innovation in the entire industry. Second, the

Company has continuously increased investment in technological innovation, research and development, and continuously enhanced its independent innovation capabilities. In the past five years, the total R&D investment reached CNY 1,138.8705 million, and the compound annual growth rate of innovation R&D investment reached 6.29%. Third, the Company has actively carried out collaborative innovation between the Company, universities and research institutions, establishing cooperative relationships with more than 30 universities and institutions such as Tsinghua University and Shanghai Jiao Tong University. Through various forms including joint laboratory building, joint undertaking of major projects, joint training of talents, and establishment of open projects, the Company has carried out extensive technical exchange and cooperation, forming a good pattern of diversified cooperation, innovative development, and mutual benefit between universities and the Company. Fourth, the Company has attached great importance to the creation and protection of intellectual property rights, and regarded intellectual property building as an important development strategy for the Company. The number of applications and authorizations for invention and utility model patents has maintained a rapid growth. Up to now, the Company has been granted 304 patents, including 93 invention patents and 211 utility models, both of which are at the forefront of the industry. In the future, the Company will continue to leverage its advantages in scientific research platforms, talent, and publicity to comprehensively consolidate Luzhou Laojiao's leading position in scientific research.

### **C. Highly valuing standardized operations and improving corporate governance level**

The Company has continuously consolidated the foundation of corporate governance, improved the corporate governance structure, actively studied laws and regulations and the latest regulatory policies, and standardized the Company's management system. The Company has also clearly defined the responsibilities and authorities of the Board of Directors, the Board of Supervisors, meetings of shareholders and the management in decision-making, execution, and supervision, and regulated the rights and obligations of the Company and shareholders. The Company has vigorously promoted the systematization, standardization, and digitalization of corporate governance, synchronously enhanced the information-based level in the Board of Directors, the Board of Supervisors and meetings of shareholders, and incorporated the building of the integrated securities business platform into the "digital and intelligent Luzhou Laojiao" system, to continuously improve the level of corporate governance. In order to further improve the Company's risk management system and ensure that the directors, supervisors, and senior management of the Company fully perform their duties within their scope of responsibilities, the Company has actively promoted the purchase of liability insurances for directors, supervisors, and senior management. Meanwhile, the Company has become the first listed company in the industry to sign a liability insurance agreement for directors, supervisors, and senior management which has been approved by a meeting of shareholders. In the future, the Company will continue to promote information technology building to empower corporate governance, continuously improve operational efficiency and scientific decision-making level.

### **D. Fulfilling the information disclosure obligation compliantly and strictly guarding the defense line of insider trading**

The Company takes standardized information disclosure as the bottom line, conducts information disclosure with high standards, and effectively respects and safeguards the legitimate rights and interests of investors. First, the Company has established and improved a management system centered on major information internal reporting system, temporary and periodic report preparation

procedure, insider information management system, and other policy documents, and continuously promoted the standardized and procedural business work, to ensure accurate and rigorous information disclosure. Second, the Company has adhered to investor demand orientation, actively promoted voluntary information disclosure, attached importance to the pertinence, readability, and effectiveness of disclosure content, and continuously improved the transparency of information disclosure of the Company. The Company has been awarded the highest A grade in the information disclosure assessment of listed companies on the Shenzhen Stock Exchange for several consecutive years. In the future, the Company will continuously improve the transparency of information disclosure and continuously display information on the Company's operations at multiple levels, angles, and dimensions.

#### **E. Efficiently carrying out investor relations activities and conveying the Company's investment value**

The Company has actively adapted to the needs of investor research and carried out investor relationship management through a combination of "inviting in" and "going out" models. It has actively communicated with investors on industry hot topics, the Company's business picture, and development strategies through the Shenzhen Stock Exchange investor interaction platform, establishment of investor hotlines, improvement of investor relationship websites, hosting online collective reception days, and on-site investor surveys. In doing so, the Company has conveyed its investment value and safeguarded investors' right to know. At the same time, the Company has adhered to investor demand orientation. Based on the continuous growth of overseas shareholders in recent years, the Company has innovatively used overseas accounts such as Facebook, Twitter, and IG to simultaneously publish the Company's performance promotion, shortened the disclosure time interval between Chinese and English versions, and conducted overseas roadshows, to ensure the timeliness of information acquisition for overseas investors. Going forward, the Company will continue to build a two-way communication mechanism for a deep understanding and positive interaction with the capital market to transmit the Company's value. (Investors are welcome to visit the Company's investor relations website at <https://000568.ir-online.cn/>).

#### **F. Improving shareholder returns and safeguarding the legitimate rights and interests of shareholders**

The Company adheres to the implementation of an active profit distribution policy, attaches importance to reasonable returns to investors while considering the sustainable development of the Company, and maintains the continuity and stability of profit distribution. The Company clearly stipulates in its Articles of Association that the Company may distribute dividend in cash or stocks and the dividend should not be less than 50% of the distributable profit realized for that year, and the profit to be distributed in cash should not be less than 30% of the distributable profit realized for that year. Cumulative dividends since its listing have reached CNY 60.56 billion, representing a high dividend payout ratio of 63.50% (after the implementation of the 2025 final dividend distribution), ranking among the top among more than 5,000 listed companies in the Shanghai and Shenzhen stock markets. This has allowed all shareholders to fully share the Company's development achievements and effectively maintained the Company's good image in the capital market. In order to further improve the profit distribution policy, establish a scientific, sustained and consistent shareholder return mechanism and enhance investment value, the Company has formulated the 2024-2026 Shareholder Dividend Plan. The Company's annual cash

dividends shall account for no less than 65%, 70% and 75% of the net profit attributable to shareholders of the listed company in 2024, 2025 and 2026, respectively, and shall not be less than CNY 8.5 billion. In principle, cash dividends can be paid twice a year. Going forward, while safeguarding normal business operations and long-term corporate development, the Company will adopt a sound profit distribution policy to ensure investors duly share in the fruits of its growth.

**G. Encouraging the controlling shareholder to actively increase its shareholdings to maintain the stability of the capital market**

Based on its recognition of the Company's long-term value and its firm belief in the Company's development prospects, the controlling shareholder of the Company, Luzhou Laojiao Group Co., Ltd., increased its holdings in the Company by 1,140,200 shares in total with its own funds through call auction trading during the period from December 15, 2023 to June 15, 2024, with a total amount of approximately CNY 200.9629 million. In 2025, Laojiao Group increased its shareholdings in the Company by 2,345,250 shares with special loans and its own funds through call auction trading, representing a total amount of approximately CNY 299.9973 million.

Moving forward, the Company will focus on the development theme of “Boosting Confidence, Maintaining Steady Pace, Forging ahead With Concerted Efforts, and Pursuing Breakthroughs”, actively take responsibility, keep diligent, and make solid progress while striving for high-quality development. The Company will also firmly establish a sense of return to shareholders, effectively implement the "dual enhancement of development quality and shareholder returns" action plan, significantly enhance investors' satisfaction, and actively contribute to stabilizing the capital market and investor confidence.

## Section IV Governance, Environmental and Social Information

### 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' meeting, and rules of procedure of the board of directors, which forms the management system of which the main structure is the shareholders' meeting, board of directors, and management. During the reporting period, in accordance with the relevant arrangements of the China Securities Regulatory Commission for the implementation of supporting rules under the newly revised Company Law, and in compliance with the requirements set forth in the Implementation Plan for Deepening the Reform of the Board of Supervisors of State-owned Enterprises issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the Company abolished the Board of Supervisors in accordance with laws and regulations and completed the reform of the Board of Supervisors.

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 related party transactions arising from routine operation between the Company and the controlling shareholder and its majority-owned subsidiaries are resulted from the need of rational allocation of resources and do not affect the independence of the Company. 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 separation: The Company is totally independent in the operation, production and sales of baijiu series of “National Cellar 1573” and “Luzhou Laojiao” . 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 established 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 an independent financial and accounting 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. Directors and senior management

### 4.1. General information

Name	Gender	Age	Title	Incumbent/ Former	Period of service	Shares held by the beginning of the reporting period (share)	Shares increased during the reporting period	Shares decreased during the reporting period	Other increase/decrease (share)	Shares held by the end of the reporting period (share)	Reason for share changes
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							ing period (share)	period (share)			
Liu Miao	Male	56	Chairman of the board	Current	June 30, 2015 to June 27, 2027	288,087				288,087	
Lin Feng	Male	52	Director, General manager	Current	June 30, 2015 to June 27, 2027	95,900				95,900	
Zhang Suyi	Male	54	Director, Deputy general manager	Current	December 29, 2015 to June 27, 2027	76,700				76,700	
Xiong Pingting	Female	50	Director, Deputy general manager	Current	June 29, 2021 to June 27, 2027	62,800				62,800	
Chen You'an	Male	68	Non-executive director	Current	June 29, 2021 to June 27, 2027						
Lyu Xianpei	Male	62	Non-executive director	Current	June 29, 2021 to June 27, 2027						
Li Guowang	Male	62	Non-executive director	Current	June 29, 2022 to June 27, 2027						
Li Liangchen	Male	51	Non-executive director	Current	June 27, 2024 to June 27, 2027						
Yi Zhi	Male	54	Non-executive director	Current	December 24, 2025 to June 27, 2027						
Chen Guoxiang	Male	63	Non-executive director	Current	December 24, 2025 to June 27, 2027						
Qian Xu	Male	62	Director	Resignation	June 30, 2015 to May 29, 2025						
Ying Hanjie	Male	56	Director	Resignation	September 13, 2016 to December 4, 2025						
Xiong Bo	Male	49	Director	Current	June 27, 2024 to June 27, 2027						
Tang Dongliang	Male	48	Deputy general manager	Current	December 24, 2024 to June 27, 2027						
Shen Caihong	Male	60	Deputy general manager	Current	June 30, 2002 to June 27, 2027	180,481				180,481	
Xie Hong	Female	56	CFO	Current	March 6, 2015 to June 27, 2027	76,700				76,700	
He Cheng	Male	59	Deputy general manager	Current	June 30, 2015 to June 27, 2027	76,700				76,700	
Li Yong	Male	49	Deputy	Current	September 20,	62,800				62,800	

			general manager, Secretary of the board		2021 to June 27, 2027							
Zhao Bingkun	Male	46	Deputy general manager	Current	August 2, 2024 to June 27, 2027	30,000					30,000	
Total	--	--	--	--	--	950,168	0	0			950,168	--

Whether any director or senior management resigned before the expiry of their periods of service during the reporting period

Yes  No

During the reporting period, Mr. Qian Xu and Mr. Ying Hanjie resigned as directors for personal reasons on May 29, 2025 and December 4, 2025 respectively.

Changes in directors and senior management

Applicable  N/A

Name	Title	Type	Date	Reason
Qian Xu	Director	Resignation	May 29, 2025	Personal reasons
Ying Hanjie	Director	Resignation	December 4, 2025	Personal reasons

## 4.2. Employment information

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

Mr. Liu Miao, male, born in 1969, MBA of Wright State University in the USA, Master of Chinese Baijiu Distillation, professorate senior engineer, and 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, professorate senior economist, 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. Zhang Suyi, male, born in 1971, PhD, professorate senior engineer, representative inheritor of Sichuan Intangible Cultural Heritage. He was a worker, production team leader and assistant superintendent at Distillation 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 Baijiu Production Company. At present, he is director, deputy general

manager, and director of safety and environmental protection of the Company.

Ms. Xiong Pingting, female, born in 1975, holds a master's degree and the titles of Professorate Human Resource Management Professional, 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. At present, she is member of the Party Committee, Director, Deputy General Manager, and Chairman of the Labor Union of the Company.

Mr. Chen You'an, male, born in 1958, holds an Eng.D. degree in management science and engineering and is a Senior Engineer. Currently, he is Independent Director of Hexie Health Insurance Co., Ltd., CPIC Fund Management 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 Society of Education Audit, Director of Sichuan State-owned Assets Operation Puhui Financing Guarantee Co., Ltd., as well as Independent Director of Sichuan Teway Food Group Co., Ltd., and North Chemical Industries 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., Chief Economist of Shanghai Dalu Futures Co., Ltd., and Deputy Director of the Green Finance Committee of the Jiangsu Financial Association. Currently, he is a member of the Association of Zhejiang Talent in Shanghai. He has served as a non-executive director of the Company since June 2022.

Mr. Li Liangchen, male, born in 1974, MBA. He used to be senior partner of Shanghai AllBright (Hangzhou) Law Offices, lawyer of Beijing Tianyuan (Hangzhou) Law Firm, and partner of Beijing Zhong Lun (Hangzhou) Law Firm. Currently, he is partner of Beijing Dentons (Hangzhou) Law Firm, as well as non-executive director of Zhuhai Zhumian Group Co., Ltd., Sijin Intelligent Forming Machinery Co., Ltd., Ningbo FLK Technology Co., Ltd. (non-listed), and Sichuan Yingfa Ruineng

Technology Co., Ltd. (non-listed). He has served as a non-executive director of the Company since June 2024.

Mr. Chen Guoxiang, male, born in 1963, holds a PhD in Science. He previously served as Vice Dean of the School of Life Sciences at Nanjing Normal University, Deputy Director and Director of the Science and Technology Department of Nanjing Normal University, Vice President of Nanjing Normal University, Secretary of the Party Committee and President of Nanjing Sport Institute, and President and Deputy Secretary of the Party Committee of Nanjing Normal University. Currently, he is a Professor at Nanjing Normal University and Director of the Carbon Peak and Carbon Neutralization Strategy Institute of Jiangsu Province. He has served as a non-executive director of the Company since December 2025.

Mr. Yi Zhi, male, born in 1971, holds a PhD in Economics and is a postdoctoral fellow of the Institute of Finance and Trade Economics under the Chinese Academy of Social Sciences. He graduated from Zhejiang University and Shanghai University of Finance and Economics. He previously served as a reporter and editor in the Special Topics Department and Deputy Director of the Research Department of the Shanghai Securities News, and an Associate Professor at the School of Finance, Zhejiang Gongshang University. Currently, he is a Professor and Doctoral Supervisor at the School of Finance of Zhejiang University of Finance & Economics, a research fellow at the Institute for Public Policy of Zhejiang University, and a non-executive director of UniTTEC Co., Ltd. He has served as a non-executive director of the Company since December 2025.

Mr. Xiong Bo, male, born in 1976, Master of Public Administration. He used to be deputy chief and chief of the Policy, Regulations and Talent Planning and Development Department of Luzhou Municipal Human Resources Bureau, deputy chief of Secretary Department I of Luzhou Municipal Government Office, deputy director of office and chief of the Procurement Department of Luzhou Municipal Finance Bureau, director of Luzhou Financial Supervision and Inspection Bureau, as well as member of the party committee and deputy director of the State-owned Assets Supervision and Administration Commission of Luzhou. At present, he is party secretary and chairman of the board of Luzhou State-owned Capital Management Service Co., Ltd., as well as full-time external director of Laojiao Group, Luzhou Development Holding Group Co., Ltd., and Luzhou Development Group Co., Ltd. He has served as a director of the Company since June 2024.

Mr. Tang Dongliang, male, born in 1977, holds a postgraduate degree. He used to be the deputy head of the People's Government of Longmatan District, Luzhou City; a member of the standing committee of the Communist Party of China of Jiangyang District, Luzhou City, and an executive vice mayor of the people's government of Jiangyang District; and the deputy secretary of the committee of the Communist Party of China of Jiangyang District, Luzhou City, and the mayor of the people's government of Jiangyang District. He is now a deputy general manager of the Company.

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 Baijiu Distillation", 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-state distillation 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 professorate 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 Baijiu Distillation. He was chief dispatcher of the Company, general manager of Baijiu Production 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, chief quality officer and director of food safety of the Company.

Mr. Li Yong, male, born in 1977, holds a postgraduate degree and is a distillation 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 Discipline Inspection 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.

Mr. Zhao Bingkun, male, born in 1979, holds a university degree and is Senior Professional Engineer and Level 1 Baijiu Taster. He used to be head of office and deputy general manager of Baijiu Production Company, deputy head (temporary) of the People's Government of Longmatan District, Luzhou City, and general manager of the Packaging Materials Sourcing Centre of the Company. At present, he is deputy general manager of the Company.

Whether the controlling shareholder or actual controller concurrently serves as the chairman of the board or general manager of the Company

Applicable  N/A

Position in shareholder-holding companies

Applicable  N/A

Name	Name of shareholder-holding	Position in shareholder-holding	Beginning date of term	Ending date of term	Any remunerations received from

	companies	companies			shareholder- holding companies
Liu Miao	Laojiao Group	Secretary of the party committee, Chairman of the board	11 March 2022		No
Xiong Bo	Laojiao Group	Full-time external director	July 5, 2023		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 Miao	Luzhou Sanrenxuan Liquor Industry Co., Ltd.	Chairman of the board			No
Chen You'an	Hexie Health Insurance Co., Ltd., CPIC Fund Management Co., Ltd., and Tech-bank Food Co., Ltd.	Non-executive director			
Lyu Xianpei	Southwestern University of Finance and Economics	Professor			
Lyu Xianpei	Sichuan Society of Education Audit	Chairman			
Lyu Xianpei	Sichuan State-owned Assets Operation Puhui Financing Guarantee Co., Ltd.	Director			
Lyu Xianpei	Sichuan Teway Food Group Co., Ltd., and North Chemical Industries Co., Ltd.	Non-executive director			
Li Guowang	Association of Zhejiang Talent in Shanghai	Director			
Li Liangchen	Beijing Dentons (Hangzhou) Law Firm	Partner			
Li Liangchen	Zhuhai Zhumian Group Co., Ltd., Sijin Intelligent	Non-executive director			

	Forming Machinery Co., Ltd., Ningbo FLK Technology Co., Ltd. (non-listed), and Sichuan Yingfa Ruineng Technology Co., Ltd. (non-listed)				
Xiong Bo	Luzhou State-owned Capital Management Service Co., Ltd.	Party secretary, chairman of the board			Yes
Xiong Bo	Luzhou Development Holding Group Co., Ltd., and Luzhou Development Group Co., Ltd.	Full-time external director			
Chen Guoxiang	Nanjing Normal University	Professor			
Chen Guoxiang	Carbon Peak and Carbon Neutralization Strategy Institute of Jiangsu Province	Director			
Yi Zhi	School of Finance of Zhejiang University of Finance & Economics	Professor			
Yi Zhi	Institute for Public Policy of Zhejiang University	Research fellow			
Yi Zhi	UniTTEC Co., Ltd.	Non-executive director			

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

Applicable  N/A

### 4.3. Remuneration of directors and senior management

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

Decision-making procedures for directors and senior management: The remuneration of non-executive directors and external directors shall be determined by the meeting of shareholders; and

the remuneration of directors and senior management who hold positions within the Company shall be determined by relevant rules of SASAC of Luzhou and the Appraisal and Management Measures for Remunerations of the Management reviewed and approved by the Company's meeting of shareholders.

Grounds on which decisions are made of directors and senior management: Calculate according to the Appraisal and Management Measures for Remunerations of the Management.

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

#### Remuneration of directors and senior management during the reporting period

Unit: CNY 10,000

Name	Gender	Age	Title	Incumbent/ Former	Total before-tax remuneration from the Company	Remuneration from related parties of the Company
Liu Miao	Male	56	Chairman of the board	Current	118.43	No
Lin Feng	Male	52	Director, General manager	Current	117.41	No
Zhang Suyi	Male	54	Director, Deputy general manager	Current	93.93	No
Xiong Pingting	Female	50	Director, Deputy general manager	Current	93.3	No
Chen You'an	Male	68	Non-executive director	Current	9.52	No
Lyu Xianpei	Male	62	Non-executive director	Current	9.52	No
Li Guowang	Male	62	Non-executive director	Current	9.52	No
Li Liangchen	Male	51	Non-executive director	Current	9.52	No
Yi Zhi	Male	54	Non-executive director	Current	0	No
Chen Guoxiang	Male	63	Non-executive director	Current	0	No
Qian Xu	Male	62	Director	Resignation	1.59	No
Ying Hanjie	Male	56	Director	Resignation	0	No
Xiong Bo	Male	49	Director	Current	0	Yes
Tang Dongliang	Male	48	Deputy general manager	Current	65.12	No
Shen Caihong	Male	60	Deputy general	Current	94.64	No

			manager			
Xie Hong	Female	56	CFO	Current	95.2	No
He Cheng	Male	59	Deputy general manager	Current	93.99	No
Li Yong	Male	49	Deputy general manager, Secretary of the board	Current	93.21	No
Zhao Bingkun	Male	46	Deputy general manager	Current	92.74	No
Total	--	--	--	--	997.64	--

Performance appraisal basis for the actual remuneration received by all directors and senior management at the end of the reporting period	Applicable national policies and the Appraisal and Management Measures for Remunerations of the Management of Luzhou Laojiao Co., Ltd.
Performance appraisal for the actual remuneration received by all directors and senior management at the end of the reporting period	The appraisals were completed in accordance with applicable rules.
Deferred payment arrangements for the actual remuneration received by all directors and senior management at the end of the reporting period	None
Payment termination and recovery of the actual remuneration received by all directors and senior management at the end of the reporting period	None

Other information

Applicable  N/A

## 5. Performance of directors during the reporting period

### 5.1. Attendance of directors in board meeting and meeting of shareholders

Attendance of director in board meeting and 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 meeting of shareholders (times)
Liu Miao	13	2	11			No	3
Lin Feng	13	0	11	2		No	3
Zhang Suyi	13	2	11			No	1
Xiong Pingting	13	2	11			No	2
Chen You'an	13	2	11			No	3
Lyu Xianpei	13	2	11			No	3

Li Guowang	13	1	11	1		No	3
Li Liangchen	13	2	11			No	3
Qian Xu	4	1	3			No	0
Ying Hanjie	12	2	10			No	0
Xiong Bo	13	2	11			No	2
Chen Guoxiang	1		1			No	1
Yi Zhi	1		1			No	1

Notes to absence for two consecutive times

## 5.2. 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.

## 5.3. Other details about the performance of duties by directors

Was there any advice from directors adopted by the Company?

Yes  No

Explanation about whether the advice of directors was adopted by the Company

The Company adopted the advice of non-executive directors in respect of external investments, rules improvement, and internal control construction.

## 6. 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 Remuneration and Appraisal Committee	Chen You'an, Li Guowang, and Ying Hanjie	3	January 17, 2025	1. The Proposal on the Satisfaction of Unlocking Conditions for the First Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan 2. The Proposal on the Satisfaction of Unlocking Conditions for the Second Unlocking Period of the 2021 Restricted Share Incentive Plan	Approved, to be submitted to the Board of Directors for further review		

			September 8, 2025	<p>1. The Proposal on the Satisfaction of Unlocking Conditions for the Second Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan</p> <p>2. The Proposal on the Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price</p>	Approved, to be submitted to the Board of Directors for further review		
			November 24, 2025	The Proposal on Reviewing the Remunerations of the Management for 2024	Approved, to be submitted to the Board of Directors for further review		
The Nomination Committee	Li Liangchen, Lyu Xianpei, and Xiong Pingting	1	November 27, 2025	<p>1. The Proposal on Reviewing the Qualification of Mr. Yi Zhi as Candidate for Non-Executive Director</p> <p>2. The Proposal on Reviewing the Qualification of Mr. Chen Guoxiang as Candidate for Non-Executive Director</p>	Approved, to be submitted to the Board of Directors for further review		
The Audit Committee	Lyu Xianpei, Chen You'an and Qian Xu	1	April 14, 2025	<p>1. The 2024 Annual Financial Report</p> <p>2. The 2024 Internal Control Self-assessment Report</p> <p>3. The Summary Report on the 2024 Annual Audit</p> <p>4. The Report on the Assessment and Performance of Supervisory Responsibilities of the Audit Committee of the Board of Directors on the Performance of the Accounting Firm in 2024</p> <p>5. The Work Plan for the 2025 Internal Audit</p> <p>6. The Proposal on the Re-appointment of the Accounting Firm</p> <p>7. The Q1 2025 Report</p>	Approved, to be submitted to the Board of Directors for further review		
The Audit Committee	Lyu Xianpei, Chen You'an and Li Guowang	2	August 18, 2025	<p>1. The Proposal on the 2025 Interim Financial Report</p> <p>2. The 2025 Interim Audit Work Report</p>	Approved, to be submitted to the Board of Directors for further review		
			October 23, 2025	<p>1. The Audit Work Report for Q1-Q3 2025</p> <p>2. The Q3 2025 Report</p>	Approved, to be submitted		

					to the Board of Directors for further review		
The Strategy and ESG Committee	Liu Miao, Lin Feng, and Zhang Suyi	5	April 14, 2025	The 2024 Environmental, Social and Governance (ESG) Report of Luzhou Laojiao Co., Ltd.	Approved, to be submitted to the Board of Directors for further review		
			May 23, 2025	The Proposal on the De-registration of Luzhou Laojiao Electronic Commerce Co., Ltd.	Approved, to be submitted to the Board of Directors for further review		
			August 18, 2025	The Proposal on the Investment and Wealth Management with Own Funds	Approved, to be submitted to the Board of Directors for further review		
			September 30, 2025	The Proposal on the Investment in and Construction of the Luzhou Laojiao Historical and Cultural Industrial Park & China Baijiu Museum (Sichuan) Project	Approved, to be submitted to the Board of Directors for further review		
			December 22, 2025	The Proposal on the De-registration of Investee CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Approved, to be submitted to the Board of Directors for further review		

## 7. Performance of duties by the Audit Committee

Whether there were any risks to the Company identified by the Audit Committee when performing its duties during the reporting period

Yes  No

The Audit Committee has no objection during the reporting period.

## 8. Staff in the Company

### 8.1. Number, functions and educational backgrounds of the staff

Number of in-service staff of the parent company at the end of the reporting period	1,298
Number of in-service staff of main subsidiaries at the end of the reporting period	2,614
Total number of in-service staff at the end of the reporting period	3,912
Total number of staff with remuneration in the period	3,912
Number of retirees to whom the Company or its main subsidiaries need to pay retirement pension	895
<b>Functions</b>	
Function by category	Number of staff
Production staff	1,315
Sales staff	893
R&D staff	963
Financial staff	100
Administrative staff	641
Total	3,912
<b>Educational backgrounds</b>	
Educational background by category	Number of staff
Senior high school and below	399
Junior college	667
Bachelor	2,122
Master	702
Doctor	22
Total	3,912

### 8.2. Staff remuneration policy

In 2025, 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 agree in collective negotiation, so as to realize the unity of benefit and fairness.

### **8.3. Staff training plans**

In 2025, the Company continued to promote the improvement of talent capabilities and qualities, optimize the targeted talent development program according to the career development stages of employees, and achieve precise talent development in different levels and grades. At the same time, targeted at different professional lines, the Company horizontally designed "Elite Program" training, and strove to create a large number of elite employees who would be rooted in various fields.

Sail Program: The "Sail Program" training was conducted for new employees. The implemented training involved four stages: general ability training, marketing practical training, business capability enhancement training, and career planning. The purpose of this program is to enhance new employees' understanding and recognition of the Company's core values, and familiarize them with the Company's production and operation so that they can settle in well.

Dive Program: The "Dive Program" is designed for general employees. With the focus on introductory courses such as corporate culture and what employees should know and be able to do, office skills, professional ethics, etc., the purpose of this program is to strengthen what employees should know and be able to do, enhance the accumulation of professional knowledge, improve employees' competence, and improve work performance.

Speed Navigation Program: This program is aimed at grassroots backbones, focusing on improving work efficiency, solving complex problems, communication reporting and horizontal collaboration, etc. Adopting a model of online learning map plus offline empowerment, this program aims to consolidate professional knowledge and skills, expand general qualities and capabilities, enhance professional problem-solving capabilities, improve employees' competence, and improve work performance.

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 optimize employees' knowledge structure, improve their professional capabilities, and enhance their strategic understanding and abilities of work and team management.

Steering Program: The "Steering Program" training was conducted for middle-level management

personnel and department experts and focused on the development of all employees and newly promoted middle-level management personnel in the form of online and offline trainings combined, as well as “coming in” and “going out” 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.

Elite Program: Targeting employees from different professional lines of the Company, the Company focused on training programs for digital, human resources, administration, and other professional lines. Model learning, external training, and introduction of teaching staff were employed to improve the professional level of employees.

In addition, in terms of technical talent training, in combination with the relevant provincial and municipal policies and the Company’s strategic needs of talent development, the Company strengthens study on skilled worker development policies, fully promotes the “New Eight Grades of Employees”, obtains qualification accreditation credentials for electricians and fitters, and continuously carries out external and independent professional title evaluation, skill certification, selection of outstanding employees, etc. Meanwhile, it continues to deepen the "Laojiao Skilled Worker Action", a special task for reforming the building of the industrial workforce, and strengthen the training, appraisal and incentives for industrial workers.

#### 8.4. Labor outsourcing

Applicable  N/A

### 9. 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

A. According to the 2024 Interim Dividend Plan approved at the First Extraordinary Meeting of Shareholders in 2025, based on its total 1,471,951,503 shares, the Company distributed a cash dividend of CNY 13.58 (tax inclusive) per 10 shares to all shareholders. The distribution plan was implemented on January 24, 2025.

B. According to the 2024 Final Dividend Plan approved at the 2024 Annual Meeting of Shareholders, based on its total 1,471,951,503 shares, the Company distributed a cash dividend of CNY 45.92 (tax inclusive) per 10 shares to all shareholders. The distribution plan was implemented on August 8, 2025.

A special statement of the policy of cash dividends	
Whether it meets the requirements of the articles	Yes

of corporation or the resolution of a meeting of shareholders:	
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
If the Company has no dividend plan, it should disclose the specific reasons and the next steps it intends to take to enhance investor returns	N/A
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:	N/A

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)	44.17
Total shares as the basis for the preliminary plan for profit distribution (share)	1,471,941,963
Total cash dividends (CNY) (tax included)	6,501,567,650.57
Cash dividends in other forms (e.g. repurchase share)	0.00
Total cash dividends (CNY) (including other forms)	6,501,567,650.57
Distributable profit (CNY)	31,070,237,008.89
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

On January 30, 2026, based on its total existing share capital of 1,471,941,963 shares, the Company carried out the 2025 interim dividend payout of CNY 13.58 (tax inclusive) for every 10 existing shares held, totaling CNY 1,998,897,185.75 (tax inclusive). If the said profit distribution plan is approved at a meeting of shareholders, the total cash dividend payout for 2025 would be CNY 8,500,464,836.32 (tax inclusive), accounting for approximately 78.48% of the net profits attributable to shareholders of the Company in 2025.

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

Applicable  N/A

### 10.1. Equity incentives

A. On September 26, 2021, relevant proposals such as the Proposal on the 2021 Restricted Share Incentive Plan (Draft) and Summary of Luzhou Laojiao Co., Ltd. were reviewed and 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 December 2, 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 December 24, 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 December 29, 2021, the relevant proposals such as the Proposal on the 2021 Restricted Share Incentive Plan (Draft) and Summary of Luzhou Laojiao Co., Ltd. were reviewed and approved at the First Extraordinary 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 December 29, 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 February 21, 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 February 22, 2022.

G. On July 25, 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 August 5, 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 September 2, 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 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 September 3, 2022, the Company disclosed the Announcement on the Repurchase and Retirement of Certain 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 September 26, 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 awardees, the grant price was CNY 89.466 per share and the listing date was September 28, 2022.

L. On November 29, 2022, the Company disclosed the Announcement on the Completion of the Repurchase and Retirement of Certain 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 November 29, 2022, the Company completed the aforementioned repurchase and retirement of restricted shares.

M. On December 29, 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 January 13, 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 February 16, 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 awardees, the grant price was CNY 89.466 per share and the listing date was February 17, 2023.

P. On January 23, 2024, the Company held the 38th Meeting of the 10th Board of Directors and the 20th 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 Satisfaction of Unlocking Conditions for the First Unlocking Period of the 2021 Restricted Share Incentive Plan were reviewed and approved respectively. The Company's Board of Supervisors issued a review opinion, and the law firm and the independent financial advisor issued a legal opinion and the independent financial advisor's report respectively.

Q. On February 22, 2024, the Company disclosed the Reminder Announcement on Unlocked Shares in the First Unlocking Period of the 2021 Restricted Share Incentive Plan Being Allowed for Public Trading. As such, the unlocked restricted shares in the first unlocking period of the 2021 Restricted Share Incentive Plan were allowed for public trading on February 22, 2024.

R. On June 4, 2024, the Proposal on the Repurchase and Retirement of Certain Restricted Shares was reviewed and approved at the 40th Meeting of the 10th Board of Directors and the 22nd Meeting of the Board of Supervisors, respectively. On June 5, the Company disclosed the Announcement on the Repurchase and Retirement of Certain 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.

S. On August 14, 2024, the Company disclosed the Announcement on the Completion of the Repurchase and Retirement of Certain Restricted Shares. As at August 14, 2024, the Company completed the repurchase and retirement of 21,266 restricted shares.

T. On September 23, 2024, the Company held the Fourth Meeting of the 11th Board of Directors and the Third Meeting of the 11th Board of Supervisors, at which the Proposal on the Satisfaction of Unlocking Conditions for the First Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan and the Proposal on the Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price were reviewed and approved respectively. The Company's Board of Supervisors issued a review opinion, and the law firm issued a legal opinion.

U. On September 28, 2024, the Company disclosed the Reminder Announcement on Unlocked Shares in the First Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan Being Allowed for Public Trading. As such, the unlocked restricted shares in the first unlocking period of the reserved restricted shares under the 2021 Restricted Share Incentive Plan were allowed for public trading on October 9, 2024.

V. On December 18, 2024, the Company disclosed the Announcement on the Completion of the Repurchase and Retirement of Certain Restricted Shares. As at December 18, 2024, the Company completed the repurchase and retirement of 15,000 restricted shares.

W. On January 21, 2025, the Company held the Eighth Meeting of the 11th Board of Directors and the Sixth Meeting of the 11th Board of Supervisors, at which the Proposal on the Satisfaction of Unlocking Conditions for the First Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan and the Proposal on the Satisfaction of Unlocking Conditions for the Second Unlocking Period of the 2021 Restricted Share Incentive Plan were reviewed and approved respectively.

X. On February 14, 2025, the Company disclosed the Reminder Announcement on Unlocked Shares in the First Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan Being Allowed for Public Trading. As such, the unlocked restricted shares in the first unlocking period of the reserved restricted shares under the 2021 Restricted Share Incentive Plan were allowed for public trading on February 17, 2025.

Y. On February 21, 2025, the Company disclosed the Reminder Announcement on Unlocked Shares in the Second Unlocking Period of the 2021 Restricted Share Incentive Plan Being Allowed for Public Trading. As such, the unlocked restricted shares in the second unlocking period of the 2021 Restricted Share Incentive Plan were allowed for public trading on February 24, 2025.

Z. On September 16, 2025, the Company held the 15th Meeting of the 11th Board of Directors, at which the Proposal on the Satisfaction of Unlocking Conditions for the Second Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan and the Proposal on the Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price were reviewed and approved. On September 17, the Company disclosed the Announcement on the Repurchase and Retirement of Certain 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.

AA. On September 26, 2025, the Company disclosed the Reminder Announcement on Unlocked Shares in the Second Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan Being Allowed for Public Trading. As such, the unlocked restricted shares in the second unlocking period of the reserved restricted shares under the 2021 Restricted Share Incentive Plan were allowed for public trading on September 29, 2025.

BB. On November 22, 2025, the Company disclosed the Announcement on the Completion of the Repurchase and Retirement of Certain Restricted Shares. As at November 22, 2025, the Company completed the repurchase and retirement of 9,540 restricted shares.

CC. On February 4, 2025, the Company held the 21st Meeting of the 11th Board of Directors, at which the Proposal on the Satisfaction of Unlocking Conditions for the Second Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan and the Proposal on the Satisfaction of Unlocking Conditions for the Third Unlocking Period of the 2021 Restricted Share Incentive Plan were reviewed and approved.

DD. On February 13, 2026, the Company disclosed the Reminder Announcement on Unlocked Shares

in the Third Unlocking Period of the 2021 Restricted Share Incentive Plan Being Allowed for Public Trading. As such, the unlocked restricted shares in the third unlocking period of the 2021 Restricted Share Incentive Plan were allowed for public trading on February 24, 2026.

#### 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								57,540	28,770		92.71	28,770
Lin Feng	Director, General manager								57,540	28,770		92.71	28,770
Shen Caihong	Deputy general manager								46,020	23,010		92.71	23,010
Xie Hong	CFO								46,020	23,010		92.71	23,010
He Cheng	Deputy general manager								46,020	23,010		92.71	23,010
Zhang Suyi	Director, Deputy general manager								46,020	23,010		92.71	23,010

Xiong Pingting	Director, Deputy general manager								37,680	18,840		92.71	18,840
Li Yong	Deputy general manager, Secretary of the board								37,680	18,840		92.71	18,840
Zhao Bingkun	Deputy general manager								18,000	9,000		92.71	9,000
Total	--	0	0	0	0	--	0	--	392,520	196,260	0	--	196,260

#### 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](http://www.cninfo.com.cn) on September 26, 2021.

#### 10.2. Implementation of employee stock ownership plans

Applicable  N/A

#### 10.3. Other incentive measures for employees

Applicable  N/A

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

### 11.1. Establishment and implementation of the internal control system

During the reporting period, in accordance with the Basic Rules for Internal Control of Enterprises, 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.

### 11.2. Material internal control deficiencies found in the reporting period

Yes  No

## 12. 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						

Anomalies found in the management and control of subsidiaries

Yes  No

## 13. Internal control assessment report and auditor report

### 13.1. Internal control assessment report

Disclosure date of the internal control assessment report	April 29, 2026
Disclosure index of the internal control assessment report	2025 Internal Control Assessment Report ( <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> )
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	90.00%

operating revenue		
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 in 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	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 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. 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.	1. Material deficiencies: loss $\geq$ 5% of net profits. 2. Significant deficiencies: 3% of net profits $\leq$ loss $<$ 5% of net profits. 3. General deficiencies: loss $<$ 3% of net profits
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	

### 13.2. Internal control auditor report

Applicable  N/A

Deliberation opinion section in the internal control audit report	
Luzhou Laojiao Co., Ltd. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the Basic Rules on Enterprise Internal Control and other applicable regulations.	
Disclosure of internal control audit report	Disclosed
Disclosure date of the internal control audit report	April 29, 2026

Disclosure index of the internal control audit report	2025 Internal Control Auditor Report ( <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> )
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

Whether the Company was issued any modified opinion by the independent auditor on its internal control for the reporting period or last year

Yes  No

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

None.

## 15. Environmental information disclosure

Whether the listed company or any of its major subsidiaries is included in the list of companies that are required by law to disclose environmental information.

Yes  No

Number of companies included in the list of companies that are required by law to disclose environmental information		1
No.	Company	Index to the report on required environmental information
1	Luzhou Laojiao Co., Ltd.	<a href="https://tftb.sczfw.gov.cn:8085/jmopenpub/jmopen_files/webapp/html5/qyhjxxyfpl/index.html#/fillIn/now-fill/year/ndbg">https://tftb.sczfw.gov.cn:8085/jmopenpub/jmopen_files/webapp/html5/qyhjxxyfpl/index.html#/fillIn/now-fill/year/ndbg</a>

## 16. Social responsibility

See the 2025 Environmental, Social and Governance (ESG) Report disclosed on the same day with this Annual Report.

## 17. Efforts in poverty alleviation and rural revitalization

In 2025, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company upheld its corporate philosophy of “Baijiu for the World, a Shared Future”. Following the principle of “what society needs is what the enterprise can provide”, the Company focused on foundational assistance for Hongyuan County and targeted assistance for Guntang Village in Hongyuan County, Xiangtian Village in Gulin County, and Hongdongqiao Village and Baiyang Village in Xuyong County. It advanced assistance initiatives in a systematic manner, striving to further strengthen the foundations, invigorate industries, and improve living conditions in the assisted areas, thereby demonstrating the mission and responsibility of a state-owned enterprise in the comprehensive advancement of rural revitalization.

### 17.1. Key rural revitalization work and results in 2025

In 2025, the Company adhered to a working mechanism featuring “Party Committee leadership, lead responsibility by relevant departments, multi-party coordination, and dedicated implementation”. It reinforced assistance responsibilities, carried out systematic planning and targeted measures, and focused on key areas including industrial assistance, talent assistance, livelihood assistance, organizational assistance, and cultural assistance. During the year, the Company invested a total of CNY 13.3762 million in assistance funds and implemented various high-quality assistance projects, effectively consolidating the achievements in poverty alleviation and injecting strong momentum into rural revitalization.

#### A. Strengthen organizational leadership and reinforce assistance responsibilities

The Company has consistently regarded rural revitalization as an important political task, incorporating it into annual key work for coordinated planning and implementation. Throughout the year, the Company convened three Party Committee meetings and eight special work meetings to communicate and study the guiding principles of higher-level authorities, review and approve the *2025 Work Plan for Foundational Assistance* and the *2025 Work Plan for Targeted Assistance*, and refine seven categories of assistance into 19 specific measures. These efforts ensured that the Company’s assistance work was highly aligned with the instructions of the CPC Sichuan Provincial Committee and the People’s Government of Sichuan Province and closely matched the practical needs of the assisted areas. Members of the Company’s leadership team made seven visits to the frontline of assistance work, including Guntang Village in Hongyuan County and Hongdongqiao Village in Xuyong County, to conduct research and provide guidance. They coordinated on site to resolve four difficult issues and bottlenecks related to industrial development and infrastructure construction. The Company selected six politically reliable and highly capable young employees to serve full-time as resident village cadres. It fully implemented mechanisms for compensation, benefits, care, and support, ensuring that these cadres could settle in, stay committed, and perform effectively, and truly serve as the “vanguard” and “liaisons” for rural revitalization.

#### B. Deepen industry-based assistance and broaden income channels

The Company continued to regard industry-based assistance as the core means of enhancing the self-sustaining development capacity of assisted areas. First, the Company strengthened project support. It invested dedicated funds to support the construction of the Integrated Information Service Center for the Live Livestock Trading Market in Hongyuan County and established a joint working group composed of 17 outstanding mid-level managers and key business personnel to follow up

throughout the process. These efforts helped build a demonstration trading market with strong practicality and a high level of digitalization. Second, the Company activated the courtyard economy. It distributed more than 9,000 chicks to nearly 600 farming households in assisted villages such as Xiangtian Village in Gulin County and Baiyang Village in Xuyong County and coordinated cooperatives to purchase the poultry under unified arrangements. This helped increase average household income by approximately CNY 1,700, turning “courtyard farming” into a “micro-factory” for villagers to increase income and become better off. Third, the Company broadened sales channels. It continued to carry out initiatives that “replace donations with purchases” and “create wealth through sales”. During the year, the Company directly purchased CNY 1.2462 million worth of specialty products from Hongyuan County, including yak jerky and yak milk powder. It also incorporated Hongyuan organic yak milk into trade union activity rewards, purchasing a total of 2,000 units worth CNY 130,000. These efforts helped create a positive development model featuring “corporate support, collective income, and household income growth”. Fourth, the Company carried out matrix-style assistance. Leveraging its professional strengths, the Company proactively undertook the testing and inspection of Jinchuan Snow Pear Brandy. It organized seven national-level liquor tasters to conduct sensory evaluation and completed testing of 31 physicochemical indicators for four samples, helping move the deep processing of Jinchuan County’s specialty agricultural products from the laboratory toward industrialization.

#### C. Strengthen talent development and stimulate endogenous momentum

The Company combined knowledge-based support with aspiration-building support and used talent development as a key lever to continuously strengthen the endogenous development momentum of assisted areas. First, the Company carried out skills training. It invested CNY 100,000 to hold the “E-commerce Talent Training Program for Foundational Assistance at the Party School of the CPC Hongyuan County Committee”. In response to the pain points in the development of Hongyuan County’s specialty industries, the Company organized senior experts to provide full-chain instruction to 40 trainees and implemented an entrepreneurship incentive program, helping 11 young people from Tibetan areas start businesses and increase income. Second, the Company deepened employment assistance. In partnership with three enterprises, including Hongyuan Yak Dairy Company, the Company provided job opportunities for 19 unemployed young people. It also worked with village Party branch committees and villagers’ committees to develop four categories of public-interest positions related to environmental improvement and other work, helping more than 20 members of the poverty-alleviated workforce secure employment and effectively addressing employment difficulties among key groups. Third, the Company advanced education assistance. It continued to implement the “Pillars Project” student assistance program, providing financial support during the year to help 29 disadvantaged college freshmen from Guntang Village and Xiangtian Village pursue higher education. It also donated sports equipment, including basketballs and badminton sets, to Maiwa Primary School in Hongyuan County, providing strong support for students on the plateau to build physical fitness and grow in good health.

#### D. Strengthen livelihood support and deliver care with warmth

The Company has always regarded livelihood improvement as the starting point and ultimate goal of its assistance work. First, the Company provided care and support. It invested CNY 180,000 to donate blankets, wheat flour, edible oil, and other supplies to disadvantaged residents, helping address their practical difficulties. Second, the Company implemented lighting projects. In response to infrastructure shortcomings in assisted villages, it introduced dedicated funds to donate and install

250 solar-powered streetlights in Baiyang Village and Hongdongqiao Village in Xuyong County. Covering main roads and concentrated residential areas, the project effectively addressed the lack of lighting for residents traveling at night and illuminated a “road to happiness” for rural revitalization. Third, the Company strengthened the foundation for people’s livelihoods. It assisted in organizing lectures and free clinics on the prevention and treatment of common diseases in plateau areas, dynamic inspections of housing safety, water source protection awareness campaigns, and water quality testing. These efforts continued to help improve the level of the “three guarantees” and drinking water safety, and effectively enhanced the sense of gain, happiness, and security among residents in the assisted areas. Fourth, the Company helped preserve a distinctive culture. It invested CNY 35,000 to support assisted villages in holding festival activities and distinctive local cultural activities, promoting the wider dissemination and orderly preservation of intangible cultural heritage such as Baiwang playing and singing and Tibetan opera. These efforts enriched the cultural life of local residents and improved the overall spirit of the villagers.

#### E. Innovate assistance mechanisms and deepen joint organizational development

First, the Company actively explored a long-term assistance model “combining public welfare funds with rural revitalization”. In 2025, together with the China Foundation for Rural Development, it established the “Luzhou Laojiao Rural Revitalization Public Welfare Fund”. Focusing on areas such as rural industry assistance and the cultivation of rural artisans, the fund systematically carries out public welfare projects and provides lasting momentum for rural revitalization. In 2025, the Company completed a donation of CNY 5 million. Second, the Company deepened Party building partnerships and co-development. It organized grassroots Party organizations of the Company to carry out paired co-development activities with the Party branch of Guntang Village, donated supporting facilities such as conference tables and chairs to help build a standardized Party member activity room, and effectively strengthened the role of grassroots Party organizations as strong fighting fortresses and the pioneering and exemplary role of Party members through discussions, film-based learning, and visits to Party members in difficulty.

#### 17.2. Work plan for rural revitalization in 2026

In 2026, the Company will continue to follow the guidance of General Secretary Xi Jinping’s important expositions and instructions on work related to agriculture, rural areas and farmers and fully implement the decisions and arrangements of the CPC Central Committee, the State Council, the CPC Sichuan Provincial Committee, the People’s Government of Sichuan Province, the CPC Luzhou Municipal Committee and the People’s Government of Luzhou Municipality on comprehensively advancing rural revitalization. On the basis of systematically summarizing the effectiveness of assistance work in 2025 and reviewing existing issues, the Company will also focus on the development needs of the assisted areas, continue to consolidate and expand the achievements of poverty alleviation, advance all aspects of rural revitalization with more practical measures and better methods, and continue to contribute as a state-owned enterprise.

A. The Company will continue to deepen industry-based assistance. Focusing on distinctive resources such as Hongyuan Maiwa yaks and guided by the park-based and standardized development of agricultural and animal husbandry industries, the Company will strengthen the role of the joint project working group and accelerate the implementation of the Integrated Information Service Center for the Live Livestock Trading Market in Hongyuan County, helping drive the transformation and upgrading of modern animal husbandry. The Company will also work to extend

the industrial chains and build the brands of specialty agricultural and livestock products in the assisted areas, continue to deepen the initiatives of “replacing donations with purchases and creating wealth through sales”, explore innovative mechanisms that organically integrate trade union activities with consumption-based assistance, and further broaden sales channels.

B. The Company will continue to strengthen talent support. The Company will regard the cultivation of local talent as an effective way to enhance the knowledge base and development quality of the assisted areas. It will strengthen follow-up services for e-commerce training and strive to train a group of rural e-commerce talent capable of promoting and selling local products for Hongyuan County. In cooperation with professional institutions, the Company will carry out skills training in modern agricultural technology, rural tourism management, business operation and management, and other fields, promoting stable employment through capability improvement. It will further deepen employment assistance pathways, including enterprise-to-enterprise cooperation and the provision of village-level public-interest jobs, provide more job opportunities for unemployed people, and continue to stimulate the endogenous momentum of the assisted areas.

C. The Company will continue to strengthen the foundation of people’s livelihoods. Focusing on the urgent concerns and practical difficulties of local residents, the Company will help the assisted villages continuously improve infrastructure conditions related to roads, drinking water, housing, and other areas. It will work with local Party committees and governments to carry out dynamic monitoring and targeted assistance to prevent people from falling back into poverty, and firmly safeguard the bottom line of preventing a large-scale relapse into poverty. The Company will also further carry out the practical initiative of “I do practical things for the public” and regularly conduct activities such as student assistance, visits and care for people in need, free medical consultations, and volunteer services, continuously improving people’s sense of gain, happiness, and security.

D. The Company will continually empower rural governance. The Company will deepen the mechanism for Party building partnerships and co-development, support the assisted villages in strengthening grassroots Party organizations, and improve the modernization of governance capabilities. With the practice of Core Socialist Values as the guiding principle, the Company will support mass cultural activities and initiatives to promote cultural and ethical advancement, encourage the transformation of outdated customs and practices, and foster a civilized rural culture, good family traditions, and simple, honest social customs.

## Section V 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

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Other commitments	Laojiao Group	Other commitments	Laojiao Group plans to increase its holdings of the Company's shares through call auction trading, using a special loan for the shareholding increase and own funds, within 6 months from March 14, 2025, with the amount of increase not less than CNY 150 million and not more than CNY 300 million. Laojiao Group has promised not to reduce its holdings of the Company's shares during the increase period and the statutory period, and will complete the implementation of the increase plan within the above implementation period.	March 14, 2025	6 months	Having expired
Executed on time or not	Yes					

#### 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

### **1.3. Performance commitments involving the Company**

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 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

No such cases in the reporting period.

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

Applicable  N/A

In August 2025, the Company invested in and established a wholly-owned subsidiary, namely Luzhou Laojiao Cultural Tourism Development Co., Ltd.

## 8. Engagement and disengagement of CPA firm

CPA firm at present

Name of the domestic CPA firm	ShineWing Certified Public Accountants
The Company's payment for the domestic CPA firm (CNY 10,000)	84.5
Consecutive years of the audit service provided by the domestic CPA firm	2
Names of the certified public accountants from the domestic CPA firm	Wang Xiaodong, Ouyang Lihua
Consecutive years of the audit service provided by the certified public accountants	Wang Xiaodong: 1 year Ouyang Lihua: 2 years

Whether the CPA firm was changed in the current period

Yes  No

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

Applicable  N/A

The Company appointed ShineWing Certified Public Accountants as the internal control auditor for this year. The remuneration of audit in total paid by the Company was CNY 440 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	14,942.5	No	The second trial has been concluded, and the case is now at the	For the losses that the Company cannot recover	The Company applied to Hunan Province Higher	October 15, 2014	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>

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 Court. The case is now at the stage of enforcement.			stage of enforcement.	through criminal execution procedures, 40% shall be borne by ABC Changsha Yingxin Branch, 20% shall be borne by ABC Changsha Hongxin Branch and the rest shall be borne by the Company itself.	People's Court for enforcement of the verdict. Hunan Province Higher People's Court ruled that Hunan Changsha Intermediate People's Court should see to the execution of the verdict. Upon the enforcement, the banks have paid part of the compensation s.		
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## 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 transactions 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 asset management

Applicable  N/A

Entrusted asset management during the reporting period

Unit: CNY 10,000

Product type	Risk characteristic	Entrusted asset management balance during the reporting period	Overdue outstanding amount
Wealth management product of securities firm	R2 (medium-low risk)	140,000	0
Wealth management product of bank	R2 (medium-low risk)	10,000	0
Others	R3 (medium risk)	10,000	0

Asset management entrusted by the Company as a single principal to financial institutions, or high-risk entrusted asset management investments with low security or poor liquidity

Applicable  N/A

Unit: CNY 10,000

Name of entrusted institution (or individual)	Type of entrusted institution (or individual)	Risk characteristic	Product type	Amount	Start date	End date	Fund investment direction	Actual gain/losses during the reporting period	Actual recovery of gain/losses during the reporting period	Overview and inquiry index (if any)
Guotai Haitong Securities Co., Ltd.	Securities	R2 (medium-low risk)	Asset management product issued by securities firm	1,000	September 26, 2025	March 26, 2026	Debt assets			The products did not mature during the reporting period

									period, and there was no actual amount recovered.
Guotai Haitong Securities Co., Ltd.	Securities	R2 (medium-low risk)	Asset management product issued by securities firm	29,000	October 13, 2025	April 13, 2026	Debt assets		The products did not mature during the reporting period, and there was no actual amount recovered.
Guotai Haitong Securities Co., Ltd.	Securities	R2 (medium-low risk)	Asset management product issued by securities firm	1,000	November 10, 2025	May 10, 2026	Debt assets		The products did not mature during the reporting period, and there was no actual amount recovered.
Guotai Haitong Securities Co., Ltd.	Securities	R2 (medium-low risk)	Asset management product issued by securities firm	19,000	November 18, 2025	May 18, 2026	Debt assets		The products did not mature during the reporting period, and there was no actual amount recovered.

										ed.	
China CICC Wealth Management Securities Co., Ltd.	Securities	R2 (medium-low risk)	Asset management product issued by securities firm	20,000	November 25, 2025	May 25, 2026	Debt assets			The products did not mature during the reporting period, and there was no actual amount recovered.	
Total				70,000	--	--	--	0	--	--	

### 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. Use of funds raised

Applicable  N/A

### 16.1. General use of funds raised

Applicable  N/A

Unit: CNY 10,000

Year	Method	Date of securities listing	Total amount of funds raised	Net proceeds (1)	Total amount of raised funds used in the	Accumulated amount of raised funds used	Raised funds used as % of total raised funds	Total amount of re-purposed funds raised	Total amount of accumulated re-purposed funds raised	Accumulated re-purposed funds raised	Total amount of unused funds raised	Purpose and direction of unused funds	Amount of funds raised idle for more than

					reporting period	(2)	at the end of the reporting period (3) = (2) / (1)	in the reporting period	ed funds raised	as % of total funds raised		raised	two years
2020	Public offering of corporate bond	March 17, 2020	150,000	149,400	14,054.57	150,498.8	100.74%	0	0	0.00%	7,044.49	Deposited in special account for raised funds	0
Total	--	--	150,000	149,400	14,054.57	150,498.8	100.74%	0	0	0.00%	7,044.49	--	0

Notes for general use of funds raised:

The total amounts of used and unused funds raised of the corporate bond “20 Laojiao 01” included interest on some funds raised.

## 16.2. Fund raised for committed projects

Applicable  N/A

Unit: CNY 10,000

Financing project	Date of securities listing	Committed investment projects and direction of over-raised funds	Project nature	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	Cumulative realized benefits by the end of the reporting period	Whether the expected benefits have been achieved	Whether the feasibility of the project has changed significantly
Committed investment projects														
2020 Public Offering of Corporate Bond for Qualifi	March 17, 2020	Technical Renovation Project of Baijiu Production	Production and construction	No	398,400	398,400	9,142.53	361,814.8	101.30%	June 30, 2021	N/A	N/A	Yes	No

ed Invest ors		(Phas e II)												
2020 Public Offeri ng of Corpo rate Bond for Qualifi ed Invest ors	March 17, 2020	Projec t of Intelli gent Upgra ding and Buildi ng of the Inform ation Mana geme nt Syste m	Opera tion and mana geme nt	No			4,912. 04	24,74 2.29		Dece mber 31, 2026	N/A	N/A	N/A	No
2020 Public Offeri ng of Corpo rate Bond for Qualifi ed Invest ors	March 17, 2020	Projec t of Acquir ing Sealin g Equip ment for the Cellar of Huan gyi Baijiu Produ ction Base	Produ ction and constr uction	No			0	12,04 3.3		June 30, 2021	N/A	N/A	Yes	No
2020 Public Offeri ng of Corpo rate Bond for Qualifi ed Invest ors	March 17, 2020	Projec t of Acquir ing Acces sory Equip ment for Leave n Makin g for Huan gyi Baijiu Produ ction Base	Produ ction and constr uction	No			0	4,980. 25		June 30, 2021	N/A	N/A	Yes	No
Subtotal of committed investment				--	398,4 00 <sup>1</sup>	398,4 00	14,05 4.57	403,5 80.64	--	--			--	--

projects													
Use of over-raised funds													
None													
Total	--	398,400	398,400	14,054.57	403,580.64	--	--	0	0	--	--		
Explain project by project the 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")	N/A												
Significant changes of project feasibility	N/A												
Amount, purpose and progress of over-raised funds	N/A												
Unauthorized change of the purpose of raised funds or illegal occupation of 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												
Situation of advance investment and replacement	Applicable On May 14, 2019, the Company held the First Extraordinary Meeting of Shareholders of 2019, which considered and approved the Proposal on Requesting the Company's 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. 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 December 31, 2025, the Company had replaced advance investments of self-pooled funds of CNY 653,444,758.68 using the raised funds.
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 Company's 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 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 December 31, 2025, 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.

### 16.3. Re-purposed funds raised

Applicable  N/A

No such cases in the reporting period

## 16.4. Intermediary institution’s assurance opinion on the deposit and use of funds raised

Applicable  N/A

ShineWing Certified Public Accountants has performed assurance on the Company’s special report on the deposit and use of funds raised for 2025, and the assurance opinion is set out as follows:

“We have conducted our assurance in accordance with China Standards on Other Assurance Engagements No. 3101 — Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, to obtain reasonable assurance that the special report on the annual deposit and use of funds raised is free from material misstatement. In the course of performing the assurance, we have carried out necessary assurance procedures including inquiry, inspection and recalculation as we deem appropriate. The procedures selected depend on our professional judgment.

We believe that our assurance provides a reasonable basis for our opinion. In our opinion, the aforesaid special report on the annual deposit and use of funds raised of Luzhou Laojiao Co., Ltd. has been prepared in accordance with the relevant provisions of the Shenzhen Stock Exchange, and fairly reflects, in all material respects, the actual deposit and use of the Company’s funds raised during 2025.”

## 17. Other significant events

Applicable  N/A

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. As of the end of the reporting period, the deposit dispute case with ICBC Nanyang Zhongzhou Branch has been concluded, the deposit dispute case with ABC Changsha Yingxin Branch is currently in the court enforcement process, and the Company had recovered a total amount of CNY 408 million for the three disputes.

B. On January 30, 2026, the Company carried out the 2025 interim dividend payout of CNY 13.58 (tax inclusive) for every 10 existing shares held, totaling CNY 1,998,897,185.75 (tax inclusive).

## 18. Significant events of subsidiaries

Applicable  N/A

The Company invested in the Technical Renovation Project of Intelligent Baijiu Production (Phase I) with the wholly-owned subsidiary, Baijiu Production Company, as the implementer. The total investment amount approximated CNY 4,782.5090 million. For further information, see

Announcement No. 2022-24 on the Implementation of Luzhou Laojiao's Technical Renovation Project of Intelligent Baijiu Production (Phase I) by Subsidiary. The program is currently under construction.

## Section VI Changes in Shares and Information about Shareholders

### 1. Changes in shares

#### 1.1 Changes in shares

Unit: Share

	Before		Changes in this period (+, -)					After	
	Number	Proportion	Issuance of new shares	Bonus shares	Capitalization of capital reserves	Other	Subtotal	Number	Proportion
I. Restricted shares	4,649,959	0.32%				-1,973,779	-1,973,779	2,676,180	0.18%
1. Shares held by the state									
2. Shares held by state-owned corporations									
3. Shares held by other domestic investors	4,649,959	0.32%				-1,973,779	-1,973,779	2,676,180	0.18%
Of which: shares held by domestic corporations									
Shares held by domestic individuals	4,649,959	0.32%				-1,973,779	-1,973,779	2,676,180	0.18%
4. Shares held by foreign corporations									
Of which:									

shares held by foreign corporations									
Shares held by foreign individuals									
II. Non-restricted shares	1,467,301,544	99.68%				1,964,239	1,964,239	1,469,265,783	99.82%
1.CNY common shares	1,467,301,544	99.68%				1,964,239	1,964,239	1,469,265,783	99.82%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Other									
III. Total shares	1,471,951,503	100.00%				-9,540	-9,540	1,471,941,963	100.00%

#### Reasons for the change in shares

Applicable  N/A

A. According to the provisions of the 2021 Restricted Share Incentive Plan (Draft), 37,069 restricted shares of 17 awardees that satisfied the unlocking conditions for the first unlocking period of the reserved restricted shares under the 2021 Restricted Share Incentive Plan, 2,022,530 restricted shares of 434 awardees that satisfied the unlocking conditions for the second unlocking period of the 2021 Restricted Share Incentive Plan, and 100,900 restricted shares of 45 awardees that satisfied the unlocking conditions for the second unlocking period of the reserved restricted shares under the 2021 Restricted Share Incentive Plan were allowed for public trading on February 17, February 24, and September 29, 2025, respectively.

B. On September 16, 2025, the Company held the 15th Meeting of the 11th Board of Directors, at which the Proposal on the Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price was reviewed and approved. As three awardees were no longer eligible for the incentives, the Company decided to repurchase and retire a total of 9,540 restricted shares that had been granted to the aforesaid awardees but remained in lockup.

C. During the reporting period, due to the unlocking of restricted shares under the restricted share incentive plan, locked shares of the Company's senior management increased by 196,260 shares.

#### Approval of share changes

Applicable  N/A

A. On January 21, 2025, the Company held the Eighth Meeting of the 11th Board of Directors and the Sixth Meeting of the 11th Board of Supervisors, at which the Proposal on the Satisfaction of Unlocking Conditions for the First Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan, and the Proposal on the Satisfaction of Unlocking Conditions for the Second Unlocking Period of the 2021 Restricted Share Incentive Plan were approved. As such, 37,069 restricted shares of 17 awardees that satisfied the unlocking conditions for the first unlocking period of the reserved restricted shares under the 2021 Restricted Share Incentive Plan, and 2,022,530 restricted shares of 434 awardees that satisfied the unlocking conditions for the second unlocking period of the 2021 Restricted Share Incentive Plan were allowed for public trading on February 17 and 24, 2025, respectively.

B. On September 16, 2025, the Company held the 15th Meeting of the 11th Board of Directors, at which the Proposal on the Satisfaction of Unlocking Conditions for the Second Unlocking Period of the Reserved Restricted Shares under the 2021 Restricted Share Incentive Plan was reviewed and approved. 100,900 restricted shares of 45 awardees that satisfied the unlocking conditions for the second unlocking period of the reserved restricted shares under the 2021 Restricted Share Incentive Plan were allowed for public trading on September 29, 2025.

C. On September 16, 2025, the Company held the 15th Meeting of the 11th Board of Directors, at which the Proposal on the Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price was reviewed and approved. As three awardees were no longer eligible for the incentives, the Company decided to repurchase and retire a total of 9,540 restricted shares that had been granted to the aforesaid awardees but remained in lockup, which was completed on November 22, 2025. Upon that, the total share capital of the Company decreased from 1,471,951,503 shares to 1,471,941,963 shares.

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	Increase in restricted	Decrease in restricted	Number of restricted	Reason for restriction	Date of unlocking
---------------------	----------------------	------------------------	------------------------	----------------------	------------------------	-------------------

	shares held at the beginning of the reporting period	shares during the reporting period	shares during the reporting period	shares held at the end of the reporting period		
2021 Restricted Share Incentive Plan	4,329,853		2,170,039	2,159,814	Restricted shares under the 2021 Restricted Share Incentive Plan	In accordance with the relevant unlocking provisions of the 2021 Restricted Share Incentive Plan
Locked shares of senior management	320,106	196,260		516,366	Restricted shares under the 2021 Restricted Share Incentive Plan	In accordance with the relevant unlocking provisions of the 2021 Restricted Share Incentive Plan
<b>Total</b>	<b>4,649,959</b>	<b>196,260</b>	<b>2,170,039</b>	<b>2,676,180</b>	<b>--</b>	<b>--</b>

## 2. Issuance and listing of securities

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

Applicable  N/A

### 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 share capital of the Company decreased from 1,471,951,503 shares to 1,471,941,963 shares due to the repurchase and retirement of certain restricted shares.

### 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	164,074	Total number of common shareholders at the prior month-end before the disclosure date of the annual report	182,100	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 (exclusive of shares lent in refinancing)								
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	26.05%	383,433,639	2,345,250	0	383,433,639	N/A	0
Luzhou XingLu Investment Group Co., Ltd.	State-owned corporation	24.86%	365,971,142	0	0	365,971,142	N/A	0
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund	Other	3.67%	53,997,775	3,162,006	0	53,997,775	N/A	0
Hong Kong Securities Clearing Company Limited	Outbound corporation	2.34%	34,514,375	-1,399,271	0	34,514,375	N/A	0
China Securities Finance Corporation Limited	Other	2.30%	33,842,059	0	0	33,842,059	N/A	0
Bank of	Other	1.74%	25,552,600	3,302,600	0	25,552,600	N/A	0

China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund								
China Construction Bank Corporation – Penghua Wine & Liquor Exchange-Traded Fund	Other	1.34%	19,664,908	9,657,188	0	19,664,908	N/A	0
Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. – Guofeng Xinghua Honghuzhidian Tranche 3 Private Securities Investment Fund No. 1	Other	1.28%	18,871,962	18,871,962	0	18,871,962	N/A	0
China Life Insurance Company Limited – Traditional – Ordinary Insurance Product – 005L–CT001 (Shanghai)	Other	1.15%	16,873,922	14,246,098	0	16,873,922	N/A	0
Central Huijin Asset Management Co., Ltd.	State-owned corporation	0.92%	13,539,862	0	0	13,539,862	N/A	0
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	1. Luzhou Laojiao Group Co., Ltd. and Luzhou XingLu Investment Group Co., Ltd. are both state-owned holding companies under the jurisdiction of SASAC of Luzhou. The two companies have signed the							

	<p>agreement of persons acting in concert. For details, please refer to the announcement of the Company on May 23, 2024 - Announcement on the Renewed Agreement of Persons Acting in Concert Signed by Shareholders (Announcement No. 2024-22).</p> <p>2. During the reporting period, Luzhou Laojiao Group Co., Ltd. increased its holdings in the Company by 2,345,250 shares through call auction trading. By the end of the reporting period, Luzhou Laojiao Group Co., Ltd. and Golden Rudder collectively held 384,573,839 shares in the Company, representing 26.13% of the total share capital of the Company.</p> <p>3. 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 (exclusive of shares lent in refinancing and locked shares of senior management)			
Name of shareholder	Number of non-restricted shares held by the end of the reporting period	Type of shares	
		Type	Number
Luzhou Laojiao Group Co., Ltd.	383,433,639	CNY common shares	383,433,639
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	53,997,775	CNY common shares	53,997,775
Hong Kong Securities Clearing Company Limited	34,514,375	CNY common shares	34,514,375
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	25,552,600	CNY common shares	25,552,600
China Construction Bank Corporation – Penghua Wine & Liquor Exchange-Traded Fund	19,664,908	CNY common shares	19,664,908
Guofeng Xinghua (Beijing) Private Equity Fund Management Co., Ltd. – Guofeng Xinghua Honghuzhiyuan Tranche 3 Private Securities Investment Fund No. 1	18,871,962	CNY common shares	18,871,962
China Life Insurance Company Limited – Traditional – Ordinary Insurance Product – 005L–	16,873,922	CNY common shares	16,873,922

CT001 (Shanghai)			
Central Huijin Asset Management Co., Ltd.	13,539,862	CNY common shares	13,539,862
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 upper part of this table		
Top 10 common shareholders participating in securities margin trading (if any) (see note 4)	None		

5% or greater shareholders, top 10 shareholders and top 10 non-restricted shareholders involved in refinancing shares lending

Applicable  N/A

Changes in top 10 shareholders and top 10 non-restricted shareholders due to refinancing shares lending/return compared with the prior period

Applicable  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	December 21, 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; equity fund-invested asset management services; passenger ticket agent; and business agency service. 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	<p>1. As of June 30, 2025, 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.</p> <p>2. As of September 30, 2025, Laojiao Group holds 216,584,666 shares of Hongli Zhihui Group Co., Ltd. (300219.SZ) through its wholly-owned subsidiary, Golden Rudder, accounting for 30.59% of the total issued shares.</p> <p>3. As of September 30, 2025, Laojiao Group holds 475,940,143 shares of Huaxi Securities Co., Ltd. (002926.SZ), accounting for 18.13% of the total issued shares.</p> <p>4. As of June 30, 2025, Laojiao Group holds 390,528,000 shares of Luzhou Bank (01983.HK), accounting for 14.37% of the total issued shares.</p>			

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 parties 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	Zhang Xuebin	March 1, 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.	<p>1. As of June 30, 2025, Luzhou XingLu Asset Management Co., Ltd., a majority-owned subsidiary of XingLu Group (a majority-owned 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 majority-owned subsidiary of XingLu Group, holds 62,709,563 shares of Luzhou Xinglu Water (Group) Co., Ltd. (02281.HK), accounting for 7.29% of the total issued shares. Laojiao Group, a majority-owned 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.</p> <p>2. As of September 30, 2025, Laojiao Group holds 216,584,666 shares of Hongli Zhihui Group Co., Ltd. (300219.SZ) through its majority-owned subsidiary, Golden Rudder, accounting for 30.59% of the total shares issued.</p>			

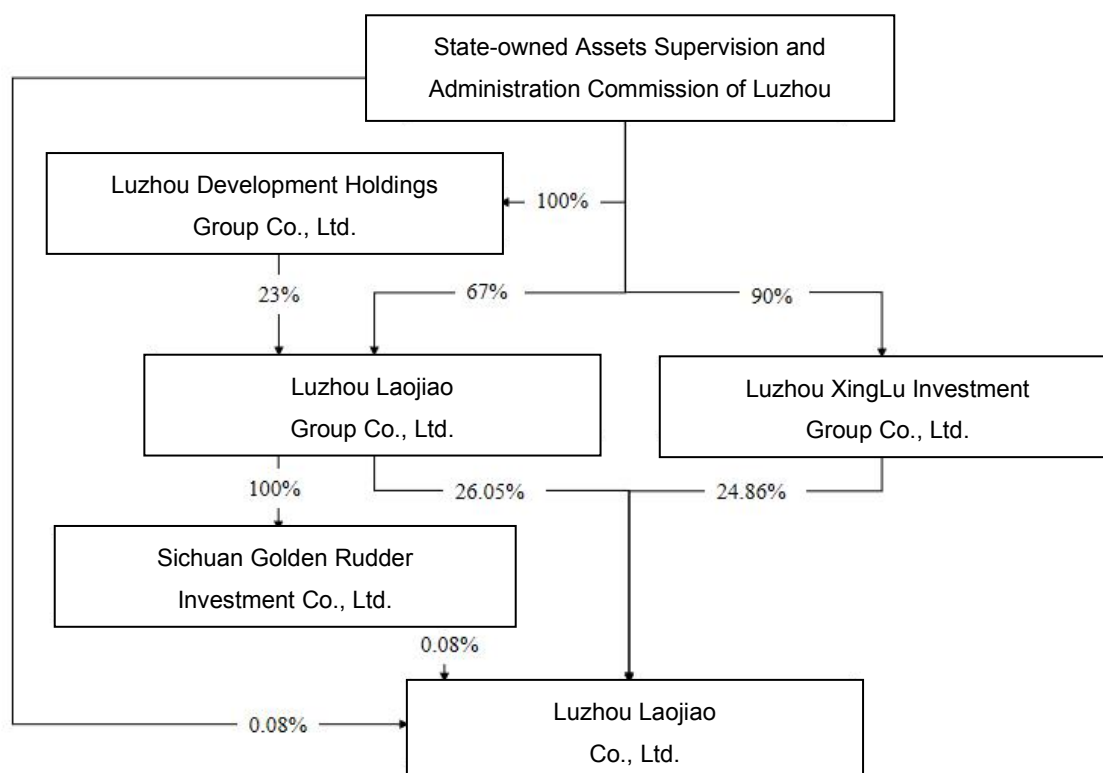
3. As of September 30, 2025, Luzhou Industrial Investment Group Co., Ltd., a holding Company under the jurisdiction of SASAC of Luzhou, holds 232,664,610 shares of Sichuan Lutianhua Company Limited (000912.SZ), accounting for 14.84% of the total shares issued. Lutianhua Group Company Limited, a wholly-owned subsidiary of Luzhou Industrial Investment Group Co., Ltd., holds 236,550,393 shares of Sichuan Lutianhua Company Limited (000912.SZ), accounting for 15.09% of the total issued shares.
4. As of September 30, 2025, Laojiao Group, a majority-owned 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 June 30, 2025, Laojiao Group, a majority-owned subsidiary under SASAC of Luzhou, holds 390,528,000 shares of Luzhou Bank (01983.HK), accounting for 14.37% of the total issued shares. Luzhou State-Owned Assets Management Co., Ltd., a majority-owned subsidiary under SASAC of Luzhou, holds 173,568,000 shares of Luzhou Bank (01983.HK), accounting for 6.39% of the total issued shares. Luzhou XingLu Asset Management Co., Ltd., a majority-owned subsidiary of XingLu Group (a majority-owned subsidiary of SASAC of Luzhou), holds 62,154,702 shares of Luzhou Bank (01983.HK), accounting for 2.29% 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 controls 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	January 28, 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

## 5. Preferred Shares

Applicable  N/A

No preferred stock in the Company during the reporting period.

## Section VII 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 10,000

Name	Abbr.	Code	Issue date	Value date	Due date	Bond balance	Interest rate	Way of redemption	Place of trading
2020 Public Offering of Corporate Bond for Qualified Investors (Phase I)	20 Lao Jiao 01	149062.SZ	16 March 2020	17 March 2020	17 March 2025	150,000	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 will be paid once every year and the interests for the last installment will be paid together with the	Shenzhen Stock Exchange

										principal.
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 Management Measures for the Issue and Transaction Management of Corporate Bonds, Management Measures for the Suitability of Securities and Futures Investors, Management Measures of Shenzhen Stock Exchange for the Suitability of Securities Market Investors, 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	None									

## 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
2020 Public Offering of Corporate Bond for Qualified 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
2020 Public Offering of Corporate Bond for Qualified 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	Liang Ziqiu	(027)87339288

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 10,000

Bond	Bond	Total	Stated	Amount	Actual	Actual	Unused	Operation	Rectificati	Whether
------	------	-------	--------	--------	--------	--------	--------	-----------	-------------	---------

code	abbreviati on	amount	purpose	spent	use of raised funds (classifie d by purpose, excluding temporar y replenish ment of working capital)	use of raised funds by purpose	amount	of special account for raised funds (if any)	on of raised funds for violation operation (if any)	is consisten t with the usage, using plan and other agreeme nts stipulated in the raising specificati on
149062.S Z	20 Laojiao 01	150,000	Used for the Technical Renovation Project of Baijiu Production (Phase II), the Project of Intelligent Upgrading and Building of the Information Management System, the Project of Acquiring Sealing Equipment for the Cellar of Huangyi Baijiu Production Base, and the Project of Acquiring Accessory Equipment for Leaven Making for Huangyi	150,498. 8	Used for the construction and operation of physical projects	Used for the Technical Renovation Project of Baijiu Production (Phase II), the Project of Intelligent Upgrading and Building of the Information Management System, the Project of Acquiring Sealing Equipment for the Cellar of Huangyi Baijiu Production Base, and the Project of Acquiring Accessory Equipment for Leaven Making for Huangyi	7,044.49	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.	None	Yes

			Baijiu Productio n Base			Baijiu Productio n Base				
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The raised funds were used for construction project

Applicable  N/A

Bond code	Bond abbreviation	Project progress and operational benefits	Whether there were any major changes in the project during the reporting period that may affect the investment and use plan of the raised funds	Project changes and procedure implementation	Whether the net income of the project during the reporting period has decreased by more than 50% compared with the disclosure in the prospectus, or whether other major adverse changes that may affect the project's operating efficiency have occurred during the reporting period	Changes in the project's net income and impact on the issuer's solvency and investors' equity, and countermeasures
149062.SZ	20 Laojiao 01	See "16. Use of funds raised" in Section V	No	N/A	No	N/A

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 at 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	December 31, 2025	December 31, 2024	Change
Current ratio	3.86	3.56	8.43%

Debt/asset ratio	23.00%	30.48%	-7.48%
Quick ratio	2.53	2.6	-2.69%
	2025	2024	Change
Net profits before non-recurring gains and losses	1,076,003.88	1,339,951.47	-19.70%
EBITDA/debt ratio	232.33%	201.87%	30.46%
Interest cover (times)	94.04	60.6	55.18%
EBITDA-to-interest cover (times)	99.08	63.32	56.48%

## Section VIII Financial Report

### 1. Auditor's report

Type of audit report	Standard without reserved opinion
Signing date of auditor's report	April 27, 2026
Name of Audit	ShineWing Certified Public Accountants
No. of auditor's report	XYZH/2026CDAA1B0421
Names of auditors	Wang Xiaodong, Ouyang Lihua

#### 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 December 31, 2025, 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 December 31, 2025 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 China Standards on Independence for Certified Public Accountants and the independence requirements applicable to audits of financial statements of public interest entities in the Code of Professional Ethics for Certified Public Accountants in China, and we have fulfilled our independence and other ethical responsibilities. 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.

1. Existence and completeness of cash and cash equivalents	
Key audit matter	Audit response
As of December 31, 2025, the cash and cash equivalent balance of Luzhou Laojiao was CNY 27,341.5667 million, accounting for 42.20% of total assets. Given the significant balance and the large number of bank accounts, the security of deposits as well as the accuracy and completeness of balances have a material impact on the financial statements. Therefore, we identified the existence and completeness of cash and cash equivalents as a key audit matter. Please refer to Item 5.1 under “5. Notes to the main items of the consolidated financial statements” in the notes to the financial statements.	We performed the following audit procedures in response to the existence and completeness of cash and cash equivalents: 1. Understood, tested, and evaluated internal controls related to monetary fund management; 2. Obtained a list of all bank accounts opened and compared it with Luzhou Laojiao’s accounting records to verify the completeness of bank accounts; 3. Obtained bank statements and bank reconciliation statements, conducted bank confirmations, and controlled the confirmation process; 4. Performed inventory count procedures on time deposits and reviewed details such as the holder of the time deposits; 5. Obtained the enterprise credit report to examine whether there were any pledges, mortgages, or guarantees related to cash and cash equivalents; 6. Examined the accuracy and completeness of disclosures regarding cash and cash equivalent balances and restrictions.
2. Recognition of operating revenue	
Key audit matter	Audit response
Luzhou Laojiao’s operating revenue for 2025 amounted to CNY 25,731.0106 million, which was the main source of the Company’s operating profit and a key performance indicator. Therefore, we identified revenue recognition as a key audit matter. Please refer to Item 3.31 under “3. Significant accounting policies and accounting estimates” and Item 5.38 under “5. Notes to the main items of the consolidated financial statements” in the notes to the financial statements.	We performed the following key audit procedures in relation to the recognition of operating revenue: 1. Understood, tested, and evaluated the design and implementation effectiveness of internal controls over the sales and collection cycle; 2. Inspected a sample of sales contracts to identify rights and obligations, evaluated the timing of performance obligations, and assessed whether management’s judgments regarding the transfer of control complied with the Accounting Standards for Business Enterprises and the Company’s accounting policies; 3. Performed analytical review procedures, comparing current year sales volume, unit price, gross margin, and key customer metrics with prior-year data to identify significant changes and assess their reasonableness; 4. Performed substantive testing on a sample of recorded operating revenue transactions for the year, inspecting supporting documents such as sales contracts or orders, warehouse dispatch orders, delivery notes, customer acknowledgments, sales invoices, and reconciliation statements to assess the authenticity and accuracy of revenue recognition; 5. Selected samples of sales transactions occurring near year-end and inspected relevant supporting documents (including delivery notes or documents confirming customer receipt) to evaluate whether revenue was recognized in the appropriate accounting period; 6. In conjunction with contract liability audits, conducted confirmation procedures with a sample of major distributors to confirm revenue amounts and contract liability balances, validating the authenticity and accuracy of revenue recognized by management; 7. Performed site visits to a sample of major distributors.

### 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.

ShineWing Certified Public Accountants

Beijing, China

Chinese CPA: Wang Xiaodong

(Engagement Partner)

Chinese CPA: Ouyang Lihua

April 27, 2026

## 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 December 31, 2025

Unit: CNY

Item	Balance as at December 31, 2025	Balance as at January 1, 2025
<b>Current assets:</b>		
Cash and cash equivalents	27,341,566,698.37	33,578,396,831.33
Settlement reserves		
Lending funds		
Held-for-trading financial assets	1,584,771,959.37	1,694,282,295.97
Derivative financial assets		
Notes receivables		
Accounts receivable	6,075,570.66	11,022,302.31
Accounts receivable financing	1,466,494,973.96	1,801,947,455.78
Prepayment	145,596,475.65	123,870,282.65
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve		
Other receivables	17,318,326.51	13,053,645.00
Including: Interests receivable		
Dividends receivable		

Buying back the sale of financial assets		
Inventories	15,396,031,707.35	13,392,794,475.96
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	430,459,910.63	241,081,908.89
<b>Total current assets</b>	<b>46,388,315,622.50</b>	<b>50,856,449,197.89</b>
<b>Non-current assets:</b>		
Disbursement of loans and advances		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	2,930,804,469.77	2,801,252,317.93
Investments in other equity instruments	475,499,237.90	407,194,706.55
Other non-current financial assets		
Investment property	47,892,751.08	50,246,694.16
Fixed assets	8,523,891,404.03	9,131,776,915.51
Construction in progress	2,064,766,283.24	807,233,988.90
Productive biological assets		
Oil and gas assets		
Use right assets	19,863,214.19	29,254,214.23
Intangible assets	3,414,065,535.11	3,417,898,796.19
Including: Data resources	2,856,611.80	
Development expenses		
Including: Data resources		
Goodwill		
Long-term deferred expenses	1,034,985.48	1,756,272.03
Deferred tax assets	264,019,980.93	424,185,093.04
Other non-current assets	664,841,367.04	407,347,368.15
<b>Total non-current assets</b>	<b>18,406,679,228.77</b>	<b>17,478,146,366.69</b>
<b>Total assets</b>	<b>64,794,994,851.27</b>	<b>68,334,595,564.58</b>
<b>Current liabilities:</b>		
Short-term loans		
Borrowings from the central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	1,413,421,175.80	1,844,497,206.78
Advance from customer	2,014,696.36	
Contract liabilities	3,367,443,727.83	3,978,131,528.88
Financial assets sold for repurchase		
Deposits from customers and inter-bank		

Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee benefits payable	481,722,380.36	553,580,768.99
Taxes payable	1,612,884,069.81	3,233,948,597.08
Other payable	615,753,466.88	873,595,429.08
Including: Interests payable		
Dividends payable	28,163,719.84	29,668,290.20
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	4,074,199,213.05	3,276,628,616.74
Other current liabilities	436,920,270.99	516,729,820.48
<b>Total current liabilities</b>	<b>12,004,359,001.08</b>	<b>14,277,111,968.03</b>
<b>Non-current liabilities:</b>		
Insurance contract reserves		
Long-term loans	2,627,166,310.93	6,279,900,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	15,693,190.61	24,528,519.13
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	82,513,945.77	86,672,726.83
Deferred tax liabilities	171,180,022.42	158,375,714.88
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>2,896,553,469.73</b>	<b>6,549,476,960.84</b>
<b>Total liabilities</b>	<b>14,900,912,470.81</b>	<b>20,826,588,928.87</b>
<b>Owners' equity</b>		
Share capital	1,471,941,963.00	1,471,951,503.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	5,439,328,102.53	5,365,763,566.55
Less: treasury stock	159,634,274.47	345,699,443.89
Other comprehensive income	143,628,853.52	84,235,115.38
Special reserves		
Surplus reserves	1,471,941,963.00	1,471,951,503.00
General risk reserve		
Undistributed profits	41,413,087,028.16	39,340,298,309.42
Total equity attributable to owners of the parent company	49,780,293,635.74	47,388,500,553.46
Non-controlling interests	113,788,744.72	119,506,082.25
<b>Total owners' equity</b>	<b>49,894,082,380.46</b>	<b>47,508,006,635.71</b>
<b>Total liabilities and owners' equity</b>	<b>64,794,994,851.27</b>	<b>68,334,595,564.58</b>

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Song Ying

## Balance sheet of parent company

As at December 31, 2025

Unit: CNY

Item	Balance as at December 31, 2025	Balance as at January 1, 2025
<b>Current assets:</b>		
Cash and cash equivalents	25,751,391,606.26	26,651,132,665.66
Held-for-trading financial assets	1,484,071,959.37	1,694,282,295.97
Derivative financial assets		
Notes receivables		
Accounts receivable	20,408.90	14,701.83
Accounts receivable financing		
Prepayment	11,492,777.54	12,888,111.51
Other receivables	12,687,994,073.65	14,619,833,493.32
Including: Interests receivable		
Dividends receivable		
Inventories	832,455.26	898,380.40
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	326,420,192.60	172,283,759.93
<b>Total current assets</b>	<b>40,262,223,473.58</b>	<b>43,151,333,408.62</b>
<b>Non-current assets:</b>		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	6,908,843,624.36	6,735,926,560.88
Investments in other equity instruments	475,195,316.27	406,890,784.92
Other non-current financial assets		
Investment property	47,892,751.08	50,246,694.16
Fixed assets	831,967,244.40	866,342,467.75
Construction in progress	348,549,010.10	174,069,734.13
Productive biological assets		
Oil and gas assets		
Use right assets		118,384.41
Intangible assets	828,722,903.00	770,645,637.66
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		

Long-term deferred expenses		341,637.85
Deferred tax assets	93,739,377.83	124,327,561.74
Other non-current assets	576,424,111.73	215,109,132.46
<b>Total non-current assets</b>	<b>10,111,334,338.77</b>	<b>9,344,018,595.96</b>
<b>Total assets</b>	<b>50,373,557,812.35</b>	<b>52,495,352,004.58</b>
<b>Current liabilities:</b>		
Short-term loans		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	46,523,094.84	36,143,495.43
Advance from customer	925,929.49	
Contract liabilities	960,049.10	3,354,639.36
Employee benefits payable	153,536,783.20	175,075,638.37
Taxes payable	6,628,201.64	94,520,857.23
Other payables	4,345,333,587.91	2,980,878,449.35
Including: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	4,064,407,192.04	3,266,940,267.72
Other current liabilities	124,806.38	436,103.12
<b>Total current liabilities</b>	<b>8,618,439,644.60</b>	<b>6,557,349,450.58</b>
<b>Non-current liabilities:</b>		
Long-term loans	2,219,000,000.00	6,279,900,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	10,374,707.70	8,714,300.00
Deferred tax liabilities	94,405,983.06	82,430,689.59
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>2,323,780,690.76</b>	<b>6,371,044,989.59</b>
<b>Total liabilities</b>	<b>10,942,220,335.36</b>	<b>12,928,394,440.17</b>
<b>Owners' equity</b>		
Share capital	1,471,941,963.00	1,471,951,503.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	5,435,590,744.65	5,361,333,958.25
Less: treasury stock	159,634,274.47	345,699,443.89
Other comprehensive income	141,260,071.92	80,803,192.66
Special reserves		
Surplus reserves	1,471,941,963.00	1,471,951,503.00

Undistributed profits	31,070,237,008.89	31,526,616,851.39
<b>Total owners' equity</b>	<b>39,431,337,476.99</b>	<b>39,566,957,564.41</b>
<b>Total liabilities and owners' equity</b>	<b>50,373,557,812.35</b>	<b>52,495,352,004.58</b>

## Consolidated income statement

Unit: CNY

Item	Year 2025	Year 2024
<b>1. Total operating revenue</b>	25,731,010,647.32	31,196,248,208.33
Including: Operating revenue	25,731,010,647.32	31,196,248,208.33
Interest income		
Earned premium		
Fee and commission income		
<b>2. Total operating costs</b>	11,272,923,807.24	13,053,488,597.44
Including: Cost of sales	3,441,749,582.69	3,888,116,183.93
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	3,927,743,376.52	4,753,755,581.18
Selling and distribution expenses	3,237,149,369.15	3,538,382,615.99
General and administrative expenses	962,421,600.80	1,100,779,964.56
Research and Development expenses	215,855,671.81	260,975,311.10
Financial expenses	-511,995,793.73	-488,521,059.32
Including: Interest expenses	157,503,475.68	305,448,236.36
Interest income	678,460,704.26	797,923,434.30
Plus: Other income	52,892,626.52	43,752,551.73
Investment income ("-" for losses)	125,932,324.35	-9,892,859.80
Including: income from investment in associates and joint ventures	156,406,734.29	106,578,492.71
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)	7,777,112.49	27,538,639.60
Credit impairment losses ("-" for losses)	40,376,897.11	1,632,237.61
Impairment losses("-" for losses)		
Gains from disposal of assets("-" for losses)	-534,054.68	1,058,750.22
<b>3. Operating profits ("-" for losses)</b>	<b>14,684,531,745.87</b>	<b>18,206,848,930.25</b>
Plus: non-operating income	26,849,236.20	24,229,862.26
Less: non-operating expenses	57,445,245.74	25,779,973.47
<b>4. Total profits before tax ("-" for total losses)</b>	<b>14,653,935,736.33</b>	<b>18,205,298,819.04</b>
Less: income tax expenses	3,794,025,056.16	4,707,520,248.15
<b>5. Net profit ("-" for net loss)</b>	<b>10,859,910,680.17</b>	<b>13,497,778,570.89</b>
5.1 By operating continuity		
5.1.1 Net profit from continuing operation ("-" for losses)	10,859,910,680.17	13,497,778,570.89
5.1.2 Net profit from discontinued operation ("-" for losses)		
5.2 By ownership		
1) Attributable to shareholders of the parent company	10,830,713,936.14	13,472,986,476.01
2) Attributable to non-controlling interests	29,196,744.03	24,792,094.88
<b>6. Net of tax from other comprehensive income</b>	<b>58,520,654.18</b>	<b>21,861,927.17</b>
Net of tax from other comprehensive income to the owner of the parent company	59,390,890.32	21,195,697.36
6.1 Other comprehensive income that cannot be reclassified into the profit and loss:	51,838,868.58	3,388,621.68
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	610,470.04	162,693.33
3) Changes in fair value of investments in other equity instruments	51,228,398.54	3,225,928.35
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	7,552,021.74	17,807,075.68
1) Share in other comprehensive income that will be classified into profit and loss under equity method	8,615,162.86	16,992,055.15
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	-1,063,141.12	815,020.53
7) Others		
Net of tax from other comprehensive income to non-controlling interests	-870,236.14	666,229.81
<b>7. Total comprehensive income</b>	<b>10,918,431,334.35</b>	<b>13,519,640,498.06</b>
Total comprehensive income attributable to owners of the parent company	10,890,104,826.46	13,494,182,173.37
Total comprehensive income attributable to non-controlling interests	28,326,507.89	25,458,324.69
<b>8. Earnings per share</b>		
(1) Basic earnings per share	7.36	9.18
(2) Diluted earnings per share	7.36	9.18

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Song Ying

### Income statement of parent company

Unit: CNY

Item	Year 2025	Year 2024
<b>1. Operating revenue</b>	10,468,626,342.56	11,090,969,698.38
Less: Cost of sales	8,283,201,155.62	8,454,312,608.86
Taxes and surcharges	67,960,017.50	74,473,268.61
Selling and distribution expenses		
General and administrative expenses	834,618,423.13	929,395,807.24
Research and Development expenses	112,825,918.52	109,645,034.10
Financial expenses	-444,414,657.70	-458,345,168.33
Including: Interest expenses	156,013,095.03	304,323,204.07
Interest income	603,991,052.26	766,784,421.39
Plus: Other income	11,200,100.74	14,051,099.41
Investment income ("-" for losses)	7,111,561,304.79	9,846,935,832.26
Including: income from investment in associates and joint ventures	153,034,503.91	74,877,362.33
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)	7,077,112.49	27,528,769.00
Credit impairment losses ("-" for losses)	40,016,580.67	287,004.41
Asset impairment losses ("-" for losses)		
Gains from disposal of assets ("-" for losses)	19,262.03	1,177,426.76
<b>2. Operating profits ("-" for losses)</b>	<b>8,784,309,846.21</b>	<b>11,871,468,279.74</b>
Plus: non-operating income	22,656,906.87	17,436,206.22
Less: non-operating expenses	40,159,532.84	20,162,234.74
<b>3. Total profits before tax ("-" for total losses)</b>	<b>8,766,807,220.24</b>	<b>11,868,742,251.22</b>
Less: income tax expenses	465,261,845.34	570,243,254.91
<b>4. Net profit ("-" for net loss)</b>	<b>8,301,545,374.90</b>	<b>11,298,498,996.31</b>
4.1 Net profit from continuing operation ("-" for losses)	8,301,545,374.90	11,298,498,996.31
4.2 Net profit from discontinued operation ("-" for losses)		
<b>5. Net of tax from other comprehensive income</b>	<b>60,454,031.44</b>	<b>20,380,676.83</b>
5.1 Other comprehensive income that cannot be reclassified into the profit and loss:	51,838,868.58	3,388,621.68
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	610,470.04	162,693.33
3) Changes in fair value of investments in other equity instruments	51,228,398.54	3,225,928.35
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	8,615,162.86	16,992,055.15
1) Share in other comprehensive income that will be classified into profit and loss under equity method	8,615,162.86	16,992,055.15
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		
<b>6. Total comprehensive income</b>	8,361,999,406.34	11,318,879,673.14
<b>7. Earnings per share</b>		
(1) Basic earnings per share		
(2) Diluted earnings per share		

### Consolidated statement of cash flows

Unit: CNY

Item	Year 2025	Year 2024
<b>1. Cash flows from operating activities</b>		
Cash received from sale of goods and rendering of services	27,777,276,141.94	40,036,206,060.66
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	9,025,614.40	8,746,142.49
Cash received from other operating activities	734,568,847.34	969,333,056.82
<b>Subtotal of cash inflows from operating activities</b>	<b>28,520,870,603.68</b>	<b>41,014,285,259.97</b>
Cash paid for goods purchased and services received	5,530,412,116.98	5,963,558,109.59
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	1,331,071,043.16	1,313,523,728.57
Cash paid for taxes and surcharges	12,094,908,635.30	12,329,320,329.48
Cash paid for other operating activities	2,441,260,130.36	2,226,114,728.68
<b>Subtotal of cash outflows from operating activities</b>	<b>21,397,651,925.80</b>	<b>21,832,516,896.32</b>
<b>Net cash flows from operating activities</b>	<b>7,123,218,677.88</b>	<b>19,181,768,363.65</b>
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	2,220,118,349.64	2,190,773,011.55
Cash received from returns on investments	74,668,176.18	75,373,409.80
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,978,040.76	11,432,852.36
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
<b>Subtotal of cash inflows from investing activities</b>	<b>2,296,764,566.58</b>	<b>2,277,579,273.71</b>
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	1,932,762,969.97	1,188,370,866.64
Cash paid for investments	2,100,000,000.00	2,471,700,000.00
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		14,339.62
<b>Subtotal of cash outflows from investing activities</b>	<b>4,032,762,969.97</b>	<b>3,660,085,206.26</b>
<b>Net cash flows from investing activities</b>	<b>-1,735,998,403.39</b>	<b>-1,382,505,932.55</b>
<b>3. Cash flows from financing activities</b>		
Cash received from investors		79,496.11
Including: cash received by subsidiaries from investments by minority shareholders		79,496.11
Cash received from borrowings	408,166,310.93	2,000,000,000.00
Cash received from other financing activities		
<b>Subtotal of cash inflows from financing activities</b>	<b>408,166,310.93</b>	<b>2,000,079,496.11</b>
Cash paid for debt repayments	3,220,200,000.00	4,025,200,000.00
Cash paid for distribution of dividends and profits or payment of interest	8,998,017,228.32	8,283,493,371.53
Including: dividends and profits paid	36,240,666.20	29,684,819.82

to minority shareholders by subsidiaries		
Cash paid for other financing activities	10,067,985.97	20,239,162.26
<b>Subtotal of cash outflows from financing activities</b>	<b>12,228,285,214.29</b>	<b>12,328,932,533.79</b>
<b>Net cash flows from financing activities</b>	<b>-11,820,118,903.36</b>	<b>-10,328,853,037.68</b>
<b>4. Effect of fluctuation in exchange rate on cash and cash equivalents</b>	<b>-9,675,423.77</b>	<b>4,229,343.18</b>
<b>5. Net increase in cash and cash equivalents</b>	<b>-6,442,574,052.64</b>	<b>7,474,638,736.60</b>
Plus: balance of cash and cash equivalents at the beginning of the period	33,367,668,014.46	25,893,029,277.86
<b>6. Balance of cash and cash equivalents at the end of the period</b>	<b>26,925,093,961.82</b>	<b>33,367,668,014.46</b>

### Cash flow statements of parent company

Unit: CNY

Item	Year 2025	Year 2024
<b>1. Cash flows from operating activities</b>		
Cash received from sale of goods and rendering of services	11,827,966,876.39	12,533,904,242.20
Refunds of taxes and surcharges		
Cash received from other operating activities	3,967,155,459.09	839,554,176.00
Subtotal of cash inflows from operating activities	15,795,122,335.48	13,373,458,418.20
Cash paid for goods purchased and services received	9,348,176,447.33	8,190,445,319.94
Cash paid to and on behalf of employees	463,679,655.26	456,045,492.39
Cash paid for taxes and surcharges	1,005,272,592.54	1,111,830,751.18
Cash paid for other operating activities	471,921,959.62	446,783,054.68
<b>Subtotal of cash outflows from operating activities</b>	<b>11,289,050,654.75</b>	<b>10,205,104,618.19</b>
<b>Net cash flows from operating activities</b>	<b>4,506,071,680.73</b>	<b>3,168,353,800.01</b>
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	2,220,118,349.64	2,190,773,011.55
Cash received from returns on investments	7,013,919,266.56	9,836,384,328.88
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	115,575.89	10,363,496.03
Net cash received from disposal of		

subsidiaries and other business units		
Cash received from other investing activities		
<b>Subtotal of cash inflows from investing activities</b>	9,234,153,192.09	12,037,520,836.46
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	652,780,256.66	212,817,179.55
Cash paid for investments	2,012,000,000.00	2,460,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
<b>Subtotal of cash outflows from investing activities</b>	2,664,780,256.66	2,672,817,179.55
<b>Net cash flows from investing activities</b>	6,569,372,935.43	9,364,703,656.91
<b>3. Cash flows from financing activities</b>		
Cash received from investors		
Cash received from loans		2,000,000,000.00
Cash received from other financing activities		
<b>Subtotal of cash inflows from financing activities</b>		2,000,000,000.00
Cash paid for debt repayments	3,220,200,000.00	4,025,200,000.00
Cash paid for distribution of dividends and profits or payment of interest	8,961,426,685.20	8,253,808,551.71
Cash paid for other financing activities	704,920.14	3,253,410.81
<b>Subtotal of cash outflows from financing activities</b>	12,182,331,605.34	12,282,261,962.52
<b>Net cash flows from financing activities</b>	-12,182,331,605.34	-10,282,261,962.52
<b>4. Effect of fluctuation in exchange rate on cash and cash equivalents</b>	-592,809.45	327,855.29
<b>5. Net increase in cash and cash equivalents</b>	-1,107,479,798.63	2,251,123,349.69
Plus: balance of cash and cash equivalents at the beginning of the period	26,476,599,296.11	24,225,475,946.42
<b>6. Balance of cash and cash equivalents at the end of the period</b>	25,369,119,497.48	26,476,599,296.11

### Consolidated statement of changes in owners' equity

For the year ended December 31, 2025

Unit: CNY

Item	Year 2025													Non-contr ollin	Total owne rs'
	Equity attributable to owners of the parent company											Subt otal			
	Shar e	Other equity instruments	Capit al	Less :	Othe r	Spec ial	Surpl us	Gene ral	Undi strib	Othe r					

	capital	Preferred stock	Perpetual bond	Other	reserve	Treasury stock	Comprehensive Income	reserve	reserve	risk reserve	uted profit			g interests	equity
<b>1. Balance as at December 31 of last year</b>	1,471,951,503.00				5,365,763,566.55	345,699,443.89	84,235,115.38		1,471,951,503.00		39,340,298,309.42		47,388,500,553.46	119,506,082.25	47,508,006,635.71
Plus: adjustments for changes in accounting policies															
Adjustments for correction of accounting errors in prior year															
Others															
<b>2. Balance as at January 1 of the current year</b>	1,471,951,503.00				5,365,763,566.55	345,699,443.89	84,235,115.38		1,471,951,503.00		39,340,298,309.42		47,388,500,553.46	119,506,082.25	47,508,006,635.71
<b>3. Increases/decreases in the current period ("-" for decrease)</b>	-9,540.00				73,564,535.98	-186,065,169.42	59,393,738.14		-9,540.00		2,072,788,718.74		2,391,793,082.28	-5,717,337.53	2,386,075,744.75
(1) Total comprehensive income							59,390,890.32				10,830,713,936.14		10,890,104,826.46	28,326,507.89	10,918,431,334.35
(2)	-				73,79	-							259,8	692,2	260,5

Capital contributed or reduced by owners	9,540.00				2,361.99	186,065,169.42						47,991.41	50.42	40,241.83
Capital contributions by owners	-9,540.00				874,913.40	-169,804,030.36						168,919,576.96		168,919,576.96
Capital contributions by other equity instrument holders														
Amounts of share-based payments recognized in owners' equity					74,667,275.39	-16,261,139.06						90,928,414.45	692,250.42	91,620,664.87
Others														
(3) Profit distribution								-9,540.00		-8,757,922,369.58		-8,757,931,909.58	-34,736,095.84	-8,792,668,005.42
Withdrawal of surplus reserves								-9,540.00		9,540.00				
Withdrawal of general risk reserve														
Profit distributed to owners (or share holders)										-8,757,931,909.58		-8,757,931,909.58	-34,736,095.84	-8,792,668,005.42

rs)															
Other s															
(4) Intern al carry- forwa rd of owne rs' equit y							2,847 .82						- 2,847 .82		
Conv ersio n of capit al reser ves into paid- in capit al															
Conv ersio n of surpl us reser ves into paid- in capit al															
Surpl us reser ves offset ting losse s															
Carry - forwa rd of retain ed earn ings from chan ges in defin ed benef it plans															
Carry - forwa rd of retain ed earn ings from other comp rehe nsive inco me							2,847 .82						- 2,847 .82		

Other s															
(5) Special reserves															
Withdrawal for the period															
Use for the period															
(6) Other s					- 227,8 26.01								- 227,8 26.01		- 227,8 26.01
<b>4. Balance as at December 31 of the current year</b>	1,471,941,963.00				5,439,328,102.53	159,634,274.47	143,628,853.52		1,471,941,963.00	41,413,087,028.16			49,780,293,635.74	113,788,744.72	49,894,082,380.46

## For the year ended December 31, 2024

Unit: CNY

Item	Year 2024														
	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 December 31 of last year	1,471,987,769.00				5,185,481,523.22	616,743,610.59	63,130,469.51		1,471,987,769.00		33,815,566,574.75		41,391,410,494.89	140,297,234.96	41,531,707,729.85
Plus: adjustments for changes in accounting policies															
Adjustments for correction															

of accounting errors in prior year															
Others															
<b>2. Balance as at January 1 of the current year</b>	1,471,987,769.00				5,185,481,523.22	616,743,610.59	63,130,469.51		1,471,987,769.00		33,815,566,574.75		41,391,410,494.89	140,297,234.96	41,531,707,729.85
<b>3. Increases/decreases in the current period ("-" for decreases)</b>	-36,266.00				180,282,043.33	-271,044,166.70	21,104,645.87		-36,266.00		5,524,731,734.67		5,997,090,058.57	-20,791,152.71	5,976,298,905.86
(1) Total comprehensive income							21,195,697.36				13,472,986,476.01		13,494,182,173.37	25,458,324.69	13,519,640,498.06
(2) Capital contributed or reduced by owners	-36,266.00				180,282,043.33	-271,044,166.70							451,289,944.03	-16,581,187.19	434,708,756.84
Capital contributions by owners	-36,266.00				-3,325,954.86	-247,013,963.19							243,651,742.33	79,604.28	243,731,346.61
Capital contributions by other equity instrument holders															
Amounts of					183,607,99	-24,03							207,638,20	1,744,033.	209,382,23

share - based payments recognized in owners' equity					8.19	0,203.51							1.70	28	4.98
Others														- 18,404,824.75	- 18,404,824.75
(3) Profit distribution								- 36,266.00		- 7,948,345,792.83			- 7,948,382,058.83	- 29,668,290.21	- 7,978,050,349.04
Withdrawal of surplus reserves								- 36,266.00		36,266.00					
Withdrawal of general risk reserve															
Profit distributed to owners (or share holders)										- 7,948,382,058.83			- 7,948,382,058.83	- 29,668,290.21	- 7,978,050,349.04
Others															
(4) Internal carry-forward of owners' equity								- 91,051.49		91,051.49					
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							91,051.49				91,051.49				
Others															
(5) Special reserves															
Withdrawal for the period															
Use for the period															
(6) Others															
<b>4. Balance as at December</b>	1,471,951,503.00				5,365,763,566.55	345,699.443.89	84,235,115.38		1,471,951,503.00		39,340,298,309.42		47,388,500,553.46	119,506,082.25	47,508,006,635.71

31 of the current year																				
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## Statement of changes in owners' equity of parent company

For the year ended December 31, 2025

Unit: CNY

Item	Year 2025											Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other Comprehensive Income	Special reserve	Surpluses reserve	Undistributed profit	Other	
		Preferr ed stock	Perpetual bond	Other								
<b>1. Balance as at December 31 of last year</b>	1,471,951,503.00				5,361,333,958.25	345,699,443.89	80,803,192.66		1,471,951,503.00	31,526,616.851.39		39,566,957.564.41
Plus: adjustments for changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
<b>2. Balance as at January 1 of the current year</b>	1,471,951,503.00				5,361,333,958.25	345,699,443.89	80,803,192.66		1,471,951,503.00	31,526,616.851.39		39,566,957.564.41
<b>3. Increases/decreases in the current period ("-" for decreases)</b>	-9,540.00				74,256,786.40	-186,065,169.42	60,456,879.26		-9,540.00	-456,379,842.50		-135,620,087.42
(1) Other comprehensive income							60,454,031.44			8,301,545,374.90		8,361,999,406.34

(2) Capital contributed or reduced by owners	- 9,540.00				74,484,612.41	- 186,065,169.42						260,540,241.83
Capital contributions by owners	- 9,540.00				- 874,913.40	- 169,804,030.36						168,919,576.96
Capital contributions by other equity instrument holders												
Amounts of share-based payments recognized in owners' equity					75,359,525.81	- 16,261,139.06						91,620,664.87
Others												
(3) Profit distribution									- 9,540.00	- 8,757,922,369.58		- 8,757,931,909.58
Withdrawal of surplus reserves									- 9,540.00	- 9,540.00		
Profit distributed to owners (or shareholders)										- 8,757,931,909.58		- 8,757,931,909.58
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							2,847.82				-	2,847.82
Others												
(5) Special reserves												
Withdrawal for the period												
Use for the period												
(6) Others						-						-
					227,826.01							227,826.01
<b>4. Balance as at December 31 of the current year</b>	1,471,941,963.00				5,435,590,744.65	159,634,274.47	141,260,071.92		1,471,941,963.00	31,070,237,008.89		39,431,337,476.99

## For the year ended December 31, 2024

Unit: CNY

Item	Year 2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other Comprehensive Income	Special reserve	Surpluses reserve	Undistributed profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual bond	Other								
<b>1. Balance as at December 31 of last year</b>	1,471,987,769.00				5,179,307,881.60	616,743,610.59	60,513,567.32		1,471,987,769.00	28,176,372,596.42		35,743,425,972.75
Plus: adjustments for change												

s in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
<b>2. Balance as at January 1 of the current year</b>	1,471,987,769.00			5,179,307,881.60	616,743,610.59	60,513,567.32		1,471,987,769.00	28,176,372,596.42		35,743,425,972.75	
<b>3. Increases/decreases in the current period ("-" for decreases)</b>	-36,266.00			182,026,076.65	-271,044,166.70	20,289,625.34		-36,266.00	3,350,244,254.97		3,823,531,591.66	
(1) Other comprehensive income							20,380,676.83		11,298,498,996.31		11,318,879,673.14	
(2) Capital contributed or reduced by owners	-36,266.00			182,026,076.65	-271,044,166.70						453,033,977.35	
Capital contributions by owners	-36,266.00			-3,325,954.86	-246,855,127.44						243,492,906.58	
Capital contributions by other equity instruments holders												
Amounts of share-based payments recognized in owners' equity				185,352,031.51	-24,189,039.26						209,541,070.77	
Others												
(3) Profit distribution								-36,266.00	-7,948,345,792.83		-7,948,382,058.83	

Withdrawal of surplus reserves										- 36,266. 00	36,266. 00		
Profit distributed to owners (or shareholders)											- 7,948,3 82,058. 83		- 7,948,3 82,058. 83
Others													
(4) Internal carry-forward of owners' equity										- 91,051. 49	91,051. 49		
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										- 91,051. 49	91,051. 49		
Others													
(5) Special reserves													
Withdrawal for the period													
Use for the													

period												
(6) Others												
<b>4. Balanc e as at Decem ber 31 of the current year</b>	1,471,9 51,503. 00				5,361,3 33,958. 25	345,69 9,443.8 9	80,803, 192.66		1,471,9 51,503. 00	31,526, 616,85 1.39		39,566, 957,56 4.41

### 3. Company Profile

#### 3.1. Company Overview

Luzhou Laojiao Co., Ltd. (hereinafter referred to as "Company" or "the Company"), formerly known as Luzhou City Qu Liquor Factory and Luzhou Laojiao Distillery in Sichuan Province. It was established in March 1950 on the basis of 36 baijiu workshops from the Ming and Qing dynasties. On September 20, 1993, Luzhou Laojiao distillery established a joint-stock limited company with fund-raising exclusively from its operational assets. On October 25, 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 May 9, 1994.

As at December 31, 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 October 27, 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 at February 27, 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 May 19, 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 September 3, 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 June 6, 2012 to November 20, 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 April 10, 2014 and July 18, 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 August 23, 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 in the Company, 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 was 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 that had been granted to the aforesaid awardees but remained in lockup; in December 2022, the Company granted 92,669 shares of the Restricted Share Incentive Plan for the third time.

From December 2023 to June 2024, Luzhou Laojiao Group Co., Ltd., through its wholly-owned subsidiary Sichuan Golden Rudder Investment Co., Ltd., increased its holdings in the Company by 1,140,200 shares through call auction trading, accounting for 0.08% of the total share capital of the Company. Following that, Luzhou Laojiao Group Co., Ltd. and Sichuan Golden Rudder Investment Co., Ltd. collectively held 382,228,589 shares in the Company.

In January, June and September 2024, as five awardees were no longer eligible for the incentives, the Company decided to repurchase and retire a total of 36,266 restricted shares that had been granted to the aforesaid awardees but remained in lockup. As of December 31, 2024, the repurchase and retirement of the said restricted shares had been completed, the total shares of the Company changed to 1,471,951,503 shares.

From March to September 2025, Laojiao Group increased its holdings in the Company by 2,345,250 shares through call auction trading, representing 0.16% of the Company's total share capital. Upon that, Laojiao Group held 383,433,639 shares in the Company.

In April and November 2025, as three awardees were no longer eligible for the incentives, the Company decided to repurchase and retire a total of 9,540 restricted shares that had been granted to the aforesaid awardees but remained in lockup. As of December 31, 2025, the repurchase and retirement of the said restricted shares had been completed, and the grants and repurchases under the restricted share incentive plan did not lead to change of the Company's controlling shareholder or actual controller.

As of December 31, 2025, the total number of shares of the Company was 1,471,941,963. Laojiao Group, its wholly-owned subsidiary Sichuan Golden Rudder Investment Co., Ltd., and XingLu Group, held 383,433,639 shares, 1,140,200 shares, and 365,971,142 shares in the Company, respectively, representing shareholding percentages of 26.05%, 0.08%, and 24.86%, respectively; and Laojiao Group held a total of 50.99% of the Company's voting rights.

### **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 principal operations 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 of the Company is Laojiao Group; and the ultimate substantive controller is SASAC of Luzhou.

### **3.5 Approval of the financial statements**

The financial statements have been approved for issue by the Board of Directors of the Company on April 27, 2026. In accordance with the Company's Articles of Association, the financial statements will be submitted to a meeting of shareholders for review.

## **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 (hereinafter referred to as 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 (2023 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**

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*.

### **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 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 2023.

### **5.2 Accounting period**

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

### **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 Methods for determining materiality standards and selection criteria

Applicable  N/A

Item	Materiality standard
Material receivables withdrawal of bad debt provision separately accrued Material bad debt provision recovered or reversed in accounts receivable Significant write-off of accounts receivable Significant prepayments aging over one year, accounts payable, contract liabilities and other payables	The carrying balance at the end of the Reporting Period $\geq$ CNY 5 million
Material construction in progress	Single project under construction with a budget exceeding CNY 150 million and a total amount accounted for the current period exceeding CNY 50 million
Material overseas operating entity	The overseas operating entities' external revenue accounts for $\geq 3\%$ of the consolidated operating revenue, and the total profit accounts for $\geq 0.5\%$ of the consolidated total profit
Material non-wholly-owned subsidiary	The revenue of non-wholly-owned subsidiaries accounts for $\geq 3\%$ of the consolidated operating revenue, and the total profit accounts for $\geq 0.5\%$ of the consolidated total profit
Significant associated enterprise	The book value of long-term equity investments in associated enterprises accounts for $\geq 3\%$ of the total assets in the consolidated financial statements

## 5.6 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 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.

## **5.7 Criteria for judging control and 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 statements, the Company considers the whole Company as an accounting entity, adopts unified accounting policies, and applies the requirements of ASBE related to recognition, measurement and presentation to reflect the Company'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.

#### ① 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 combination 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 be written 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.

## ② 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 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.

### ③ Purchase of non-controlling interests

The difference between the increase in the cost of long-term equity investment resulting 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 acquired 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.

### ④ 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.

## **5.8 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:

① 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.

- ② 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.
- ③ 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:

- ① Its solely-held assets, and its share of any assets held jointly;
- ② Its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- ③ Its revenue from the sale of its share of the output arising from the joint operation;
- ④ Its share of the revenue from sale of the output by the joint operation; and
- ⑤ 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.

## 5.9 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.

## 5.10 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 systematic 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.

## 5.11 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 assets, 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 have 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 makes 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 their 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.

### 5.12 Notes receivable

The types of portfolios for which bad debt provisions are made according to the portfolios of credit risk characteristics and the basis for determining them:

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 receivable

### 5.13 Accounts receivable

The types of portfolios for which bad debt provisions are made according to the portfolios of credit risk characteristics and the basis for determining them:

As for accounts receivable, 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 receivable 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 intercompany funds among the Company and businesses under common control, the recovery of which is controllable with no risks. Thus, no bad debt provision was made.

The aging calculation method of credit risk characteristic portfolio based on aging:

The Company combines the accounts receivable 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:

Ageing	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

The ageing of accounts receivable is calculated from the month in which the amounts are actually incurred.

#### 5.14 Accounts receivable financing

The accounts receivable 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 5.11 Financial instruments.

### 5.15 Other receivables

The types of portfolios for which bad debt provisions are made according to the portfolios of credit risk characteristics and the basis for determining them:

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 intercompany funds among the Company and businesses under common control, the recovery of which is 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, 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.

## 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 receivable 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 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 acquiring and dispatching 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) Determining criteria 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) Packing materials and low-cost consumables are amortized in full at once.

### 5.18 Assets held for sale

#### (1) Determining criteria for 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 which the Company is unable to control, leading to the transactions not completed with non-related party within one year, and the Company still commits to selling 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 sets sale extension conditions. 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-satisfies 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) Accounting treatment of non-current assets or disposal groups held for sale

##### ① 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 by the amount of the difference between 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.

## ② 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.

## ③ Recognition criteria and presentation of discontinued operations

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. 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:

- ① Dispatch representatives to the board of directors or similar authorities of the investee.
- ② To participate in the financial and business policy making process of the investee.
- ③ Significant transactions with the investee.
- ④ Dispatch management personnel to the investee.
- ⑤ To provide key technical data to the investee.

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

- ① 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.

② 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

#### ① 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.

#### ② 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 income 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.

## 5.20. Investment property

Measurement model of investment property

Cost model

Method of depreciation or amortization

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 for rent, land use right held for appreciation and then sold, and buildings for 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 that 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.

## 5.21. 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

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%

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.

### **(3) 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.

## **5.22. 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. 23. 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

- ① For a special loan for the purchase and construction of fixed assets, the capitalization rate is the interest rate of the loan;
- ② 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) Suspension of capitalization 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) Cessation of capitalization 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.

## 5.24. Intangible assets

### (1) Useful life and the basis for its determination, estimation, amortization methodology or review procedures

Intangible assets refer to identifiable non-monetary assets that are owned or controlled by the Company without a physical form. The Company's intangible assets consist of land use rights, software, trademark use rights, patent rights and data resources.

#### ① 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.

- 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.

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 the differences that should be capitalized during the credit period.

② Useful life and the basis for its determination, estimation, amortization methodology or review procedures

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.

### ③ Impairment test

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

## **(2) The scope of research and development expenditure collection and the related accounting treatment**

The R&D expenditure of the Company mainly include the materials consumed in the implementation of R&D activities, salaries of R&D department employees, depreciation and amortization of assets such as equipment and software used in research and development, R&D testing, R&D technical service fees, and licensing fees.

The expenditures incurred in the development stage of the 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.

- ① It is technically feasible to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ 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;
- ④ 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.
- ⑤ 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.

## **5.25. 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.

## 5.26. 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.

## 5.27. 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.

## 5.28. Employee benefits

### (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

#### ① 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.

#### ② 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 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.

## 5.29. 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 the 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.

### **5.30. 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 to 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 implementation, 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 the corresponding services obtained, unless it cannot be vested because it cannot meet the vesting conditions of equity instruments (except market conditions).

### **5.31. Revenue**

Accounting policies for recognition and measurement of revenue disclosed by type of business

(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 is performed within a certain period of time, the Company will identify revenue within a period of time according to the performance progress: 1) The customers obtain and consume the economic profits while the Company performs the contract. 2) The customers can control the products under construction during the performance of the Company; 3) 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. 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 primarily sells baijiu, which involve performance obligations fulfilled at a certain point in time. For the recognition of the revenue of domestic products, the following conditions must be met: The Company has delivered the products to the customer as per the contract, and the customer has accepted the goods; payment has been received or a receipt voucher has been obtained, and the relevant economic benefits are likely to flow in; and control of the goods has transferred to the customer. The following requirements must be met to recognise the revenue of export products: The Company has declared the products according to the contract, obtained the bill of lading, received the payment or obtained the receipt voucher, and relevant economic benefits are likely to flow in, and control of the goods has transferred to the customer. The following requirements must be met to recognise the revenue of sales through third-party platforms or company-owned websites: The sales platform is responsible for delivering the goods to the customer, or the Company entrusts a logistics company to deliver the goods to the customer, and revenue is recognised upon receipt of the platform settlement statement or upon delivery of the goods.

Different business models for the same type of business involve different revenue recognition and measurement methods

N/A

## 5.32. 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 same basis as 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.

### **5.33. 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 commencement of depreciation or amortization when the relevant assets have reached 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:

① 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 against the related costs when the relevant expenses, losses are recognized.

② 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.

③ 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.

④ 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.

### **5.34. 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:

- (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.

Basis for deferred income tax assets and deferred income tax liabilities presented as a net amount after offset:

When the following conditions are simultaneously met, deferred income tax assets and deferred income tax liabilities are presented as a net amount after offset:

- (1) The enterprise has the legal right to settle the current income tax assets and current income tax liabilities on a net basis;
- (2) Deferred income tax assets and deferred income tax liabilities were related to the income tax levied by the same tax administration department on the same taxpayer or different taxpayers, but during the period when each significant deferred income tax assets and liabilities would be reversed in the future, the involved taxpayer intended to settle the current income tax assets and liabilities on a net basis or to acquire assets and settle liabilities at the same time.

### **5.35. Lease**

#### (1) Accounting treatment with the Company as lessee

① Judgment criteria and accounting treatment for short-term leases and leases of low-value assets as a lessee for simplified treatment

On the commencement date of the lease term, the Company will recognize the lease with a lease term not exceeding 12 months and exclude the purchase option as a short-term lease. Leases with a value below CNY 40,000 when a single leased asset is a brand-new asset are identified as low-value asset leases. If the Company sublets or expects to sublet the leased assets, the original lease shall not be deemed as a low-value asset lease.

The Company records the payments of short-term and low-value asset leases incurred during each period of the lease term in the relevant asset costs or the profit or loss for the current period by the straight-line method.

The Company will recognize right-of-use assets and lease liabilities on the inception date of the lease term, excluding the above short-term and low-value asset leases.

② Right-of-use assets

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.

### ③ Lease liabilities

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 residual value of the guarantee payable, the index or rate used to confirm the lease payment, the Company calculates 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.

## (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 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.

### ③ 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.

## 5.36. 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.

## 5.37. Changes in significant accounting policies and accounting estimates

### 5.37.1. Changes in significant accounting policies

Applicable  N/A

Unit: CNY

Content and reasons for accounting policy changes	Statement line item significantly affected	Amount affected
<p>On July 8, 2025, the Ministry of Finance issued implementation Q&amp;As on the accounting treatment of standard warrant trading. The Q&amp;As specify that, under the standard on the recognition and measurement of financial instruments, where an enterprise frequently enters into contracts for the purchase and sale of standard warrants on a futures exchange to earn price differences, without taking delivery of the physical commodities corresponding to such standard warrants, this usually indicates that the enterprise has a practice of reselling the underlying subject matter of the contracts within a short period after receiving it in order to obtain profits from short-term fluctuations. The enterprise shall treat the contracts for the purchase and sale of standard warrants it has entered into as financial instruments and account for them in accordance with the standard on the recognition and measurement of financial instruments. Where an enterprise obtains standard warrants under the aforesaid contracts and resells them within a short period, it shall not recognize sales revenue, but shall recognize the difference between the consideration received and the carrying amount of the standard warrants sold in investment income. Where an enterprise holds standard warrants that have not yet been sold at the end of the period, such standard warrants shall be presented as other current assets.</p> <p>According to the requirements of the <i>Notice on Strictly Implementing the Accounting Standards for Business Enterprises and Effectively Preparing 2025 Annual Reports</i> (C.K. [2025] No. 33), where an enterprise adjusts its accounting treatment method as a result of implementing the aforesaid requirements on standard warrants, it shall adjust the information for the comparable periods in the financial statements.</p>	<p>The implementation of this requirement had no material impact on the Company's financial position or operating results.</p>	
<p>On December 5, 2025, the Ministry of Finance issued <i>Interpretation No. 19 of the Accounting Standards for Business Enterprises</i>, which further regulates and clarifies the accounting treatment of indemnification assets in business combinations not under common control, the treatment of capital reserve upon disposal of a subsidiary consolidated under common control, the conditions for derecognition of financial liabilities in electronic payment systems, the assessment and disclosure requirements for contractual cash flows of financial assets, and the disclosures on the fair value of designated equity instruments. The interpretation came into effect on January 1, 2026.</p>	<p>The implementation of this requirement had no material impact on the Company's financial position or operating results.</p>	

### 5.37.2. Changes in significant accounting estimates

Applicable  N/A

### 5.37.3. Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2025

Applicable  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%, 5%
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%; house rent	1.2%, 12%
Land use tax	Land area	CNY 1.2-20/m <sup>2</sup>
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 Red Sorghum Modern Agricultural Development Co., Ltd.	Exempted from corporate income tax
Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd.	9%
Luzhou Laojiao International Trade (Hainan) Co., Ltd.	15%
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%

### 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 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 majority-owned subsidiary, Luzhou Pinchuang Technology Co., Ltd., whose primary business income meets the requirements of scope and standard of the Catalogue of Encouraged Industries in the Western Region, is subject to 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 majority-owned 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 majority-owned 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 Revision 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.

(5) According to Announcement on Preferential Corporate Income Tax Policies in Hainan Free Trade Port (Cai Shui [2020] No. 31), the Company's wholly-owned subsidiary, Luzhou Laojiao International Trade (Hainan) Co., Ltd., whose primary business income meets the requirements of scope and standard of the Catalogue of Encouraged Industries in Hainan Free Trade Port, is paid at the rate of 15% for corporate income tax.

## 7. Notes to the main items of the consolidated financial statements (All currency units are CNY, except other specific statements)

### 7.1. Cash and cash equivalents

Unit: CNY

Item	Closing Balance	Opening Balance
Cash		27,640.75
Bank deposit	27,299,090,094.73	33,506,712,545.24
Other cash and cash equivalents	42,476,603.64	71,656,645.34
Total	27,341,566,698.37	33,578,396,831.33
Including: Total deposit	97,912,284.27	104,980,028.96

outbound		
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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 balance of other cash and cash equivalents mainly consists of balances of funds in self-owned accounts on third-party platforms for subsidiaries in the amount of CNY 17,357,789.39, guarantee deposits of CNY 10,023,572.23, balances of funds in the co-management bank account for special government funds of CNY 10,000,053.87, balances in securities accounts of CNY 3,885,188.15, the court frozen funds of CNY 1,200,000.00 and other business-related frozen funds of CNY 10,000.00.

Of which: The co-management bank account for special government funds was established during the current year by a subsidiary, Luzhou Laojiao Baijiu Production Co., Ltd. (the "Baijiu Production Company"), together with the Jiangyang District Economy and Information Technology Bureau of Luzhou City (the "supervisor"), for the purpose of special government funds. This account is managed in accordance with the measures for the administration of special funds for the project and will be released upon acceptance of the project.

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

Liquor and wine manufacturing companies shall disclose in detail whether there are special interest arrangements such as establishing co-management accounts with related parties.

Applicable  N/A

## 7.2. Held-for-trading financial assets

Unit: CNY

Item	Closing Balance	Opening Balance
Financial assets measured at fair value with their changes included into current profits/losses	1,584,771,959.37	1,694,282,295.97
Including:		
Wealth management products	1,584,771,959.37	1,694,282,295.97
Including:		
Total	1,584,771,959.37	1,694,282,295.97

Other statements:

Note: The held-for-trading financial assets held at the end of the year are wealth management products purchased by the Company.

## 7.3. Notes receivable

### 7.3.1. Disclosure by withdrawal methods for bad debts

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:										
Including:										
Total	0.00									

If adopting the general mode of expected credit loss to withdraw provision for bad debt of notes receivable

Applicable  N/A

## 7.4. Accounts receivable

### 7.4.1. Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	5,454,635.77	11,602,423.49
1-2 years	992,962.98	
Total	6,447,598.75	11,602,423.49

### 7.4.2. Disclosure by withdrawal methods for bad debts

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	6,447,598.75	100.00%	372,028.09	5.77%	6,075,570.66	11,602,423.49	100.00%	580,121.18	5.00%	11,022,302.31
Including:										
Accounts receivable tested for impairment on	6,447,598.75	100.00%	372,028.09	5.77%	6,075,570.66	11,602,423.49	100.00%	580,121.18	5.00%	11,022,302.31

the portfolio with characteristics of credit risk										
Total	6,447,598.75	100.00%	372,028.09	5.77%	6,075,570.66	11,602,423.49	100.00%	580,121.18	5.00%	11,022,302.31

Accounts receivable tested for impairment by the portfolio: CNY 372,028.09

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	6,447,598.75	372,028.09	5.77%
Including: within 1 year	5,454,635.77	272,731.79	5.00%
1-2 years	992,962.98	99,296.30	10.00%
Other portfolio			
Total	6,447,598.75	372,028.09	

Notes to the determination basis for the portfolio:

Accounts receivable of the same age have similar credit risk characteristics.

If adopting the general mode of expected credit loss to withdraw provision for bad debt of accounts receivable

Applicable  N/A

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

Allowance of provision for bad debt:

Unit: CNY

Type	Opening Balance	Changes in current period				Closing Balance
		Allowance	Reversal or recovery	Write-off	Other	
Accounts receivable with a single provision for expected credit loss						
Accounts receivable with expected credit loss by portfolio	580,121.18		208,093.09			372,028.09
Total	580,121.18		208,093.09			372,028.09

#### 7.4.4. Top five entities with the largest balances of accounts receivable and contract assets

Unit: CNY

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets	Closing balance of provision for bad debt provision of accounts receivable and

					impairment allowance of contract assets
Sazerac Company, Inc	2,574,894.92		2,574,894.92	39.94%	177,672.89
Beijing User Growth Network Technology Co., Ltd.	1,571,700.11		1,571,700.11	24.38%	78,585.01
Hangzhou Youzan Technology Inc.	723,493.32		723,493.32	11.22%	36,174.67
Hangzhou Alimama Software Service Co., Ltd.	614,618.56		614,618.56	9.53%	30,730.93
Jiangsu JD Xuke Information Technology Co., Ltd.	553,140.56		553,140.56	8.58%	27,657.03
Total	6,037,847.47		6,037,847.47	93.65%	350,820.53

## 7.5. Contract assets

### 7.5.1. Contract assets

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value
Total	0.00					

## 7.6. Accounts receivable financing

### 7.6.1. Accounts receivable financing listed by category

Unit: CNY

Item	Closing Balance	Opening Balance
Bank acceptance bill	1,466,494,973.96	1,801,947,455.78
Total	1,466,494,973.96	1,801,947,455.78

### 7.6.2. Disclosure by withdrawal methods for bad debts

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:										
Provision	1,466,4	100.00			1,466,4	1,801,9	100.00			1,801,9

n allowance by portfolio	94,973.96	%			94,973.96 <sup>1</sup>	47,455.78	%			47,455.78
Including:										
Bank acceptance bill	1,466,494,973.96	100.00%			1,466,494,973.96	1,801,947,455.78	100.00%			1,801,947,455.78
Total	1,466,494,973.96	100.00%			1,466,494,973.96	1,801,947,455.78	100.00%			1,801,947,455.78

Note: 1 The notes receivable under accounts receivable financing comprise bank acceptance, and the Company believes that the bank acceptance it holds does not pose significant credit risks. It does not anticipate significant losses due to defaults by banks or other drawers, therefore, no provision for credit impairment losses has been recognized.

Provision allowance by portfolio: CNY 0

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	1,466,494,973.96		
Total	1,466,494,973.96		

Notes to the determination basis for the portfolio:

As bank acceptance has low credit risks, no bad debt provision is made.

### 7.6.3. Accounts receivable financing that have been endorsed to other parties or discounted by the Company but have not expired at the end of the period

Unit: CNY

Item	Derecognized at period-end	Not derecognized at period-end
Bank acceptance bill <sup>1</sup>	2,249,475,448.63	
Total	2,249,475,448.63	

Note: 1 Due to the fact that the acceptor of bank acceptance is a commercial bank, which is of high credit level, the likelihood of default at the maturity of bank acceptance is low. Therefore, the Company derecognizes bank acceptance that has been endorsed or discounted.

### 7.6.4. Changes in accounts receivable financing in the reporting period and fair value

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Notes receivable	1,801,947,455.78	12,606,935,530.61	12,942,388,012.43	1,466,494,973.96
Total	1,801,947,455.78	12,606,935,530.61	12,942,388,012.43	1,466,494,973.96

Note: Accounts receivable financing represents bank acceptance, with a short remaining maturity. The book value closely aligns with the fair value; hence, the book value is used as its fair value.

### 7.7. Other receivables

Unit: CNY

Item	Closing Balance	Opening Balance
Other receivables	17,318,326.51	13,053,645.00
Total	17,318,326.51	13,053,645.00

### 7.7.1. Other receivables

#### 7.7.1.1. Other receivables disclosed by nature

Unit: CNY

Nature	Closing book balance	Opening book balance
Intercourse funds	7,185,388.51	10,388,747.89
Petty cash	290,697.61	243,853.22
Saving deposits involving contract disputes <sup>1</sup>	91,351,645.65	124,099,253.17
Total	98,827,731.77	134,731,854.28

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". In 2025, CNY 32,747,607.52 of the saving deposits involving contract disputes was recovered. The balance of this account as at the end of the year was CNY 91,351,645.65.

#### 7.7.1.2. Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	5,790,939.50	9,264,632.85
1-2 years	485,187.10	139,760.59
2-3 years	29,294.30	6,347.61
Over 3 years	92,522,310.87 <sup>1</sup>	125,321,113.23
3-4 years	6,347.61	36,880.00
4-5 years	6,880.00	
Over 5 years	92,509,083.26	125,284,233.23
Total	98,827,731.77	134,731,854.28

Note: 1 Other receivables with significant single amount exceeding three years in age relates to saving deposits of CNY 91,351,645.65, which are yet to be recovered due to contractual disputes.

#### 7.7.1.3. Disclosure by withdrawal methods for bad debts

 Applicable  N/A

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	

Provision for bad debt by individual item	91,351,645.65	92.44%	80,000,000.00	87.57%	11,351,645.65	124,099,253.17	92.11%	120,000,000.00	96.70%	4,099,253.17
Including:										
Other receivables that are individually material and for which a separate provision for bad debts has been made	91,351,645.65	92.44%	80,000,000.00	87.57%	11,351,645.65	124,099,253.17	92.11%	120,000,000.00	96.70%	4,099,253.17
Provision for bad debt by the portfolio	7,476,086.12	7.56%	1,509,405.26	20.19%	5,966,680.86	10,632,601.11	7.89%	1,678,209.28	15.78%	8,954,391.83
Including:										
Other receivables tested for impairment on the portfolio with characteristics of credit risk	7,476,086.12	7.56%	1,509,405.26	20.19%	5,966,680.86	10,632,601.11	7.89%	1,678,209.28	15.78%	8,954,391.83
Total	98,827,731.77	100.00%	81,509,405.26	82.48%	17,318,326.51	134,731,854.28	100.00%	121,678,209.28	90.31%	13,053,645.00

Provision for bad debt by individual item: CNY 80,000,000.00

Unit: CNY

Name	Opening Balance		Closing Balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Proportion	Reason
Saving deposits involving contract disputes	124,099,253.17	120,000,000.00	91,351,645.65	80,000,000.00	87.57%	Provision based on legal opinion
Total	124,099,253.17	120,000,000.00	91,351,645.65	80,000,000.00		

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Provision for bad debt by the portfolio: CNY 1,509,405.26

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	7,476,086.12	1,509,405.26	20.19%
Including: within 1 year	5,790,939.50	289,546.99	5.00%
1-2 years	485,187.10	48,518.75	10.00%
2-3 years	29,294.30	5,858.86	20.00%
3-4 years	6,347.61	2,539.05	40.00%
4-5 years	6,880.00	5,504.00	80.00%
Over 5 years	1,157,437.61	1,157,437.61	100.00%
Other portfolio			
Total	7,476,086.12	1,509,405.26	

Notes to the determination basis for the portfolio:

Accounts receivable of the same age have similar credit risk characteristics.

Allowance of provision for bad debt adopting the general mode of expected credit loss:

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 January 1, 2025	1,678,209.28		120,000,000.00	121,678,209.28
Balance of January 1, 2025 in the current period				
Provision of the current period	120,907.12			120,907.12
Reversal of the current period	289,711.14		40,000,000.00	40,289,711.14
Balance of December 31, 2025	1,509,405.26		80,000,000.00	81,509,405.26

The basis for the division of each stage and the withdrawal proportion of bad debt provision

The basis for the division of each stage and the withdrawal proportion of bad debt provision: The basis for division is that other receivables with single bad debt provision represent credit impairment losses incurred since initial recognition (Stage 3), while the remaining portion is categorized based on expected credit risk. Withdrawal proportions of bad debt provision are 20.19% for Stage 1 and 87.57% for Stage 3, totaling 82.48%.

Changes of book balance with a significant change of loss provision in the current period

Applicable  N/A

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

Allowance of provision for bad debt:

Unit: CNY

Type	Opening Balance	Changes in current period				Closing Balance
		Allowance	Reversal or recovery	Write-off or verification	Other	
Bad debt provision for other receivables	121,678,209.28	120,907.12	40,289,711.14			81,509,405.26
Total	121,678,209.28	120,907.12	40,289,711.14			81,509,405.26

Of which significant amount of recovered or transferred-back bad debt provision for the current period:

Unit: CNY

Company Name	Amount recovered or transferred-back	Reversal reason	Recovery method	Determination basis for and reasonableness of the previous withdrawal proportion of bad debt provision
Three deposits with Changsha Yingxin Sub-branch of Agricultural Bank of China and Nanyang Zhongzhou Sub-branch of Industrial and Commercial Bank of China	40,000,000.00	The actual recovery of CNY 32,747,607.52 of saving deposits involving contract disputes in 2025 and the estimated bad debt provision as at year-end based on the latest circumstances	Cash recovery of CNY 32,747,607.52	At the end of each year, the litigation attorney assesses the ultimate expected recoverable amount based on the latest recovery tracking status and issues a special legal opinion. Based on this, the Company's management estimates the corresponding amount of bad debt provision at each year-end.
Total	40,000,000.00			

**7.7.1.5. Top five entities with the largest balances of the other receivables**

Unit: CNY

Company Name	Nature	Closing Balance	Aging	Proportion in total receivables	Provisioning amount at period end
Saving deposits involving contract disputes	Amount in dispute	91,351,645.65	Over 5 years	92.44%	80,000,000.00
Ye Cui	Petty cash	140,000.00	Within 1 year	0.14%	7,000.00
TOWNE CENTRE OFFICES-PIPROPERTIES NO 111 LLC	Margin	131,445.34	1-2 years	0.13%	13,144.53
Liu Yuanyuan	Petty cash	113,738.00	Within 1 year	0.12%	5,686.90

Sichuan Electric Power Corporation Luzhou Electric Power Bureau	Margin	50,000.00	Over 5 years	0.05%	50,000.00
Total		91,786,828.99		92.88%	80,075,831.43

## 7.8. Prepayment

### 7.8.1. Aging analysis

Unit: CNY

Aging	Closing Balance		Opening Balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	132,742,078.70	91.17%	115,124,824.62	92.95%
1-2 years	6,006,743.32	4.13%	4,202,267.01	3.39%
2-3 years	2,726,812.70	1.87%	722,670.32	0.58%
Over 3 years	4,120,840.93	2.83%	3,820,520.70	3.08%
Total	145,596,475.65		123,870,282.65	

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

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

### 7.8.2. Top five entities with the largest balances of prepayment

Company Name	Closing Balance	Aging	Proportion to the total closing balance of prepayment
Shanghai Merlot Advertising Co., Ltd.	82,467,023.97	Within 1 year	56.64%
Luzhou Western Gas Co., Ltd.	12,010,808.11	Within 1 year	8.25%
Luzhou Power Supply Company of State Grid Sichuan Electric Power Company	9,134,365.36	Within 1 year	6.27%
Luzhou Laojiao Group Co., Ltd.	8,778,438.12	Within 1 year	6.03%
Yalu River Valley (Jilin) Liquor Co., Ltd.	4,580,005.13	1-2 years	3.15%
Total	116,970,640.69		80.34%

## 7.9. Inventories

Whether the Company needs to comply with the disclosure requirements of real estate industry

No

### 7.9.1. Categories of Inventories

Unit: CNY

Category	Closing Balance			Opening Balance		
	Book Balance	Provision for stock obsolescence or impairment	Book Value	Book Balance	Provision for stock obsolescence or impairment	Book Value

		provision of contract performance costs			provision of contract performance costs	
Raw materials	146,378,500.57		146,378,500.57	114,546,157.41		114,546,157.41
Goods in progress	11,922,577,254.61 <sup>1</sup>		11,922,577,254.61	10,739,545,764.82		10,739,545,764.82
Finished goods	3,282,202,880.26 <sup>2</sup>		3,282,202,880.26	2,505,218,578.73		2,505,218,578.73
Goods in transit	44,873,071.91		44,873,071.91	33,483,975.00		33,483,975.00
Total	15,396,031,707.35		15,396,031,707.35	13,392,794,475.96		13,392,794,475.96

Note: 1 The increase in the closing balance of goods in progress was mainly due to the Company's promotion of high-quality production capacity reserve and quality improvement plan, which increased the strategic reserve of high-quality base liquor.

2 The increase in finished goods was mainly due to the slowdown in inventory turnover during the second half of 2025, in light of market conditions.

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.

#### 7.9.2. Notes to the closing balance of inventories including capitalized borrowing expense

There was no capitalized borrowing expense in the closing balance of inventories.

#### 7.10. Other current assets

Unit: CNY

Item	Closing Balance	Opening Balance
VAT to be deducted	344,545,347.47	217,415,843.41
Corporate income tax	81,820,156.01	20,441,701.15
Other taxes	4,094,407.15	3,224,364.33
Total	430,459,910.63	241,081,908.89

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.

#### 7.11. Other equity instrument investment

Unit: CNY

Item	Closing Balance	Opening Balance	Gains recorded in other comprehensive income in the current period	Losses recorded in other comprehensive income in the current period	Accumulative gains recorded in other comprehensive income at the end of the period	Accumulative losses recorded in other comprehensive income at the end of the period	Dividend income recognized in current year	Reason for assigning to measure in fair value of which changes included other
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								comprehensive income
Financial assets assigned to measure in fair value of which changes included other comprehensive income:								
Including:								
Guotai Haitong Securities Co., Ltd. (formerly known as "Guotai Junan Securities Co., Ltd. and renamed in April 2025)	242,017,288.33	219,640,994.03	22,376,294.30		229,298,131.57		5,064,108.71	According to the mode of managing assets by management layer
China Tourism Group Duty Free Corporation Limited	87,001,004.56	60,069,399.64	26,931,604.92		64,197,690.72		1,282,673.77	According to the mode of managing assets by management layer
Luzhou Bank Co., Ltd.	85,047,773.27	78,356,318.99	6,691,454.28		33,927,773.27		5,207,040.00	According to the mode of managing assets by management layer
Guotai Junan Investment Management Co., Ltd.	22,611,834.24	22,611,834.24						According to the mode of managing assets by management layer
North Chemical Industries Co., Ltd.	28,175,261.09	15,870,083.24	12,305,177.85		27,145,261.09		62,542.20	According to the mode of managing assets by management layer
Guojiu Big Data Co., Ltd.	8,799,784.78	8,799,784.78				1,200,215.22		According to the mode of managing assets by management layer

								ent layer
Sichuan China Baijiu Golden Triangle Brand Operation Development Co., Ltd. and other equity instrument investments	1,846,291.63	1,846,291.63				5,752,926.37	3,000,000.00	According to the mode of managing assets by management layer
<b>Total</b>	<b>475,499,237.90</b>	<b>407,194,706.55</b>	<b>68,304,531.35</b>		<b>290,371,165.93</b>	<b>71,150,832.31</b>	<b>14,616,364.68</b>	

Categories of non-trading equity instrument investment in the current period:

Unit: CNY

Item	Recognized dividends income	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure at fair value and changes recorded into other comprehensive income	Reason of other comprehensive income transferred to retained earnings
Guotai Haitong Securities Co., Ltd.	5,064,108.71	229,298,131.57			According to the mode of managing assets by management layer	
China Tourism Group Duty Free Corporation Limited	1,282,673.77		64,197,690.72		According to the mode of managing assets by management layer	
Luzhou Bank Co., Ltd.	5,207,040.00	33,927,773.27			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.	62,542.20	27,145,261.09			According to the mode of managing assets by management layer	
Guojiu Big Data Co., Ltd.			1,200,215.22		According to the mode of managing	

					assets by management layer	
Sichuan China Baijiu Golden Triangle Brand Operation Development Co., Ltd. and other equity instrument investments	3,000,000.00		5,752,926.37		According to the mode of managing assets by management layer	
Total	14,616,364.68	290,371,165.93	71,150,832.31			

## 7.12. Long-term equity investments

Unit: CNY

Investee	Opening Balance (book value)	Opening Balance of provision for impairment	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.	2,614,807.032.57	2,567,098.80			152,819.549.79	9,225,632.90		34,103,893.00			2,742,748.322.26	2,567,098.80
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	36,681,718.10				131,760.45						36,813,478.55	
Sichuan Development Liquor Investment Co., Ltd.	5,878,280.93				42,543.97						5,920,824.90	

CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	123,10,179.13				1,854,573.79			-227,826.01			124,736,926.91	
Sichuan Tianfu Granary Liquor Industry Co., Ltd.	12,502,140.27				849,122.06			927,979.16			12,423,283.17	
Sichuan Tongniang Baijiu Industry Technology Research Institute Co., Ltd.	8,272,966.93				-111,332.95						8,161,633.98	
Subtotal	2,801,252.317.93	2,567,098.80			155,586,217.11	9,225,632.90		-227,826.01	35,031,872.16		2,930,804,469.77	2,567,098.80
Total	2,801,252.317.93	2,567,098.80			155,586,217.11	9,225,632.90		-227,826.01	35,031,872.16		2,930,804,469.77	2,567,098.80

The recoverable amount is determined based on the net amount of the fair value minus disposal costs

Applicable  N/A

The recoverable amount is determined by the present value of the forecasted future cash flow

Applicable  N/A

### 7.13. Investment property

#### 7.13.1. Investment property with cost measurement model

Applicable  N/A

Unit: CNY

Item	Buildings and constructions	Land use right	Construction in progress	Total
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I. Original cost				
1. Opening balance	79,610,430.07	12,767,067.71		92,377,497.78
2. Increase in current period				
(1) External purchase				
(2) Transfer from inventories/fixed assets/construction in progress				
(3) Increase from business combination				
3. Decrease in current period				
(1) Disposal				
(2) Other transfer out				
4. Closing Balance	79,610,430.07	12,767,067.71		92,377,497.78
II. Accumulated depreciation and amortization				
1. Opening Balance	36,898,805.52	5,231,998.10		42,130,803.62
2. Increase in current period	2,123,825.40	230,117.68		2,353,943.08
(1) Provision or amortization	2,123,825.40	230,117.68		2,353,943.08
3. Decrease in current period				
(1) Disposal				
(2) Other transfer out				
4. Closing Balance	39,022,630.92	5,462,115.78		44,484,746.70
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	40,587,799.15	7,304,951.93		47,892,751.08
2. Opening Book Value	42,711,624.55	7,535,069.61		50,246,694.16

The recoverable amount is determined based on the net amount of the fair value minus disposal costs

Applicable  N/A

The recoverable amount is determined by the present value of the forecasted future cash flow

Applicable  N/A

**7.13.2. Investment property without certification of right**

Unit: CNY

Item	Book value	Reason for not having the certification of right
Buildings of the Company	13,535,162.31	In procedure

**7.14. Fixed assets**

Unit: CNY

Item	Closing Balance	Opening Balance
Fixed assets	8,523,544,338.21	9,131,607,204.08
Disposal of fixed assets	347,065.82	169,711.43
Total	8,523,891,404.03	9,131,776,915.51

**7.14.1. Details of fixed assets**

Unit: CNY

Item	Buildings and constructions	Specialized equipment	General equipment	Transportation equipment	Other equipment	Total
I. Original cost:						
1. Opening balance	8,033,330,478.77	1,469,814,802.44	1,301,578,395.68	38,715,922.69	1,968,108,153.58	12,811,547,753.16
2. Increase in current period	8,002,784.13	4,770,750.89	66,877,940.61		8,368,613.42	88,020,089.05
(1) External purchase		2,344,424.80	50,616,613.39		1,576,991.16	54,538,029.35
(2) Transfer from construction in progress	250,498.73	2,426,326.09	16,243,623.87		6,123,919.55	25,044,368.24
(3) Increase from business combination						
(4) Adjustment for completion settlement	7,702,725.20				667,702.71	8,370,427.91
(5) Changes of exchange rates			-12,066.66			-12,066.66
(6) Other	49,560.20		29,770.01			79,330.21
3. Decrease in current period	5,977,187.77	12,589,759.62	16,208,597.40	196,813.98	3,203,287.06	38,175,645.83
(1) Disposal or retirement	633,239.71	10,640,703.86	5,379,315.60	196,813.98	3,203,287.06	20,053,360.21
(2) Transfer to construction in progress	2,484,206.08	130,884.06	169,917.02			2,785,007.16
(3) Adjustment for completion settlement		1,818,171.70	10,659,364.78			12,477,536.48
(4) Other	2,859,741.98					2,859,741.98
4. Closing Balance	8,035,356,075.13	1,461,995,793.71	1,352,247,738.89	38,519,108.71	1,973,273,479.94	12,861,392,196.38
II.						

Accumulated depreciation						
1. Opening Balance	1,341,175,878.03	750,954,666.28	668,850,913.74	23,171,076.91	895,788,014.12	3,679,940,549.08
2. Increase in current period	266,769,333.68	156,181,669.97	150,591,391.79	4,206,029.25	99,626,884.58	677,375,309.27
(1) Provision	266,769,333.68	156,181,669.97	150,697,111.72	4,206,029.25	99,626,884.58	677,481,029.20
(2) Changes of exchange rates			-105,719.93			-105,719.93
3. Decrease in current period	2,628,309.08	9,514,814.58	5,044,324.93	172,123.10	2,108,428.49	19,468,000.18
(1) Disposal or retirement	268,313.30	9,454,865.00	4,942,019.11	172,123.10	2,108,428.49	16,945,749.00
(2) Transfer of renovation and expansion to construction in progress	2,359,995.78	59,949.58	102,305.82			2,522,251.18
4. Closing Balance	1,605,316,902.63	897,621,521.67	814,397,980.60	27,204,983.06	993,306,470.21	4,337,847,858.17
III. Provision for impairment						
1. Opening Balance						
2. Increase in current period						
(1) Provision						
3. Decrease in current period						
(1) Disposal or retirement						
4. Closing Balance						
IV. Book Value						
1. Closing Book Value	6,430,039,172.50	564,374,272.04	537,849,758.29	11,314,125.65	979,967,009.73	8,523,544,338.21
2. Opening Book Value	6,692,154,600.74	718,860,136.16	632,727,481.94	15,544,845.78	1,072,320,139.46	9,131,607,204.08

#### 7.14.2. Fixed assets leased out through operating lease

Unit: CNY

Item	Closing book value
Buildings and constructions	32,174,267.42
Equipment	3,691,820.86
Total	35,866,088.28

#### 7.14.3. Fixed assets without certification of right

Unit: CNY

Item	Book value	Reason for not having the certification of right
Buildings of the Company	21,843,834.88	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	17,635,482.17	In procedure
Buildings of the subsidiary-Baijiu Production Company	4,305,253,615.70	In procedure
Total	4,344,732,932.75	

Other statements:

#### 7.14.4. Disposal of fixed assets

Unit: CNY

Item	Closing Balance	Opening Balance
Disposal and retirement of assets	347,065.82	169,711.43
Total	347,065.82	169,711.43

#### 7.15. Construction in progress

Unit: CNY

Item	Closing Balance	Opening Balance
Construction in progress	2,064,766,283.24	807,233,988.90
Total	2,064,766,283.24	807,233,988.90

##### 7.15.1. Details of the construction in progress

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Technical renovation of Luzhou Laojiao Intelligent packaging center	38,517,842.44		38,517,842.44	6,367,929.36		6,367,929.36
Luzhou Laojiao Technical Renovation Project of Intelligent Baijiu Production (I)	1,502,441,499.75		1,502,441,499.75	506,382,371.57		506,382,371.57
Project of Luzhou Laojiao's Flexible Intelligent Filling Pilot Line	62,641,666.13		62,641,666.13	60,955,418.59		60,955,418.59
Construction Project of Luzhou	78,823,440.76		78,823,440.76	22,407,884.55		22,407,884.55

Laojiao's Strong Aroma Baijiu Experience Marketing Centre						
The expansion and renovation project of the office area of Luzhou Laojiao Marketing Network Command Center-Staff Home	79,087,098.28		79,087,098.28	22,751,740.43		22,751,740.43
Luzhou Laojiao Historical and Cultural Industry Park and National Baijiu Museum	120,613,219.60		120,613,219.60	97,488,257.78		97,488,257.78
Other projects	182,641,516.28		182,641,516.28	90,880,386.62		90,880,386.62
<b>Total</b>	<b>2,064,766,283.24</b>		<b>2,064,766,283.24</b>	<b>807,233,988.90</b>		<b>807,233,988.90</b>

### 7.15.2. Significant changes in construction in progress

Unit: CNY

Item	Budget	Opening Balance	Increase in current period	Transfer into fixed assets	Other decreases	Closing Balance	Proportion of accumulative project input in budget	Progress (%)	Accumulative capitalized interest	Including: Capitalized interest for the period	Capitalization rate for the period (%)	Source of funds
Luzhou Laojiao Technical Renovation Project of Intell	3,982,509,000.00	506,382,371.57	996,059,128.18			1,502,441,499.75	55.40%	56.00%				Other

igent Baiji u Production (Phase I)												
Luzhou Laojiao Historical and Cultural Industry Park and National Baijiu Museum	1,478,000.00	97,488.25	99,992.61		76,867,726.79 <sup>1</sup>	120,613,219.60	42.80%	40.00%				Other
Construction Project of Luzhou Laojiao's Strong Aroma Baijiu Experience Marketing Centre	2,604,356,700.00	22,407,845.5	56,415,562.1			78,823,440.76	10.09%	10.00%				Other
<b>Total</b>	<b>8,064,865,700.00</b>	<b>626,278,513.90</b>	<b>1,152,467,373.00</b>		<b>76,867,726.79</b>	<b>1,701,878,160.11</b>						

Note: 1 Other decreases were attributable to the transfer of land with title certificates acquired during the current year to intangible assets for presentation.

**7.15.3. Impairment test of construction in progress**□ Applicable  N/A**7.16. Right-of-use assets****7.16.1. Details of right-of-use assets**

Unit: CNY

Item	Land use right	Buildings and constructions	Total
<b>I. Original cost</b>			
1. Opening Balance	30,788,322.41	26,442,151.78	57,230,474.19
2. Increase in current period		-310,574.81	-310,574.81
(1) Increase in leases		318,656.02	318,656.02
(2) Changes of exchange rates		-629,230.83	-629,230.83
3. Decrease in current period		4,229,640.18	4,229,640.18
(1) Lease expiration		3,763,213.00	3,763,213.00
(2) Adjustment for change of lease term		466,427.18	466,427.18
4. Closing Balance	30,788,322.41	21,901,936.79	52,690,259.20
<b>II. Accumulated amortization</b>			
1. Opening Balance	13,698,555.71	14,277,704.25	27,976,259.96
2. Increase in current period	3,424,638.92	5,269,366.87	8,694,005.79
(1) Provision	3,424,638.92	5,682,731.25	9,107,370.17
(2) Changes of exchange rates		-413,364.38	-413,364.38
3. Decrease in current period		3,843,220.74	3,843,220.74
(1) Disposal			
(2) Lease expiration		3,674,788.70	3,674,788.70
(3) Adjustment for change of lease term		168,432.04	168,432.04
4. Closing Balance	17,123,194.63	15,703,850.38	32,827,045.01
<b>III. Provision for impairment</b>			
1. Opening Balance			
2. Increase in current period			
(1) Provision			
3. Decrease in current period			
(1) Disposal			
4. Closing Balance			
<b>IV. Book Value</b>			
1. Closing Book Value	13,665,127.78	6,198,086.41	19,863,214.19
2. Opening Book Value	17,089,766.70	12,164,447.53	29,254,214.23

**7.16.2. Impairment test of right-of-use assets**□ Applicable  N/A**7.17. Intangible assets****7.17.1. Details of intangible assets**

Unit: CNY

Item	Land use right	Patent right	No-patent right technology	Computer software	Trademark right	Data resources	Total
I. Original cost							
1. Opening Balance	3,739,871.5 01.61	1,700,050.4 4		140,193,44 7.79	2,118,716.0 9		3,883,883.7 15.93
2. Increase in current period	82,043,319. 66			14,348,633. 33		4,284,917.7 1	100,676,87 0.70
(1) Acquired	4,258,912.4 4			7,002,333.7 1			11,261,246. 15
(2) Internally developed						4,284,917.7 1	4,284,917.7 1
(3) Business combination							
(4) Transferred from construction in progress	77,784,407. 22			7,346,299.6 2			85,130,706. 84
3. Decrease in current period				9,060.67			9,060.67
(1) Disposal				9,060.67			9,060.67
4. Closing Balance	3,821,914.8 21.27	1,700,050.4 4		154,533,02 0.45	2,118,716.0 9	4,284,917.7 1	3,984,551.5 25.96
II. Accumulated amortization							
1. Opening Balance	415,301,12 0.33	1,090,619.1 8		47,696,525. 62	1,896,654.6 1		465,984,91 9.74
2. Increase in current period	90,114,895. 56	130,005.04		12,828,468. 54	900.12	1,428,305.9 1	104,502,57 5.17
(1) Provision	90,114,895. 56	130,005.04		12,828,468. 54	900.12	1,428,305.9 1	104,502,57 5.17
3. Decrease in current period				1,504.06			1,504.06
(1) Disposal							
(2) Other				1,504.06			1,504.06
4. Closing Balance	505,416,01 5.89	1,220,624.2 2		60,523,490. 10	1,897,554.7 3	1,428,305.9 1	570,485,99 0.85
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	3,316,498,805.38	479,426.22		94,009,530.35	221,161.36	2,856,611.80	3,414,065,535.11
2. Opening Book Value	3,324,570,381.28	609,431.26		92,496,922.17	222,061.48		3,417,898,796.19

The proportion of intangible assets formed by internal development to the balance of intangible assets at the period-end was 0.08%.

#### 7.17.2. Data resources recognized as intangible assets

Applicable  N/A

Unit: CNY

Item	Purchased data resources intangible assets	Self-developed data resources intangible assets	Data resources intangible assets acquired through other means	Total
I. Original cost				
1. Opening Balance				
2. Increase in current period		4,284,917.71		4,284,917.71
Internal developed		4,284,917.71		4,284,917.71
3. Decrease in current period				
4. Closing Balance		4,284,917.71		4,284,917.71
II. Accumulated amortization				
1. Opening Balance				
2. Increase in current period		1,428,305.91		1,428,305.91
3. Decrease in current period				
4. Closing Balance		1,428,305.91		1,428,305.91
III. Provision for impairment				
1. Opening Balance				
2. Increase in current period				
3. Decrease in current period				
4. Closing Balance				

IV. Book Value			
1. Closing Book Value		2,856,611.80	2,856,611.80
2. Opening Book Value			

Note: The data resources recognized as intangible assets by the Company during the current year primarily consisted of data resources such as those used for digital marketing. Based on the estimated effective period during which these data assets supported the Company's marketing efforts, their useful life was determined to be three years, and they were amortized using the straight-line method.

### 7.17.3. Land use right without certification of right

There was no land use right without certification of right at the period-end.

### 7.18. R&D costs

Item	Opening Balance	Increase in current period		Decrease in current period		Closing Balance	Date of commencement of capitalization	Specific basis for capitalization	R&D progress as at the end of the period
		Internal development costs	Other	Recognized as intangible assets	Transferred to profit or loss				
Data resources		4,284,917.71		4,284,917.71			January 2025	Details in Note 7.15. Intangible assets	Normal
Total		4,284,917.71		4,284,917.71					

### 7.19. Long-term deferred expense

Unit: CNY

Item	Opening Balance	Increase	Amortization	Other decrease	Closing Balance
Improvement expense of rented fixed assets	1,756,272.03		687,684.71	33,601.84 <sup>1</sup>	1,034,985.48
Total	1,756,272.03		687,684.71	33,601.84	1,034,985.48

Note: 1 Other decrease was generated from changes of exchange rates.

### 7.20. Deferred tax assets/ deferred tax liabilities

#### 7.20.1. Deferred tax assets before offset

Unit: CNY

Item	Closing Balance		Opening Balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets

Provision for asset impairment	84,433,379.21	20,998,267.09	124,771,509.82	31,075,237.73
Unrealized profits from internal transactions	310,370,130.36	77,592,532.59	742,790,841.94	185,697,710.49
Impact from salary	425,943,121.57	104,988,703.13	493,996,524.17	121,948,421.27
Impact from deferred earnings	82,513,945.77	20,628,486.45	86,672,726.83	21,668,181.71
Impact from fixed assets depreciation	1,581,273.36	460,226.55	1,598,536.52	405,851.10
Recognition costs of restricted shares for equity incentive in the vesting period	49,219,427.74	12,099,077.25	120,257,855.98	29,526,566.27
Impact from fair value changes of other equity instrument investment	88,576,028.89	22,144,007.22	115,507,633.77	28,876,908.44
Impact of income tax from fair value changes of held-for-trading financial assets	19,338,314.36	4,834,578.59	17,238,148.79	4,309,537.19
Impact of income tax from initial recognition of lease liabilities	1,410,905.51	274,102.06	3,258,868.36	676,678.84
<b>Total</b>	<b>1,063,386,526.77</b>	<b>264,019,980.93</b>	<b>1,706,092,646.18</b>	<b>424,185,093.04</b>

### 7.20.2. Deferred tax liabilities before offset

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	290,371,165.72	72,592,791.43	248,998,239.50	62,249,559.84
Fair value changes of held-for-trading financial assets	4,110,273.60	1,027,568.40	11,520,444.76	2,880,111.17
Impact from the policy of one-time pre-tax deduction of fixed assets	398,337,577.12	97,270,705.50	379,464,834.32	92,542,193.36
Impact of income tax from initial recognition of right-of-use assets	1,438,051.88	288,957.09	3,342,874.50	703,850.51
<b>Total</b>	<b>694,257,068.32</b>	<b>171,180,022.42</b>	<b>643,326,393.08</b>	<b>158,375,714.88</b>

### 7.20.3. Details of unrecognized deferred tax assets

Unit: CNY

Item	Closing Balance	Opening Balance
------	-----------------	-----------------

Deductible losses	395,438,064.93	272,750,289.72
Asset impairment provision	2,008.37	2,156.34
Employee benefits payable	15,500,688.36	15,915,368.47
Total	410,940,761.66	288,667,814.53

#### 7.20.4. Deductible losses from unrecognized deferred tax assets will be due in the following years

Unit: CNY

Year	Closing Amount	Opening Amount	Notes
2025		15,884,395.00	
2026	8,417,566.87	8,417,566.87	
2027	41,945,012.30	41,945,012.30	
2028	170,459,479.62	170,459,479.62	
2029	62,422,108.88	36,043,835.93	
2030	112,193,897.26		
Total	395,438,064.93	272,750,289.72	

#### 7.21. Other non-current assets

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for engineering and equipment	148,103,387.74		148,103,387.74	235,101,375.05		235,101,375.05
Prepayment for long-term assets	516,737,979.30		516,737,979.30 <sup>1</sup>	172,245,993.10		172,245,993.10
Total	664,841,367.04		664,841,367.04	407,347,368.15		407,347,368.15

Note: 1 The prepayment for long-term assets was the corresponding advance payment for the progress of the Chengdu Innovation and Development Center Building customized and constructed by the Company.

#### 7.22. Assets with restricted ownership or use rights

Unit: CNY

Item	Period-end				Period-beginning			
	Book balance	Book value	Type of restriction	Status of restriction	Book balance	Book value	Type of restriction	Status of restriction
Cash and cash equivalents	393,834,614.88	393,834,614.88	Fixed deposit interest	Provision for fixed deposit interest on an accrual basis	181,100,955.95	181,100,955.95	Fixed deposit interest	Provision for fixed deposit interest on an accrual basis
Cash and cash equivalent	10,000,053.87	10,000,053.87	Co-management account,	Administered in accordance with the				

s			with restrictions on payments	measures for the administration of special fund for projects				
Cash and cash equivalents	10,023,572.23	10,023,572.23	Margin	Bank cash deposits for L/G	10,000,000.00	10,000,000.00	Margin	Bank cash deposits for L/G
Cash and cash equivalents	1,404,495.57	1,404,495.57	Margin	E-commerce platform margin	1,627,857.48	1,627,857.48	Margin	E-commerce platform margin
Cash and cash equivalents	1,200,000.00	1,200,000.00	Litigation freeze	Frozen fund by the court	18,000,003.44	18,000,003.44	Litigation freeze	Frozen fund by the court
Cash and cash equivalents	10,000.00	10,000.00	Other business - related freeze	Other business - related freeze				
<b>Total</b>	<b>416,472,736.55</b>	<b>416,472,736.55</b>			<b>210,728,816.87</b>	<b>210,728,816.87</b>		

## 7.23. Accounts payable

### 7.23.1. Presentation of accounts payable

Unit: CNY

Item	Closing Balance	Opening Balance
Engineering equipment expense	742,420,293.37	854,220,902.47
Materials and service expense	671,000,882.43	990,276,304.31
<b>Total</b>	<b>1,413,421,175.80</b>	<b>1,844,497,206.78</b>

### 7.23.2. Significant accounts payable whose aging is longer than 1 year or overdue

Unit: CNY

Item	Closing Balance	Reason for non-payment or carrying forward
China Construction First Group Corporation Limited	319,962,544.23	Project payment within the contract settlement period
China Second Metallurgy Group Co., Ltd.	131,967,754.49	Project payment within the contract settlement period
Luzhou Branch of Zhongqi Construction Group Huamao Co., Ltd.	21,826,780.23	Project payment within the contract settlement period
China Fifth Metallurgy Group Co., Ltd.	15,390,638.64	Project payment within the contract settlement period
<b>Total</b>	<b>489,147,717.59</b>	

### 7.23.3. Whether there are any overdue and outstanding payments to small and medium-sized enterprises (SMEs)

Whether the Company is a large enterprise

Yes  No

## 7.24. Other payables

Unit: CNY

Item	Closing Balance	Opening Balance
Dividend payable	28,163,719.84	29,668,290.20
Other payables	587,589,747.04	843,927,138.88
Total	615,753,466.88	873,595,429.08

### 7.24.1. Dividend payable

Unit: CNY

Item	Closing Balance	Opening Balance
Dividend payable to minority shareholders of the Company's subsidiary	28,163,719.84 <sup>1</sup>	29,668,290.20
Total	28,163,719.84	29,668,290.20

Note: 1 The closing balance refers to the dividends distributed but not yet paid to minority shareholders of the Company's subsidiary Boda Marketing Company.

### 7.24.2. Other payables

#### 7.24.2.1. Categories by nature

Unit: CNY

Item	Closing Balance	Opening Balance
Security deposit	383,977,398.34	447,066,962.39
Intercompany funds	22,227,075.32	28,522,739.40
Repurchase obligations of restricted shares	159,634,274.47	345,699,443.89
Others	21,750,998.91	22,637,993.20
Total	587,589,747.04	843,927,138.88

#### 7.24.2.2. Significant other payables whose aging are longer than 1 year or overdue

Unit: CNY

Item	Closing Balance	Reason for not payment or carrying forward
Security deposits from suppliers	26,029,046.77	Within the contract performance period
Security deposits from dealers	41,255,039.16	Within the contract performance period
Total	67,284,085.93	

## 7.25. Advances from customers

### 7.25.1. Presentation of advances from customers

Unit: CNY

Item	Closing Balance	Opening Balance
Advance rent receipts	2,014,696.36	
Total	2,014,696.36	

## 7.26. Contract liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Within 1 year	3,312,289,242.35	3,960,810,214.93
1-2 years	46,508,887.11	11,557,251.98
2-3 years	4,887,777.56	1,918,201.08
Over 3 years	3,757,820.81	3,845,860.89
Total	3,367,443,727.83	3,978,131,528.88

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*.

The total amount of the top five companies in contract liabilities was CNY 1,793,089,854.36, accounting for 53.25%.

## 7.27. Employee benefits payable

### 7.27.1. Employee benefits payable shown as follows

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
1. Short-term benefits	524,037,059.67	1,088,864,428.51	1,152,687,031.90	460,214,456.28
2. Post-employment benefits- defined contribution plans	29,543,709.32	169,156,488.94	177,192,274.18	21,507,924.08
3. Termination benefits		1,158,663.75	1,158,663.75	
Total	553,580,768.99	1,259,179,581.20	1,331,037,969.83	481,722,380.36

### 7.27.2. Short-term employee benefits payable shown as follows

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
1. Wages, bonuses, allowances and grants	474,157,091.74	868,723,096.60	927,714,697.61	415,165,490.73
2. Employees'		20,658,158.87	20,658,158.87	

welfare				
3. Social insurance premiums	6,287,723.00	83,934,633.04	85,468,318.30	4,754,037.74
Including: Medical insurance premium	4,102,608.47	81,503,970.06	82,811,147.07	2,795,431.46
Work-related injury insurance	2,185,114.53	2,430,662.98	2,657,171.23	1,958,606.28
4. Housing funds	6,978,209.89	85,861,400.32	85,942,419.05	6,897,191.16
5. Labor union expenditures and employee education funds	36,614,035.04	29,687,139.68	32,903,438.07	33,397,736.65
Total	524,037,059.67	1,088,864,428.51	1,152,687,031.90	460,214,456.28

### 7.27.3. Defined contribution plan shown as follows

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
1. Basic endowment insurance premium	20,034,205.90	103,977,115.71	111,999,848.33	12,011,473.28
2. Unemployment insurance premium	265,096.82	4,228,009.01	4,231,953.98	261,151.85
3. Enterprise annuity	9,244,406.60	60,951,364.22	60,960,471.87	9,235,298.95
Total	29,543,709.32	169,156,488.94	177,192,274.18	21,507,924.08

### 7.28. Taxes payable

Unit: CNY

Item	Closing Balance	Opening Balance
Value-added tax	276,075,582.62	712,774,935.04
Consumption tax	735,986,504.12	1,446,813,372.13
Enterprise income tax	464,627,315.26	798,281,280.17
Individual income tax	9,944,022.89	11,091,390.13
Urban maintenance and construction tax	70,393,445.36	147,158,156.11
Education surcharge	30,116,997.43	63,919,687.59
Local education surcharge	20,186,006.39	43,486,324.21
Stamp duty	5,209,309.95	9,583,849.31
Land use tax		437,618.74
Others	344,885.79	401,983.65
Total	1,612,884,069.81	3,233,948,597.08

### 7.29. Non-current liabilities due within one year

Unit: CNY

Item	Closing Balance	Opening Balance
Long-term loans due within one year	4,060,900,000.00	1,720,200,000.00
Bonds payable due within one year		1,499,788,498.36
Lease liabilities due within one year	9,584,667.93	9,688,349.02
Interest of long-term loans due within	3,714,545.12	5,383,276.22

one year		
Interest of bonds payable due within one year		41,568,493.14
<b>Total</b>	<b>4,074,199,213.05</b>	<b>3,276,628,616.74</b>

### 7.30. Other current liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Output VAT to be transferred	436,920,270.99	516,729,820.48
<b>Total</b>	<b>436,920,270.99</b>	<b>516,729,820.48</b>

### 7.31. Long-term loans

#### 7.31.1. Long-term loans

Unit: CNY

Item	Closing Balance	Opening Balance
Credit loans	6,688,066,310.93	8,000,100,000.00
Less: Long-term loans due within one year	-4,060,900,000.00	-1,720,200,000.00
<b>Total</b>	<b>2,627,166,310.93</b>	<b>6,279,900,000.00</b>

Other statements, including interest rate range:

Note: The interest rate level of the Company's long-term loans at the end of the period was loan prime rate (LPR) - corresponding basic points (BP) for 1-year/5-year and above loan terms.

### 7.32. Lease liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Lease payment	28,581,944.08	38,789,939.06
Less: unrecognized financing cost	-3,304,085.54	-4,573,070.91
Less: lease liabilities due within one year	-9,584,667.93	-9,688,349.02
<b>Total</b>	<b>15,693,190.61</b>	<b>24,528,519.13</b>

### 7.33. Deferred income

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance	Reason
Government grants	86,672,726.83	22,315,000.00	26,473,781.06	82,513,945.77	Reception of financial allocation
<b>Total</b>	<b>86,672,726.83</b>	<b>22,315,000.00</b>	<b>26,473,781.06</b>	<b>82,513,945.77</b>	--

Other statements:

Details:

Item	Opening Balance	Increase in current period	Other income in current period	Closing Balance	Related to assets/ income
Technological transformation project of Luzhou Laojiao Intelligent Packing Center	58,625,350.00	8,517,000.00	13,162,636.40	53,979,713.60	Related to assets
Digital upgrade project of supply chain management for Luzhou Laojiao Intelligent Packing Center	8,714,300.00	3,798,000.00	2,137,592.30	10,374,707.70	Related to assets
Cogeneration Expansion Project (I)		10,000,000.00		10,000,000.00	Related to assets
Improvement and technical renovation project of Luzhou Laojiao production supporting	5,518,863.65		1,892,181.84	3,626,681.81	Related to assets
Boiler reconstruction project of Luohan Baijiu Production Base of Luzhou Laojiao	3,792,857.15		1,264,285.68	2,528,571.47	Related to assets
Distillation wastewater treatment project	4,285,714.25		3,428,571.40	857,142.85	Related to assets
Construction project of liquor room of Luzhou Laojiao baijiu production technical renovation	3,357,142.91		2,685,714.36	671,428.55	Related to assets
New mode application project of digital workshop for solid state baijiu production	1,941,868.84		1,553,495.04	388,373.80	Related to assets
Luzhou Laojiao automatic baijiu production line technical renovation project	436,630.03		349,304.04	87,325.99	Related to assets
Total	86,672,726.83	22,315,000.00	26,473,781.06	82,513,945.77	

### 7.34. Share capital

Unit: CNY

	Opening Balance	Increases/decreases in the current period (+, -)					Closing Balance
		Issuance of new shares	Bonus shares	Conversion of reserve fund into shares	Others	Subtotal	
Total number of shares	1,471,951,503.00				-9,540.00	-9,540.00 <sup>1</sup>	1,471,941,963.00

Note: 1. In 2025, among the awardees of the Company's 2021 Restricted Share Incentive Plan (Draft), three of them no longer met the incentive conditions due to job transfer, resignation or other reasons. According to the relevant provisions of the incentive plan, a total of 9,540 restricted shares that have been granted to the above-mentioned awardees but have not yet been released from restrictions will be repurchased and retired by the Company.

### 7.35. Capital reserves

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Share premium (capital premium)	4,627,833,263.45	320,340,699.24	874,913.40	4,947,299,049.29

Other capital reserves	737,930,303.10	74,439,449.38	320,340,699.24	492,029,053.24
Total	5,365,763,566.55	394,780,148.62	321,215,612.64	5,439,328,102.53

Other statements, including increase/decrease and reasons thereof:

Note 1: The capital premium increased this year because some restricted shares granted have been released from restrictions upon maturity.

Note 2: The increase in other capital reserves for the current period was the costs and expenses attributable to the parent company to be recognized in the current period for the issuance of restricted shares.

### 7.36. Treasury shares

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Perform the repurchase obligations under the equity incentive	345,699,443.89		186,065,169.42	159,634,274.47
Total	345,699,443.89		186,065,169.42	159,634,274.47

Other statements, including notes to increase and decrease during the reporting period and the reasons for changes:

Note: The treasury shares reduced by CNY 186,065,169.42 for the current period due to the repurchase and cancellation of restricted shares and the expiration and lifting of restrictions on some granted restricted shares.

### 7.37. Other comprehensive income

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 and loss	Less: Previously recognized in other comprehensive income transferred to retained earnings	Less: Income tax	Amount attributable to parent company after tax	Amount attributable to non-controlling shareholders after tax	
I. Other comprehensive income that will not be reclassified into profit and loss	100,246,134.07	51,838,868.58		-2,847.82		51,841,716.40		152,087,850.47
Other comprehensive income	178,179.70	610,470.04		-2,847.82		613,317.86		791,497.56

that will not be reclassified into profit and loss under equity method								
Fair value changes of other equity instrument investment	100,067,954.37	51,228,398.54				51,228,398.54		151,296,352.91
II. Other comprehensive income that will be reclassified into profit and loss	16,011,018.69	6,681,785.60				7,552,021.74	870,236.14	8,458,996.95
Including: Other comprehensive income that will be reclassified into profit and loss under equity method	19,792,136.19	8,615,162.86				8,615,162.86		11,176,973.33
Difference from conversion of financial statements in foreign currency	3,781,117.50	1,933,377.26				1,063,141.12	870,236.14	2,717,976.38
Total	84,235,115.38	58,520,654.18			-2,847.82	59,393,738.14	870,236.14	143,628,853.52

### 7.38. Surplus reserves

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Statutory surplus reserves	1,471,951,503.00		9,540.00	1,471,941,963.00
Total	1,471,951,503.00		9,540.00	1,471,941,963.00

Statements of surplus reserves, including notes to increase and decrease during the reporting period and the reasons for changes:

Note: The provision ratio of the Company's statutory surplus reserves has always remained at 100%

of the share capital. Therefore, it has been adjusted accordingly with the reduction of share repurchase this year.

### 7.39. Undistributed profits

Unit: CNY

Item	Current Period	Previous Period
Undistributed profit before adjustment at the end of the last year	39,340,298,309.42	33,815,566,574.75
Undistributed profit after adjustment at the beginning of year	39,340,298,309.42	33,815,566,574.75
Plus: Net profit attributable to owners of the parent company for the current period	10,830,713,936.14	13,472,986,476.01
Less: Provision of statutory surplus reserves	-9,540.00	-36,266.00
Ordinary share dividends payable	8,757,931,909.58	7,948,382,058.83
Other transfer in	-2,847.82	91,051.49
Undistributed profits at the end of the period	41,413,087,028.16	39,340,298,309.42

### 7.40. Operating revenue and cost of sales

Unit: CNY

Item	Current Period		Previous Period	
	Revenue	Cost of sales	Revenue	Cost of sales
Primary business	25,457,964,458.18	3,321,343,200.85	30,742,480,590.43	3,719,472,050.52
Other business	273,046,189.14	120,406,381.84	453,767,617.90	168,644,133.41
Total	25,731,010,647.32	3,441,749,582.69	31,196,248,208.33	3,888,116,183.93

Whether the lowest of the Company's total profit, net profit, net profit after deduction of non-recurring gains and losses for the reporting period through audit is negative

Yes  No

Details:

Unit: CNY

Contract category	Baijiu sales		Total	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Commodity type				
Including:				
Medium and high grade baijiu	22,967,954,695.59	2,080,399,388.33	22,967,954,695.59	2,080,399,388.33
Other baijiu	2,637,587,357.62	1,317,009,724.41	2,637,587,357.62	1,317,009,724.41
Other revenue	125,468,594.11	44,340,469.95	125,468,594.11	44,340,469.95
By operating segment				
Including:				
Domestic	25,534,165,136.80	3,412,604,641.73	25,534,165,136.80	3,412,604,641.73
Outbound	196,845,510.52	29,144,940.96	196,845,510.52	29,144,940.96
Market or customer				

type				
Including:				
Contract type				
Including:				
Recognize revenue at point in time	25,674,673,387.40	3,403,694,700.83	25,674,673,387.40	3,403,694,700.83
Recognize revenue by time period	56,337,259.92	38,054,881.86	56,337,259.92	38,054,881.86
By commodity transfer time				
Including:				
By contract term				
Including:				
By sales channel				
Including:				
Total	25,731,010,647.32	3,441,749,582.69	25,731,010,647.32	3,441,749,582.69

#### Other statements

Note 1: The classification standard for Medium and high grade baijiu of the Company is any product with a selling price including VAT of CNY 150 or more per bottle. Representative product categories include National Cellar 1573, Luzhou Laojiao Tequ and Century-old Luzhou Laojiao Jiaoling Baijiu. "Other baijiu" is defined as any product with a selling price including VAT of less than CNY 150 per bottle.

Note 2: The Company's main business is the production and sale of baijiu. Revenue is recognized at the point when the Company transfers control of the relevant goods to the customer and fulfills its performance obligations.

Information in relation to the transaction price apportioned to the residual contract performance obligation:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was CNY 3,367,443,727.83 at the period-end, among which CNY 3,367,443,727.83 was expected to be recognized in 2026.

#### 7.41. Business taxes and surcharges

Unit: CNY

Item	Current Period	Previous Period
Consumption tax	3,104,586,232.09	3,758,818,690.82
Urban maintenance and construction tax	400,304,422.11	493,311,257.37
Educational surcharge	173,304,352.28	214,918,037.88
Property tax	76,320,532.63	77,927,281.84
Land use tax	27,858,248.28	34,031,578.65
Stamp duty	29,635,602.22	31,293,251.08
Local education surcharge	115,536,234.80	143,278,691.91
Others	197,752.11	176,791.63
Total	3,927,743,376.52	4,753,755,581.18

**7.42. General and administrative expenses**

Unit: CNY

Item	Current Period	Previous Period
Employee compensation	461,004,477.14	477,879,760.77
Depreciation and amortization	111,584,289.01	106,444,738.22
Share-based payment expense	44,069,367.51	100,696,953.42
Service expense and others	345,763,467.14	415,758,512.15
<b>Total</b>	<b>962,421,600.80</b>	<b>1,100,779,964.56</b>

**7.43. Selling and distribution expenses**

Unit: CNY

Item	Current Period	Previous Period
Advertising promotion expense	1,275,745,184.28	1,548,153,847.96
Promotion expense	1,281,434,004.00	1,109,741,814.61
Employee compensation	323,502,036.15	387,418,851.76
Storage and logistics costs	140,429,747.50	162,568,387.89
Share-based payment expense	18,588,708.87	48,618,883.85
Others	197,449,688.35	281,880,829.92
<b>Total</b>	<b>3,237,149,369.15</b>	<b>3,538,382,615.99</b>

**7.44. Research and development expenses**

Unit: CNY

Item	Current Period	Previous Period
Comprehensive research and development expenses	215,855,671.81	260,975,311.10
<b>Total</b>	<b>215,855,671.81</b>	<b>260,975,311.10</b>

**7.45. Financial expenses**

Unit: CNY

Item	Current Period	Previous Period
Interest expenses	156,570,325.03 <sup>1</sup>	304,312,417.15
Less: Interest income	-678,460,704.26	-797,923,434.30
Losses from currency exchange	4,817,776.90	-3,165,346.43
Handling charges	4,143,657.95	7,119,485.05
Amortization of unrecognized financing costs	933,150.65	1,135,819.21
<b>Total</b>	<b>-511,995,793.73</b>	<b>-488,521,059.32</b>

Note: 1 The interest expenses decreased by 48.55% year-on-year, mainly due to the gradual maturity and repayment of the Company's loans from financial institutions and bonds, which resulted in a reduction in the scale of interest-bearing debt.

**7.46. Other income**

Unit: CNY

Source	Current Period	Previous Period
Government grants	50,072,435.13	41,225,885.28
Other refund (Individual income tax handling fee refund)	2,820,191.39	2,526,666.45
Total	52,892,626.52	43,752,551.73

**7.47. Gain on changes in fair value**

Unit: CNY

Source	Current Period	Previous Period
Held-for-trading financial assets	7,777,112.49	27,528,769.00
Held-for-trading financial liabilities		9,870.60
Total	7,777,112.49	27,538,639.60

**7.48. Investment income**

Unit: CNY

Item	Current Period	Previous Period
Investment income from long-term equity investments under the equity method	156,406,734.29	106,578,492.71
Investment income from disposal of long-term equity investments		9,330,148.27
Investment income gained during the period of holding held-for-trading financial assets	25,160,965.67	46,953,767.52
Investment income from disposal of held-for-trading financial assets	2,830,900.55	-29,465,560.31
Dividend income gained during the period of holding other equity instrument investment	14,616,364.68	14,976,454.55
Income from derecognition of financial assets measured at fair value with changes recorded in other comprehensive income	-73,082,640.84 <sup>1</sup>	-158,251,822.92
Investment losses from foreign exchange forward transaction		-14,339.62
Total	125,932,324.35	-9,892,859.80

Note: 1 The Company presented the discounting expenses of derecognized bank acceptance bills under this account.

Other statements:

Including: investment income from long-term equity investments under the equity method:

Item	Current Period	Previous Period
Huaxi Securities Co., Ltd.	152,819,549.79	75,663,468.99
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	131,760.45	-1,657,275.64
Sichuan Development Liquor Investment Co., Ltd.	42,543.97	-19,699.92

Item	Current Period	Previous Period
Sichuan Tongniang Baijiu Industry Technology Research Institute Co., Ltd.	-111,332.95	-67,425.97
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	2,513,739.68	30,048,548.68
Sichuan Tianfu Granary Liquor Industry Co., Ltd.	1,010,473.35	2,610,876.57
<b>Total</b>	<b>156,406,734.29</b>	<b>106,578,492.71</b>

Including: dividend income gained during the period of holding other equity instrument investment:

Item	Current Period	Previous Period
North Chemical Industries Co., Ltd.	62,542.20	78,177.75
Guotai Haitong Securities Co., Ltd.	5,064,108.71	6,477,348.35
Luzhou Sanrenxuan Liquor Industry Co., Ltd.	3,000,000.00	2,500,000.00
Luzhou Bank Co., Ltd.	5,207,040.00	3,905,280.00
China Tourism Group Duty Free Corporation Limited	1,282,673.77	2,015,648.45
<b>Total</b>	<b>14,616,364.68</b>	<b>14,976,454.55</b>

#### 7.49. Credit impairment loss

Unit: CNY

Item	Current Period	Previous Period
Bad debt loss of accounts receivable	208,093.09	711,115.91
Bad debt loss of other receivables	40,168,804.02	921,121.70
<b>Total</b>	<b>40,376,897.11</b>	<b>1,632,237.61</b>

#### 7.50. Gains from disposal of assets

Unit: CNY

Source	Current Period	Previous Period
Gains from disposal of fixed assets	-520,993.44	1,058,750.22
Gains from disposal of intangible assets		
Gains from disposal of investment property		
Gains from disposal of use right assets	-13,061.24	
<b>Total</b>	<b>-534,054.68</b>	<b>1,058,750.22</b>

#### 7.51. Non-operating income

Unit: CNY

Item	Current Period	Previous Period	The amount included in the extraordinary gains and losses of the current period
Gains from retirement of non-current assets	863,750.83		863,750.83
Compensation for default	21,076,933.97	19,994,603.60	21,076,933.97
Others	4,908,551.40	4,235,258.66	4,908,551.40
<b>Total</b>	<b>26,849,236.20</b>	<b>24,229,862.26</b>	<b>26,849,236.20</b>

## 7.52. Non-operating costs

Unit: CNY

Item	Current Period	Previous Period	The amount included in the extraordinary gains and losses of the current period
Donation	36,710,000.00	11,979,052.40	36,710,000.00
Losses from damage retirement of non-current assets	290,137.91	13,325,050.92	290,137.91
Others	20,445,107.83	475,870.15	20,445,107.83
Total	57,445,245.74	25,779,973.47	57,445,245.74

## 7.53. Income tax expense

### 7.53.1. Statement of income tax expense

Unit: CNY

Item	Current Period	Previous Period
Current period income tax	3,638,133,812.29	4,442,748,346.01
Deferred income tax	155,891,243.87	264,771,902.14
Total	3,794,025,056.16	4,707,520,248.15

### 7.53.2. Adjustment for accounting profit and income tax expense

Unit: CNY

Item	Current Period
Total profit	14,653,935,736.33
Income tax expenses determined by statutory/applicable tax rate	3,663,483,934.08
Impact from subsidiaries' different tax rates	1,845,604.23
Impact from adjustment for impact from income tax expense in previous period	123,149,305.58
Impact from non-taxable income	-39,774,608.81
Impact from non-deductible costs, expenses and losses	21,435,765.26
Impact from deductible temporary difference or losses due to unrecognized deferred tax asset in current period	18,011,741.34
Income tax impact of expected pre-tax deductible amounts of restricted shares in future periods that are less than the recognized cost and expenses	19,830,876.79
Deduction impact of research and development costs	-13,957,562.31
Income tax expense	3,794,025,056.16

## 7.54. Other comprehensive income

Details in Note 7.35. Other comprehensive income.

## 7.55. Notes to the statement of cash flow

### 7.55.1. Cash related to operating activities

Cash received from other operating activities

Unit: CNY

Item	Current Period	Previous Period
Recovery of saving deposits involving contract disputes	32,747,607.52	3,465,620.33
Government grants	49,195,033.95	103,303,033.55
Interest income from bank deposit	477,245,652.50	667,147,733.48
Others	175,380,553.37	195,416,669.46
<b>Total</b>	<b>734,568,847.34</b>	<b>969,333,056.82</b>

Cash paid for other operating activities

Unit: CNY

Item	Current Period	Previous Period
Cash paid for expenses	2,441,195,520.64	2,204,134,745.45
Restricted court frozen funds paid	44,089.72	18,000,003.44
Cash paid to E-commerce platform as security deposit	20,520.00	3,979,979.79
<b>Total</b>	<b>2,441,260,130.36</b>	<b>2,226,114,728.68</b>

### 7.55.2. Cash related to investing activities

Cash received from significant investing activities

Unit: CNY

Item	Current Period	Previous Period
Recovering the principal invested in held-for-trading financial assets	2,200,000,000.00	2,160,000,000.00
<b>Total</b>	<b>2,200,000,000.00</b>	<b>2,160,000,000.00</b>

Cash paid for other investing activities

Unit: CNY

Item	Current Period	Previous Period
Loss on forward exchange settlement		14,339.62
<b>Total</b>		<b>14,339.62</b>

Cash paid for significant investing activities

Unit: CNY

Item	Current Period	Previous Period
Cash paid for purchasing long-term assets	1,932,762,969.97	1,188,370,866.64
Cash paid for purchasing held-for-trading financial assets	2,100,000,000.00	2,460,000,000.00
<b>Total</b>	<b>4,032,762,969.97</b>	<b>3,648,370,866.64</b>

### 7.55.3. Cash related to financing activities

Cash paid for other financing activities

Unit: CNY

Item	Current Period	Previous Period
Refund of minority shareholders' investments when a subsidiary was deregistered		9,074,676.53
Cash paid for repurchase of restricted shares	704,920.14	3,025,890.81
Net losses from put-back of bonds		
Cash paid for rent of right-of-use assets	9,363,065.83	8,138,594.92
<b>Total</b>	<b>10,067,985.97</b>	<b>20,239,162.26</b>

## Changes in liabilities arising from financing activities

 Applicable  N/A

Unit: CNY

Item	Opening Balance	Increase in current period		Decrease in current period		Closing Balance
		Cash change	Non-cash change	Cash change	Non-cash change	
Long-term loans (including long-term loans due within one year)	8,005,483,276.22	408,166,310.93	16,308,215.15	1,738,176,946.25		6,691,780,856.05
Bonds payable (including bonds payable due within one year)	1,541,356,991.50		11,143,008.50	1,552,500,000.00		
Lease liabilities (including lease liabilities due within one year)	34,216,868.15		424,056.22	9,363,065.83		25,277,858.54
Other payables (Repurchase obligations of restricted shares)	345,699,443.89			704,920.14	185,360,249.28	159,634,274.47
<b>Total</b>	<b>9,926,756,579.76</b>	<b>408,166,310.93</b>	<b>27,875,279.87</b>	<b>3,300,744,932.22</b>	<b>185,360,249.28</b>	<b>6,876,692,989.06</b>

**7.56. Supplementary information to statement of cash flow****7.56.1. Supplementary information to statement of cash flow**

Unit: CNY

Item	Current Period	Previous Period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	10,859,910,680.17	13,497,778,570.89
Plus: Provision for asset impairment	-40,376,897.11	-1,632,237.61

Depreciation of fixed asset, oil and gas assets and productive biological assets	679,729,252.35	680,834,155.15
Depreciation of right-of-use assets	8,694,005.79	9,694,652.62
Amortization of intangible assets	104,502,575.17	92,110,427.08
Amortization of long-term deferred expense	721,286.55	715,835.64
Losses from disposal of fixed assets, intangible assets and other long-term assets (Gains use "-")	534,054.68	-1,058,750.22
Losses from retirement of fixed assets (Gains use "-")	-573,612.92	13,325,050.92
Losses from change in fair value (Gains use "-")	-7,777,112.49	-27,538,639.60
Financial expenses (Gains use "-")	162,321,252.58	302,282,889.93
Losses on investments (Gains use "-")	-199,014,965.19	-148,358,963.12
Decrease in deferred income tax assets (Increase uses "-")	153,432,210.88	250,244,524.88
Increase in deferred income tax liabilities (Decrease uses "-")	2,461,075.93	15,602,686.66
Decrease in inventories (Increase use "-")	-2,003,237,231.39	-1,770,750,528.50
Decrease in operating receivables (Increase use "-")	299,526,477.64	4,167,999,841.68
Increase in operating payables (Decrease use "-")	-2,897,634,374.76	2,100,518,847.25
Others		
Net cash flows from operating activities	7,123,218,677.88	19,181,768,363.65
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	26,925,093,961.82 <sup>1</sup>	33,367,668,014.46
Less: Opening balance of cash	33,367,668,014.46	25,893,029,277.86
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net change in cash and cash equivalents	-6,442,574,052.64	7,474,638,736.60

Note: 1 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 827,500,000.00 and CNY 753,480,000.00, 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.

**7.56.2. Composition of cash and cash equivalents**

Unit: CNY

Item	Opening Balance	Closing Balance
1. Cash	26,925,093,961.82	33,367,668,014.46
Including: Cash on hand		27,640.75
Unrestricted bank deposit	26,905,255,479.85	33,325,611,589.29
Other unrestricted cash and cash equivalents	19,838,481.97	42,028,784.42
3. Closing balance of cash and cash equivalents	26,925,093,961.82	33,367,668,014.46

**7.56.3. Monetary funds not classified as cash and cash equivalents**

Unit: CNY

Item	Current Period	Previous Period	Reason
Bank deposit	393,834,614.88	181,100,955.95	Provision for fixed deposit interest on an accrual basis
Other monetary funds	10,000,053.87		Co-management account, managed in accordance with the measures for the administration of special funds for projects
Other monetary funds	10,023,572.23	10,000,000.00	Restricted bank cash deposits for L/G
Other monetary funds	1,404,495.57	1,627,857.48	Restricted cash deposit in E-commerce platforms
Other monetary funds	1,200,000.00	18,000,003.44	Frozen funds by the court
Other monetary funds	10,000.00		Other business-related frozen funds
Total	416,472,736.55	210,728,816.87	

**7.57. Foreign currency transactions****7.57.1. Foreign currency transactions**

Unit: CNY

Item	Closing Balance in Foreign Currency	Exchange Rate	Closing Balance in CNY
Cash at Bank and on Hand			438,428,302.65
Including: USD	61,701,162.64	7.0288	433,685,131.97
EUR			
HKD	5,251,401.30	0.90322	4,743,170.68
Accounts Receivable			2,620,596.97
Including: USD			
EUR			
HKD	2,901,393.87	0.90322	2,620,596.97
Other Receivables			1,339,851.46
Including: USD	18,697.65	7.0288	131,422.04
HKD	1,337,912.60	0.90322	1,208,429.42
Accounts Payable			14,123,208.46

Including: USD	12,811.29	7.0288	90,048.00
HKD	15,536,813.25	0.90322	14,033,160.46
Other Payables			4,081,671.12
Including: USD	5,500.00	7.0288	38,658.40
HKD	4,476,221.43	0.90322	4,043,012.72
Prepayments			999,035.73
Including: USD	5,323.66	7.0288	37,418.94
HKD	1,064,654.00	0.90322	961,616.79
Non-current liabilities due within one year			4,222,929.16
Including: USD	71,615.20	7.0288	503,368.92
HKD	4,118,111.03	0.90322	3,719,560.24
Lease liabilities			4,394,092.53
Including: USD	6,217.01	7.0288	43,698.12
HKD	4,816,539.06	0.90322	4,350,394.41
Long-term Loans			
Including: USD			
EUR			
HKD			

**7.57.2. 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

## 7.58. Lease

### 7.58.1. The Company as lessee

Applicable  N/A

Variable lease payments that are not covered in the measurement of the lease liabilities

Applicable  N/A

Simplified short-term lease or lease expense for low-value assets

Applicable  N/A

The Company uses a simplified approach for short-term leases, where the right-of-use assets and lease liabilities are not recognized. Short-term leases accounted for as expenses in the current period are listed below:

Item	Current Period	Previous Period
------	----------------	-----------------

Item	Current Period	Previous Period
Short-term lease expenses recognized as current profit or loss in the current period using the simplified approach	7,572,863.43	8,276,228.61
Total cash outflows related to leases	16,935,929.26	16,408,823.53

Note: 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.

Circumstances involving sale and leaseback transactions

None.

### 7.58.2. The Company as lessor

Operating leases with the Company as lessor

Applicable  N/A

Unit: CNY

Item	Rental income	Of which: income related to variable lease payments not included in lease receipts
Income from rental of buildings, equipment, etc.	12,365,562.02	
Total	12,365,562.02	

Finance leases with the Company as lessor

Applicable  N/A

Undiscounted lease receipts for each of the next five years

Applicable  N/A

Reconciliation of undiscounted lease receipts to net lease investments

### 7.58.3. Recognition of gain or loss on sales under finance leases with the company as a manufacturer or dealer

Applicable  N/A

### 7.59. Others

None.

## 8. Research and Development Expenditure

Unit: CNY

Item	Current Period	Previous Period
Material consumption	13,559,369.99	41,829,620.38
Research and development and technical services	50,996,780.86	70,364,674.63
Share payment expense	5,499,198.18	12,843,885.44
Other indirect costs	150,085,240.49	135,937,130.65

Total	220,140,589.52	260,975,311.10
Of which: Expensed research and development expenditure	215,855,671.81	260,975,311.10
Capitalized research and development expenditure	4,284,917.71	

## 9. Changes in consolidated scope

### 9.1. Business combination not under common control

#### 9.1.1. Business combination not under common control during current period

There is no business combination not under common control during current period.

### 9.2. Business combination under common control

#### 9.2.1. Business combination under common control during current period

There is no business combination under common control during current period.

### 9.3. 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.

### 9.4. 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

### 9.5. 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:

In August 2025, the Company invested and incorporated a wholly-owned subsidiary, Luzhou Laojiao Cultural Tourism Development Co., Ltd.

### 9.6. Other

None.

## 10. Interests in other entities

### 10.1. Interests in subsidiaries

#### 10.1.1. Group composition

Unit: CNY

Name of Subsidiaries	Registered capital	Major business location	Place of registration	Nature of business	Shareholding Proportion		Acquisition method
					Direct	Indirect	
Luzhou Laojiao Baijiu Production Co., Ltd.	487,582,236.00	Luzhou	Luzhou	Baijiu manufacture and sale	100.00%		Investment
Luzhou Red Sorghum Modern Agricultural Development Co., Ltd.	10,000,000.00	Luzhou	Luzhou	Agricultural product planting and sale		60.00%	Business combination under common control
Luzhou Laojiao Sales Co., Ltd.	100,000,000.00	Luzhou	Luzhou	Baijiu sale	100.00%		Investment
Luzhou Laojiao Nostalgic Liquor Marketing Co., Ltd.	5,000,000.00	Luzhou	Luzhou	Baijiu sale		100.00%	Investment
Luzhou Laojiao Selected Supply Chain Management Co., Ltd.	10,000,000.00	Luzhou	Luzhou	Baijiu sale		100.00%	Investment
Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd.	10,000,000.00	Qinzhou	Qinzhou	Red wine production and sale		100.00%	Investment
Luzhou Dingli Liquor Industry Co., Ltd.	5,000,000.00	Luzhou	Luzhou	Baijiu sale		100.00%	Investment
Luzhou Laojiao Qiankun Chateau Custom Liquor Sales Co., Ltd. <sup>2</sup>	5,000,000.00	Luzhou	Luzhou	Baijiu sale		100.00%	Investment
Luzhou Laojiao New Liquor Industry Co., Ltd.	5,000,000.00	Luzhou	Luzhou	Baijiu sale		100.00%	Investment

Luzhou Laojiao I & E Co., Ltd.	3,000,000.00	Luzhou	Luzhou	Liquor import and export trade		100.00%	Investment
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	120,000.00	Luzhou	Luzhou	Baijiu sale		75.00%	Investment
Luzhou Laojiao Fruit Wine Industry Co., Ltd.	50,000,000.00	Luzhou	Luzhou	Fruit wine sale		41.00%	Investment
Mingjiang Co., Ltd. (USD)	6,000,000.00	America	America	Baijiu sale		54.00%	Investment
Luzhou Laojiao International Trade (Hainan) Co., Ltd.	20,000,000.00	Hainan	Hainan	Food import and export		100.00%	Investment
Luzhou Pinchuang Technology Co., Ltd.	50,000,000.00	Luzhou	Luzhou	Technology development and service	100.00%		Investment
Luzhou Laojiao International Development (Hong Kong) Co., Ltd. (HKD)	10,000.00	Hong Kong	Hong Kong	Liquor sale	55.00%		Investment
Luzhou Laojiao Commercial Development (North America) Co., Ltd. (USD)	500,000.00	America	America	Business development		100.00%	Investment
Luzhou Laojiao Electronic Commerce Co., Ltd.	60,000,000.00	Luzhou	Luzhou	Liquor sale	90.00%		Investment
Luzhou Laojiao Health Liquor Industry Co., Ltd.	10,000,000.00	Luzhou	Luzhou	Health care liquor manufacture and sale	100.00%		Business combination under common control
Luzhou Laojiao Health Liquor Sales Co., Ltd.	5,000,000.00	Luzhou	Luzhou	Health care liquor sale		100.00%	Business combination under common control
Luzhou Laojiao New Retail Co., Ltd.	50,000,000.00	Luzhou	Luzhou	Baijiu sale	40.00%	60.00%	Investment
Luzhou Laojiao	500,000.00	Chengdu	Chengdu	Technology development and	40.00%	60.00%	Investment

Technology Innovation Co., Ltd.				service			
Luzhou Laojiao Cultural Tourism Development Co., Ltd.	30,000,000.00	Luzhou	Luzhou	Cultural tourism	40.00%	60.00%	Investment

Statement for the fact that the proportion of share-holding is different from the proportion of voting rights:

Note: Although the Company holds less than 51% of the equity in Luzhou Laojiao Fruit Wine Industry Co., Ltd., of the five members of the board of directors of the company, three members are appointed by the Company, which represents a majority, and the Company exercises substantive control over the company. Therefore, it is included in the scope of consolidation.

### 10.1.2. Important non-wholly-owned subsidiaries

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%	28,163,719.84	28,163,719.84	61,843,872.29

### 10.1.3. Major financial information of important non-wholly-owned subsidiaries

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.	448,256,893.26		448,256,893.26	200,881,404.11		200,881,404.11	471,136,426.86		471,136,426.86	223,760,937.71		223,760,937.71

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.	1,210,700,465.92	112,654,879.38	112,654,879.38	114,559,777.43	1,540,208,491.81	118,673,160.82	118,673,160.82	1,022,042.22
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Other statements:

#### 10.1.4. Significant restrictions on using the assets and liquidating the liabilities of the Company

None.

#### 10.1.5. Financial support or other supports provided to structural entities incorporated into the scope of consolidated financial statements

None.

Other statements:

### 10.2. The transaction of the company with its owner's equity share changing but the company still controls the subsidiary

#### 10.2.1. Note to the owner's equity share changed in subsidiary

None.

#### 10.2.2. The transaction's influence on the equity of non-controlling interests and the owner's equity attributable to the company as the parent

None.

### 10.3. Interests in joint ventures and associates

#### 10.3.1. 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

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

The Company has the substantive decision-making power, so the Company still has significant

influence on Huaxi Securities.

### 10.3.2. Major financial information of important associates

Unit: CNY

	Closing Balance/Amount in current period	Opening Balance/Amount in previous period
Current assets	96,509,002,038.54	93,869,804,524.81
Non-current assets	8,934,253,870.69	6,470,872,129.58
Total assets	105,443,255,909.23	100,340,676,654.39
Current liabilities	58,119,608,404.73	55,278,203,069.28
Non-current liabilities	22,531,896,382.85	21,499,772,518.55
Total liabilities	80,651,504,787.58	76,777,975,587.83
Non-controlling shareholder interest	14,102,701.14	16,018,731.95
Shareholder interest attributable to parent company	24,777,648,420.51	23,546,682,334.61
Share of net assets calculated based on shareholding proportion	2,575,281,586.36	2,447,340,296.67
Adjusted		
--Goodwill		
--Unrealized profits of internal transactions		
--Others	167,466,735.90	167,466,735.90
Book value of equity investments in associate companies	2,742,748,322.26	2,614,807,032.57
Fair value of equity investments in associate companies that have public quote	2,531,873,016.32	2,267,226,806.64
Operating revenue	4,615,484,528.69	3,919,594,533.79
Net profit	1,468,412,144.79	726,724,518.60
Net profit from discontinued operation		
Other comprehensive income	88,781,426.46	165,051,592.33
Total comprehensive income	1,557,193,571.25	893,035,220.62
Dividends from associate companies this year	34,103,893.00	13,641,557.20

### 10.3.3. Financial information summarized of unimportant joint ventures and associate companies

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	188,056,147.51	186,445,285.36
Total following items calculated on the basis of shareholding proportion		

--Net profit	2,766,667.32	2,120,824.16
--Total comprehensive income	2,766,667.32	2,120,824.16

Other statements:

Unimportant associate companies refer to Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd., Sichuan Development Liquor Investment Co., Ltd., CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd., Sichuan Tongniang Baijiu Industry Technology Research Institute Co., Ltd. and Sichuan Tianfu Granary Liquor Industry Co., Ltd.

#### 10.3.4. Notes to the significant restrictions on the ability of joint ventures or associate companies to transfer funds to the Company

None.

#### 10.3.5. The excess loss of joint ventures or associate companies

None.

#### 10.3.6. The unrecognized commitment related to investment to joint ventures

None.

#### 10.3.7. Contingent liabilities related to investment to joint ventures or associate companies

None.

## 11. Government grants

### 11.1. Government grants recognized at the end of the reporting period at the amount receivable

Applicable  N/A

Reasons for failing to receive government grants in the estimated amount at the estimated point in time

Applicable  N/A

### 11.2. Liability items involving government grants

Applicable  N/A

Unit: CNY

Item	Opening Balance	Increase in current period	Non-operating income in current period	Other income in current period	Other changes	Closing Balance	Related to assets/income
Deferred income	86,672,726.83	22,315,000.00		26,473,781.06		82,513,945.77	Related to assets
Total	86,672,726.83	22,315,000.00		26,473,781.06		82,513,945.77	

### 11.3. Government grants recognized as current profit or loss

Applicable  N/A

Unit: CNY

Item	Amount in current period	Amount in previous period
Other income	50,072,435.13	41,225,885.28
Non-operating revenue		
Total	50,072,435.13	41,225,885.28

Other statements:

## 12. Risks related to financial instruments

### 12.1. Various types of risks arising from 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, accounts payable, other payables, lease liabilities, some other current liabilities and loans. A detailed description of each financial instrument is set out in Note 7. Notes to the main items of the consolidated financial statements.

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 market 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.

#### **12.1.1. 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 December 31, 2025, the balance of the top five customers of the Company's accounts receivable amounted to CNY 6.0378 million, accounting for 93.65% of the balance of the Company's accounts receivable.

#### **12.1.2. 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, bank loans and issuing corporate bonds to maintain a balance between financing sustainability and flexibility. As at December 31, 2025, 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
Accounts payable	1,413,421,175.80	1,413,421,175.80	1,413,421,175.80			
Other payable	587,589,747.04	587,589,747.04	587,589,747.04			
Non-current liabilities due within one year	4,074,199,213.05	4,074,199,213.05	4,074,199,213.05			
Long-term loans	2,627,166,310.93	2,627,166,310.93		2,219,000,000.00		408,166,310.93
Lease liabilities	15,693,190.61	16,070,581.80		5,679,181.80	5,069,000.00	5,322,400.00
Total	8,718,069,637.43	8,718,447,028.62	6,075,210,135.89	2,224,679,181.80	5,069,000.00	413,488,710.93

### 12.1.3. Market risk

#### (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 fluctuations on its foreign exchange risk, and actively tracks the scale of foreign currency transactions, as well as foreign currency assets and liabilities, to minimize exposure to exchange rate risks. In order to hedge risks in the foreign exchange market, prevent adverse effects from significant fluctuations in exchange rates, control financial expenses and reduce exchange rate risks in overseas operations, the Company's subsidiary, Luzhou Laojiao International Development (Hong Kong) Co., Ltd., has engaged in forward foreign exchange contract transactions. As at December 31, 2025, the Company's assets and liabilities are mainly in CNY balance. At present, the Company's management considers the impact of changes in foreign exchange risk on the Company's financial statements to be less.

#### (2) Rate risk

The Company's interest rate risk mainly arises from the long-term loans from banks. 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.

#### (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 held-for-trading financial assets and investments in other equity instruments measured at fair value.

## 12.2. Financial assets

### 12.2.1. Classification of transfer methods

Applicable  N/A

Unit: CNY

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognized or not	Basis for derecognition
Endorsement of notes	Outstanding bank acceptance bills in accounts receivable financing	225,069,362.87	Yes	Almost all its risks and rewards have been transferred
Discount of notes	Outstanding bank acceptance bills in accounts receivable financing	2,024,406,085.76	Yes	Almost all its risks and rewards have been transferred
Total		2,249,475,448.63		

### 12.2.2. Financial assets derecognized due to transfer

Applicable  N/A

Unit: CNY

Item	Method of financial assets transfer	Amount of derecognized financial assets	Gains or losses related to derecognition
Outstanding bank acceptance bills in accounts receivable financing	Endorsement of notes	225,069,362.87	
Outstanding bank acceptance bills in accounts receivable financing	Discount of notes	2,024,406,085.76	-9,216,740.71
Total		2,249,475,448.63	-9,216,740.71

### 12.2.3. Continued involvement in the transfer of financial assets

Applicable  N/A

Other statement

## 13. Fair value disclosure

### 13.1. Closing fair value of assets and liabilities measured at fair value

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			1,584,771,959.37	1,584,771,959.37
1.1.1 Financial assets measured at fair value with their changes included into current profits/losses			1,584,771,959.37	1,584,771,959.37
1.1.1.4 Wealth management products			1,584,771,959.37	1,584,771,959.37
1.3 Investments in other equity instruments	442,241,327.25		33,257,910.65	475,499,237.90
1.6 Accounts receivable financing			1,466,494,973.96	1,466,494,973.96
Total assets continuously measured at fair value	442,241,327.25		3,084,524,843.98	3,526,766,171.23
2. Discontinuous measurement at fair value	--	--	--	--

### 13.2. 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.

### 13.3. Valuation technique adopted and nature and amount determination of important parameters for either continuously or discontinuously within Level 2 of the fair value hierarchy

None.

### 13.4. Valuation technique adopted and nature and amount determination of important parameters for either 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.

### **13.5. 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.

### **13.6. 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.

### **13.7. Changes in valuation techniques in the reporting period and reasons for the changes**

None.

### **13.8. Fair value of financial assets and liabilities not measured at fair value**

None.

## **14. Related parties and related party transactions**

### **14.1. 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	26.05%	50.99%

Statements for situation of parent company:

Note: The reason for the inconsistency between the shareholding proportion and voting rights proportion by the controlling shareholder is that: ① On May 23, 2024, Laojiao Group and XingLu Investment Group, the second biggest shareholder, renewed the concerted action agreement again which is valid as of June 1, 2024 and ends on May 31, 2027. The agreement: when the parties dealing 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. ② From March 2025 to September 2025, Laojiao Group increased its holdings of the Company's shares by 2,345,250 shares via centralized bidding transactions. For details please see Note 3. Company Profile.

The nature of the controlling shareholder: Limited liability company (state-owned); Registration place: Innovation and Entrepreneurship Center, Liquor Industry Park, Huangyi Town, Jiangyang District, Luzhou City, 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; equity fund-invested asset management services, passenger ticket agent and business agency service. 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; 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.

Other statements:

(1) Registered capital of the controlling shareholder and its changes (Unit: CNY 10,000)

Controlling shareholder	Opening balance	Increase in current period	Decrease in current period	Closing balance
Luzhou Laojiao Group Co., Ltd.	279,881.88			279,881.88

(2) Shares or equity interests held by the controlling shareholder and the changes therein

Controlling shareholder	Shareholding amount		Shareholding proportion (%)	
	Closing balance	Opening balance	Shareholding at the end of the year	Shareholding at the beginning of the year
Luzhou Laojiao Group Co., Ltd.	383,433,639.00	381,088,389.00	26.05	25.89

## 14.2. Subsidiaries of the Company

For details please see Note 10.1. Interests in subsidiaries.

### 14.3. Joint ventures and associates of the Company

For details please see Note 10.3. Interests in joint ventures and associates.

### 14.4. Other related party of the Company

Name of Other Related Party	Relationship with the Company
Luzhou XingLu Investment Group Co., Ltd.	The second largest shareholder
Luzhou Airport (Group) Co., Ltd.	Subsidiary of the second largest shareholder
Luzhou XingLu Water (Group) Co., Ltd.	Subsidiary of the second largest shareholder
Luzhou Public Transport Group Co., Ltd.	Subsidiary of the second largest shareholder
Luzhou XingLu Property Management Co., Ltd.	Subsidiary of the second largest shareholder
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Associate
Sichuan Tianfu Granary Liquor Industry Co., Ltd.	Associate
Sichuan Development Liquor Investment Co., Ltd.	Associate
Luzhou Sanrenxuan Liquor Industry Co., Ltd.	Associate of the controlling shareholder
Sichuan Jianxing Park Operation Management Co., Ltd.	Associate of the controlling shareholder
Luzhou COSCO Shipping Logistics Co., Ltd.	Associate of the controlling shareholder
Sichuan Landstar Supply Chain Technology Co., Ltd.	Associate of the controlling shareholder
Shijiazhuang Chengtong Lianzhong Storage and Transportation Co., Ltd.	Associate of the controlling shareholder
Sichuan Sidu Chishui Red Culture Development Co., Ltd.	Associate of the controlling shareholder
Sichuan Geyuan Equity Investment Fund Management Co., Ltd.	Associate of the controlling shareholder
Luzhou Bank Co., Ltd.	Associate of the controlling shareholder
Luzhou Rural Commercial Bank Co., Ltd.	Associate of the controlling shareholder
Sichuan Lianzhong Supply Chain Service Co., Ltd.	Other subsidiary of the controlling shareholder
Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.	Other subsidiary of the controlling shareholder
Shenzhen Mingxincheng Lighting Technology Co., Ltd.	Other subsidiary of the controlling shareholder
Luzhou Yuanhai Lianzhong Supply Chain Co., Ltd.	Other subsidiary of the controlling shareholder
APTCC	Other subsidiary of the controlling shareholder
Luzhou Laojiao Innovation Industry Holdings Co., Ltd.	Other subsidiary of the controlling shareholder
Luzhou Jiachuang Liquor Supply Chain Management Co., Ltd.	Other subsidiary of the controlling shareholder
Luzhou Laojiao Property Service Co., Ltd.	Other subsidiary of the controlling shareholder
Luzhou Huguo Condiment Co., Ltd.	Other subsidiary of the controlling shareholder
SC Global Wine Corporation Limited	Other related party
Sichuan Not Single Cultural and Creative Development Co., Ltd.	Other related party
Sichuan Baijiu Production Art E-business Co., Ltd.	Minority shareholder of the subsidiary Custom Liquor Company
Luzhou Yucheng Trading Co., Ltd.	Minority shareholder of the subsidiary Custom Liquor Company
Luzhou 2013 Liquor Marketing Co., Ltd.	Minority shareholder of the subsidiary Custom Liquor Company
Sichuan Meihe Winery Industry Co., Ltd.	Minority shareholder of the subsidiary Fruit Wine Industry

## 14.5. Related transactions

### 14.5.1. Related transactions of purchase and sales of goods / rendering and receipt of services

Table of purchase of goods / receipt of services

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:					
Laojiao Group and its subsidiaries, joint ventures and associates	Training, accommodation, warehousing, loading and unloading, transportation services and property costs, etc.	106,530,297.66			94,637,427.08
Luzhou XingLu Investment Group Co., Ltd. and its subsidiaries	Property service, advertising service, etc.	23,292,479.69			29,091,328.49
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Conference fees, travel service fee, etc.	8,914,614.84			10,275,324.41
Subtotal of receipt of services		138,737,392.19			134,004,079.98
Purchase of goods:					
Laojiao Group and its other subsidiaries, joint ventures and associates	Raw materials, water, power, etc.	270,080,317.97			322,867,238.48
Luzhou XingLu Investment Group Co., Ltd. and its subsidiaries	Gas, water	13,469,653.07			14,699,091.83
Subtotal of purchase of goods:		283,549,971.04			337,566,330.31
Total		422,287,363.23			471,570,410.29

Table of sales of goods and rendering of service

Unit: CNY

Name of Related Party	Transaction	Amount in current period	Amount in previous period
CTS Luzhou Laojiao	Liquor, etc.	54,877,667.51	102,225,092.84

Cultural Tourism Development Co., Ltd.			
Laojiao Group and its subsidiaries	Liquor, etc.	56,601,495.35	36,151,086.06
Luzhou Sanrenxuan Liquor Industry Co., Ltd.	Liquor	38,543,325.61	37,943,774.39
Sichuan Tianfu Granary Liquor Industry Co., Ltd.	Liquor	5,021,889.15	9,273,012.30
SC Global Wine Corporation Limited	Liquor	625,965.08	697,150.36
Sichuan Jianxing Park Operation Management Co., Ltd.	Liquor	96,535.62	76,496.28
Sichuan Sidu Chishui Red Culture Development Co., Ltd.	Liquor	38,000.00	7,764.66
Sichuan Geyuan Equity Investment Fund Management Co., Ltd.	Liquor	356.22	1,150.32
Sichuan Not Single Cultural and Creative Development Co., Ltd.	Liquor		6,326.76
Total		155,805,234.54	186,381,853.97

#### 14.5.2. Related party leasing

The Company as lessor:

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 and equipment lease	5,981,119.84	3,347,760.00

The Company as lessee:

Unit: CNY

Name of lessor	Type of assets leased	Rental expenses of short-term lease with simplified treatment 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	3,499,540.44	3,364,818.53			3,499,540.44	3,364,818.53				

### 14.5.3. Key management compensation

Unit: CNY

Item	Amount in current period	Amount in previous period
Key management compensation	9,976,525.50 <sup>1</sup>	13,449,854.68

Note: 1 In accordance with the requirements of the new *Company Law* and the *Implementation Plan for Deepening the Reform of the Board of Supervisors of State-owned Enterprises*, the Company completed the reform of its Board of Supervisors during the reporting period. As a result, the statistical scope of key management compensation in this reporting period has changed, and the compensation of supervisors is not included.

### 14.5.4. Other related transactions

The Company has daily fund deposit business with its related parties, Luzhou Bank Co., Ltd. and Luzhou Rural Commercial Bank Co., Ltd. As of December 31, 2025, the bank deposit balances of the Company in Luzhou Bank Co., Ltd. and Luzhou Rural Commercial Bank Co., Ltd. were CNY 508.6594 million and CNY 609.6356 million respectively. In 2025, the interest income from bank deposits in Luzhou Bank Co., Ltd. and Luzhou Rural Commercial Bank Co., Ltd. were CNY6.2776 million and CNY 21.5250 million respectively. This year and last year, the Company did not conduct loan business with the above two banks.

## 14.6. Receivables and payables of related parties

### 14.6.1. Receivables

Unit: CNY

Item	Related party	Closing Balance		Opening Balance	
		Book value	Provision for bad debt	Book value	Provision for bad debt
Prepayment	Luzhou Laojiao Group Co., Ltd.	8,778,438.12		9,180,164.89	
Prepayment	Luzhou XingLu Water (Group) Co., Ltd.	27,682.34		691,263.37	
Prepayment	Luzhou Public Transport Group Co., Ltd.			161,232.86	
Prepayment	Luzhou China Resources Xinglu Gas Co., Ltd.	107,402.91			
Prepayment	Sichuan Meihe Winery Industry Co., Ltd.	2,961,479.50		2,961,479.50	
Other receivables	Luzhou Airport (Group) Co., Ltd.	10,000.00	1,000.00	10,000.00	

### 14.6.2. Payables

Unit: CNY

Item	Related party	Closing Balance	Opening Balance
Accounts payable	Sichuan Lianzhong Supply Chain Service Co., Ltd.	17,764,335.79	3,302,166.70
Accounts payable	Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.	7,870.20	3,738.20
Accounts payable	Luzhou Xinglu Property Management Co., Ltd.		342,099.50
Contractual liabilities (tax inclusive)	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	165,261.04	30,406,394.92
Contractual liabilities (tax inclusive)	APTCC	709,197.67	709,197.66
Contractual liabilities (tax inclusive)	Luzhou Sanrenxuan Liquor Industry Co., Ltd.	7,633,200.00	111,325.61
Contractual liabilities (tax inclusive)	Sichuan Jianxing Park Operation Management Co., Ltd.	945,027.90	1,374,481.80
Contractual liabilities (tax inclusive)	Sichuan Lianzhong Supply Chain Service Co., Ltd.	207,700.06	110,091.79
Contractual liabilities (tax inclusive)	Luzhou Laojiao Innovation Industry Holdings Co., Ltd.	1,592,299.16	6,587,508.00
Contractual liabilities (tax inclusive)	Shijiazhuang Chengtong Lianzhong Storage and Transportation Co., Ltd.	768.78	768.78
Contractual liabilities (tax inclusive)	Luzhou Huguo Condiment Co., Ltd.	61,817.00	
Contractual liabilities (tax inclusive)	Sichuan Sidu Chishui Red Culture Development Co., Ltd.	38,000.00	
Contractual liabilities (tax inclusive)	Sichuan Tianfu Granary Liquor Industry Co., Ltd.	4,775,910.42	6,726,987.70
Other payables	Luzhou Xinglu Property Management Co., Ltd.	154,920.20	154,920.20
Other payables	Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.	70,000.00	70,000.00
Other payables	APTCC	150,000.00	150,000.00
Other payables	Luzhou Laojiao Group Co., Ltd.		5,000.00
Other payables	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	300,000.00	1,355,000.00
Other payables	Sichuan Jianxing Park Operation Management Co., Ltd.	95,000.00	100,000.00
Other payables	Luzhou Laojiao Innovation Industry Holdings Co., Ltd.	200,000.00	206,000.00
Other payables	Sichuan Development Liquor Investment Co., Ltd.	4,494,000.00	4,494,000.00
Other payables	Sichuan Lianzhong Supply Chain Service Co., Ltd.	31,895,827.74	47,074,343.00
Other payables	Luzhou Yuanhai Lianzhong Supply Chain Co., Ltd.	50,000.00	50,000.00

Other payables	Luzhou Laojiao Property Service Co., Ltd.	159,475.66	30,020.58
Other payables	Luzhou Sanrenxuan Liquor Industry Co., Ltd.	300,000.00	300,000.00
Other payables	Sichuan Tianfu Granary Liquor Industry Co., Ltd.	100,000.00	100,000.00

## 14.7. Commitments of the related parties

None.

## 15. Stock payment

### 15.1. The overall situation of share-based payments

Applicable  N/A

Unit: CNY

Type of granting object	Granted in the Current Period		Exercised in the Current Period		Unlocked in the Current Period		Invalid in the Current Period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
					2,160,499	323,337,331.88	9,540	1,433,766.60
<b>Total</b>					2,160,499	323,337,331.88	9,540	1,433,766.60

Outstanding stock options or other equity instruments at the end of the reporting period

Applicable  N/A

Other statements:

Note 1: At the 12th Meeting of the 10th Board of Directors of the Company held on December 29, 2021, the *Proposal on the Grant of Restricted Shares to Awardees* was reviewed and approved and it was agreed to grant 6,928,600 restricted shares to 441 awardees for the first time at CNY 92.71 per share with December 29, 2021 as the grant date.

At the 18th Meeting of the 10th Board of Directors and the 9th Meeting of the 10th Board of Supervisors of the Company held on July 25, 2022, the *Proposal on the Grant of Reserved Portion of Restricted Shares to Awardees* was reviewed and approved and it was agreed to grant 342,334 restricted shares to 46 awardees at CNY 89.466 per share with July 25, 2022 as the grant date.

At the 26th Meeting of the 10th Board of Directors and the 15th Meeting of the 10th Board of Supervisors of the Company held on December 29, 2022, the *Proposal on the Grant of Reserved Portion of Restricted Shares to Awardees* was reviewed and approved and it was agreed to grant 92,669 reserved portion of restricted shares to 17 awardees at CNY 89.466 per share with December 29, 2022 as the grant date.

According to the incentive plan, its validity period lasts from the date of registration for the grant of restricted shares until all restricted shares are lifted from restricted sales or repurchased and retired, for a maximum of 60 months. The lifting restriction period of the restricted shares shall be 24 months from the date of completion of registration. The restricted shares will be lifted from restricted sales in

three batches after 24 months from the date of completion of registration, in the proportion of 40.00%, 30.00%, 30.00%, respectively, for each lifting.

In February 2025, the Company announced that 434 awardees met the lifting conditions in the second lifting restriction period under the 2021 Restricted Share Incentive Plan of the Company. The number of restricted shares that can be lifted from restricted sales was 2,022,530, accounting for 0.1374% of the current total share capital of the Company.

In February 2025, the Company announced that 17 awardees met the lifting conditions in the first lifting restriction period under the 2021 Restricted Share Incentive Plan Reserved Portion of the Company. The number of restricted shares that can be lifted from restricted sales was 37,069, accounting for 0.0025% of the current total share capital of the Company.

In September 2025, 45 awardees met the lifting conditions in the second lifting restriction period under the 2021 Restricted Share Incentive Plan Reserved Portion of the Company. The number of restricted shares that can be lifted from restricted sales was 100,900, accounting for 0.0069% of the current total share capital of the Company.

Note 2: In 2025, as three awardees no longer met the incentive conditions, the Company repurchased and canceled a total of 9,540 restricted shares that had been granted but not yet released from restrictions for these incentive recipients. As at the end of 2025, the Company had completed the repurchase and cancellation of the above-mentioned shares.

## 15.2. Equity-settled share-based payments

Applicable  N/A

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 deducts the grant price thereof
Important parameters of fair value of equity instruments on the grant date	The closing price of restricted stocks on the grant date
Basis to determine number of equity instrument that can be exercised	The Company's management considered factors such as changes in the number of eligible employees for the latest exercisable options and the level of performance achievement to make the best estimate.
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	1,716,551,039.40
Total costs of recognizing equity-settled share-based payments in the current period	75,359,525.81

## 15.3. Cash-settled share-based payments

Applicable  N/A

## 15.4. Share-based payment expenses in the current period

Applicable  N/A

Unit: CNY

Type of granting object	Expenses for equity-settled share-based payments	Expenses for cash-settled share-based payments
Production staff	7,202,251.25	
Sales staff	18,588,708.87	
Administrative staff	44,069,367.51	
R&D staff	5,499,198.18	
Total	75,359,525.81	

## 15.5. Modification and termination of share-based payments

None.

## 16. Commitments and contingencies

### 16.1. Commitments

Significant commitments at the balance sheet date

None.

### 16.2. Contingencies

#### 16.2.1. Significant contingencies at the balance sheet date

##### 1. Fund involving contract disputes

On October 15, 2014 and January 10, 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. In 2025, the Company recovered CNY 32.7476 million of saving deposits involving contract disputes. As of the period-end, the Company has recovered the above-mentioned saving deposits involving contract disputes with CNY 408.6483 million.

##### 2. Matters relating to debt disputes

Civil Ruling of the Jiangyang District People's Court of Luzhou City, Sichuan Province (2025) Chuan 0502 Min Chu No. 5676, in the case of plaintiff Duan Pinghui v. defendants China Construction First Engineering Bureau (Group) Co., Ltd., Luzhou Laojiao Baijiu Production Co., Ltd., and the third party Sichuan Zhonghuan Yineng Environmental Protection Engineering Co., Ltd., concerning a dispute over the right of subrogation of a creditor. On July 21, 2025, the applicant, Duan Pinghui, applied to the Jiangyang District People's Court of Luzhou City for asset preservation in litigation, requesting the freezing of bank deposits of the respondents, China Construction First Engineering Bureau (Group) Co., Ltd. and Luzhou Laojiao Baijiu Production Co., Ltd., in the amount of CNY 1,200,000.00, or the seizure, impoundment or freezing of other property of corresponding value.

As of December 31, 2025, the Company was also involved in several lawsuits arising from daily operations with relatively small amounts in dispute. However, the Company believes that any

liabilities arising from these minor lawsuits will not have a material adverse impact on the Company's financial position or operating results.

Except for the above matters, the Company has no other significant contingencies that need to be disclosed as of the end of the reporting year.

#### **16.2.2. 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.

## **17. Post balance sheet event**

### **17.1. Significant non-adjustment matters**

None.

### **17.2. Profit distribution**

Dividends to be distributed for every 10 existing shares held (CNY)	44.17
Profit distribution plan	Upon the resolution of the Board of Directors, the 2025 profit distribution plan was approved: Based on the current 1,471,941,963 shares, a cash dividend of CNY 44.17 (tax included) will be distributed for every 10 existing shares held, representing a total cash dividend amount of CNY 6,501,567,650.57 (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. <sup>1</sup>

Note: 1 The Company has reviewed and approved the interim profit distribution plan for 2025 at the 20th Meeting of the 11th Board of Directors held on January 9, 2026, distributing a cash dividend of CNY 13.58 (tax included) for every 10 existing shares held to all shareholders, totaling CNY 1,998,897,185.75 (tax included) distributed. If the above-mentioned plan is reviewed and approved by the meeting of shareholders, the total cumulative cash dividend of the Company in 2025 will be CNY 8,500,464,836.32 (tax included), accounting for approximately 78.48% of the net profit attributable to shareholders of the listed company in 2025.

### **17.3. Sales return**

There are no important sales returns after balance sheet date.

### **17.4. Statement for other post balance sheet events**

1. The achievement of lifting the restriction conditions in the third restriction period under the 2021 Restricted Share Incentive Plan

At the 21st Meeting of the 11th Board of Directors held on February 4, 2026, the *Proposal on the Achievement of Lifting the Restriction Conditions in the Third Restriction Period under the 2021 Restricted Share Incentive Plan* was reviewed and approved. In accordance with the *2021 Restricted Share Incentive Plan (Draft)*, the restriction conditions in the third restriction period under the 2021 Restricted Share Incentive Plan have been achieved. The Company agreed to proceed with the restriction lifting procedures for 421 incentive recipients who met the conditions. Restricted shares eligible for release from restricted sale amounted to 1,962,814 shares, representing 0.1333% of the current total share capital of the Company. This proposal was considered and approved by the Remuneration and Appraisal Committee of the Board of Directors of the Company. The date of listing for the restricted shares eligible for release from restricted sale was February 24, 2026.

2. The achievement of lifting the restriction conditions in the second restriction period under the 2021 Restricted Share Incentive Plan Reserved Portion

At the 21st Meeting of the 11th Board of Directors held on February 4, 2026, the *Proposal on the Achievement of Lifting the Restriction Conditions in the Second Restriction Period under the 2021 Restricted Share Incentive Plan Reserved Portion* was reviewed and approved. In accordance with the *2021 Restricted Share Incentive Plan (Draft)*, the restriction conditions in the second restriction period under the 2021 Restricted Share Incentive Plan Reserved Portion have been achieved. The Company agreed to proceed with the restriction lifting procedures for 17 awardees who met the conditions. Restricted shares eligible for release from restricted sale amounted to 27,800 shares, representing 0.0019% of the current total share capital of the Company. This proposal was considered and approved by the Remuneration and Appraisal Committee of the Board of Directors of the Company. The date of listing for the restricted shares eligible for release from restricted sale was February 24, 2026.

3. Except for the above matters, the Company has no other post balance sheet events.

## **18. Other important information**

### **18.1. 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.

### **18.2. Segment information**

#### **18.2.1 Recognition basis and accounting policies of reportable segment**

Except for the business on baijiu 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.

### 18.3. Other significant events that can affect investors' decision

#### Saving deposits involving contract disputes

As stated in Note 16.2, 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 Sichuan Ding Zheng Law Firm on December 8, 2025 that "given that up to now, through criminal and civil enforcement, the Company has cumulatively recovered CNY 409 million. At the same time, it is expected that further recoveries of up to approximately CNY 10 million may be achieved in the future. The estimated actual loss arising from the irregular deposits in the three aforementioned places is approximately CNY 80 million. Thus, it is suggested that the total amount of bad debt provision for the irregular deposits in the three aforementioned places was CNY 80 million", the Company has made a bad debt provision of CNY 80 million for saving deposits involving contract 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.

## 19. Notes to the main Items of the financial statements of parent company (all currency units are CNY, except other specific statements)

### 19.1. Accounts receivable

#### 19.1.1. Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	7,840.91	15,421.83
1 to 2 years	14,400.03	
Total	22,240.94	15,421.83

#### 19.1.2. Disclosure by withdrawal methods for bad debts

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	22,240.94	100.00%	1,832.04	8.24%	20,408.90	15,421.83	100.00%	720.00	4.67%	14,701.83

impairment by the portfolio										
Including:										
Accounts receivable tested for impairment on the portfolio with characteristics of credit risk	22,240.94	100.00%	1,832.04	8.24%	20,408.90	15,421.83	100.00%	720.00	4.67%	14,701.83
Total	22,240.94	100.00%	1,832.04	8.24%	20,408.90	15,421.83	100.00%	720.00	4.67%	14,701.83

Provision for bad debt by the portfolio: CNY 1,832.04

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	22,240.94	1,832.04	8.24%
Including: within 1 year	7,840.91	392.04	5.00%
1 to 2 years	14,400.03	1,440.00	10.00%
Other portfolio			
Total	22,240.94	1,832.04	

Notes to the determination basis for the portfolio:

If adopting the general mode of expected credit loss to withdraw provision for bad debt of accounts receivable

Applicable  N/A

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

Allowance of provision for bad debt:

Unit: CNY

Type	Opening Balance	Changes in current period				Closing Balance
		Allowance	Reversal or recovery	Write-off	Other	
Accounts receivable with a single provision for expected credit loss						
Accounts receivable with expected credit loss by portfolio	720.00	1,112.04				1,832.04

Total	720.00	1,112.04			1,832.04
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Of which significant amount of recovered or transferred-back bad debt provision for the current period:  
There is no significant provision in accounts receivable reversed or recovered in the reporting period.

#### 19.1.4. Accounts receivable written-off in the current period

Notes to write-off of accounts receivable:

There were no accounts receivable written-off in the current period.

#### 19.1.5. Top five entities with the largest balances of accounts receivable and contract assets

Unit: CNY

Company name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets	Closing balance of provision for bad debt provision of accounts receivable and impairment allowance of contract assets
Wang Huiying	14,400.03		14,400.03	64.75%	1,440.00
China Railway 12th Bureau Group Co., Ltd.	7,840.91		7,840.91	35.25%	392.04
Total	22,240.94		22,240.94	100.00%	1,832.04

## 19.2. Other receivables

Unit: CNY

Item	Closing Balance	Opening Balance
Other receivables	12,687,994,073.65	14,619,833,493.32
Total	12,687,994,073.65	14,619,833,493.32

### 19.2.1. Other receivables

#### 19.2.1.1. Other receivables disclosed by nature

Unit: CNY

Nature	Closing book balance	Opening book balance
Internal intercourse funds	12,674,256,978.12	14,612,828,324.02
Intercourse funds and others	2,600,905.95	3,139,064.91
Saving deposits involving contract disputes <sup>1</sup>	91,351,645.65	124,099,253.17
Total	12,768,209,529.72	14,740,066,642.10

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”. In 2025, CNY 32,747,607.52 of the saving deposits involving contract disputes was recovered. The balance of this account as at the end of the year was CNY 91,351,645.65.

### 19.2.1.2. Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	12,676,568,788.72	14,615,795,158.37
1-2 years	203,215.35	92,550.56
2-3 years	6,200.00	
Over 3 years	91,431,325.65 <sup>1</sup>	124,178,933.17
3-4 years		6,880.00
4-5 years	6,880.00	
Over 5 years	91,424,445.65	124,172,053.17
Total	12,768,209,529.72	14,740,066,642.10

Note: 1 Other receivables with significant single amount exceeding three years in age relates to saving deposits of CNY 91,351,645.65, which are yet to be recovered due to contract disputes.

### 19.2.1.3. Disclosure by withdrawal methods for bad debts

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	
Provision for bad debt by individual item	91,351,645.65	0.72%	80,000,000.00	87.57%	11,351,645.65	124,099,253.17	0.84%	120,000,000.00	96.70%	4,099,253.17
Including:										
Other receivables that are individually material and for which a separate provision for bad debts has been made	91,351,645.65	0.72%	80,000,000.00	87.57%	11,351,645.65	124,099,253.17	0.84%	120,000,000.00	96.70%	4,099,253.17
Provision	12,676,	99.28%	215,456	0.00%	12,676,	14,615,	99.16%	233,148	0.00%	14,615,

n for bad debt by the portfolio	857,884.07		.07		642,428.00	967,388.93		.78		734,240.15
Including:										
Other receivables tested for impairment on the portfolio with characteristics of credit risk	12,676,857,884.07	99.28%	215,456.07	0.00%	12,676,642,428.00	14,615,967,388.93	99.16%	233,148.78	0.00%	14,615,734,240.15
Total	12,768,209,529.72	100.00%	80,215,456.07	0.63%	12,687,994,073.65	14,740,066,642.10	100.00%	120,233,148.78	0.82%	14,619,833,493.32

Provision for bad debt by individual item: CNY 80,000,000.00

Unit: CNY

Name	Opening Balance		Closing Balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Proportion	Reason
Saving deposits involving contract disputes	124,099,253.17	120,000,000.00	91,351,645.65	80,000,000.00	87.57%	Provision based on legal opinion
Total	124,099,253.17	120,000,000.00	91,351,645.65	80,000,000.00		

Provision for bad debt by the portfolio: CNY 215,456.07

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	2,600,905.95	215,456.07	8.28%
Including: within 1 year	2,311,810.60	115,590.53	5.00%
1-2 years	203,215.35	20,321.54	10.00%
2-3 years	6,200.00	1,240.00	20.00%
3-4 years			
4-5 years	6,880.00	5,504.00	80.00%
Over 5 years	72,800.00	72,800.00	100.00%
Other portfolio	12,674,256,978.12		
Total	12,676,857,884.07	215,456.07	

Allowance of provision for bad debt adopting the general mode of expected credit loss:

Unit: CNY

Provision for bad	First stage	Second stage	Third stage	Total
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debt	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 January 1, 2025	233,148.78		120,000,000.00	120,233,148.78
Balance of January 1, 2025 in the current period				
Allowance of the current period	53,267.71			53,267.71
Reversal of the current period	70,960.42		40,000,000.00	40,070,960.42
Balance of December 31, 2025	215,456.07		80,000,000.00	80,215,456.07

The basis for the division of each stage and the withdrawal proportion of bad debt provision

The basis for the division of each stage and the withdrawal proportion of bad debt provision: The basis for division is that other receivables with single bad debt provision represent credit impairment losses incurred since initial recognition (Stage 3), while the remaining portion is categorized based on expected credit risk. Withdrawal proportions of bad debt provision are 0.002% for Stage 1 and 87.57% for Stage 3, totaling 0.63%.

Changes of book balance with a significant change of loss provision in the current period

Applicable  N/A

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

Allowance of provision for bad debt:

Unit: CNY

Type	Opening Balance	Changes in current period				Closing Balance
		Allowance	Reversal or recovery	Write-off or verification	Other	
Bad debt provision for other receivables	120,233,148.78	53,267.71	40,070,960.42			80,215,456.07
Total	120,233,148.78	53,267.71	40,070,960.42			80,215,456.07

#### 19.2.1.5. Other receivables written-off in the current period

Notes to write-off of other receivables:

There were no other receivables written-off in the current period.

#### 19.2.1.6. Top five entities with the largest balances of the other receivables

Unit: CNY

Company Name	Nature	Closing Balance	Aging	Proportion in total receivables	Provisioning amount at period end
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Luzhou Laojiao Baijiu Production Co., Ltd.	Internal transactions	12,000,861,912.81	Within 1 year	93.99%	
Luzhou Laojiao New Retail Co., Ltd.	Internal transactions	350,185,016.73	Within 1 year	2.74%	
Luzhou Laojiao Import and Export Trade Co., Ltd.	Internal transactions	257,587,092.15	Within 1 year	2.02%	
Saving deposits involving contract disputes	Saving deposits involving contract disputes	91,351,645.65	Over 5 years	0.72%	80,000,000.00
Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd.	Internal transactions	51,616,153.54	Within 1 year	0.40%	
<b>Total</b>		<b>12,751,601,820.88</b>		<b>99.87%</b>	<b>80,000,000.00</b>

### 19.2.1.7. Presentation in other receivables due to the centralized management of funds

Unit: CNY

Other statements:

There were no other receivables presented due to the centralized management of funds in the current period.

### 19.3. Long-term equity investments

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiary	3,997,837,147.01		3,997,837,147.01	3,952,848,501.33		3,952,848,501.33
Investment in associates and joint venture	2,913,573,576.15	2,567,098.80	2,911,006,477.35	2,785,645,158.35	2,567,098.80	2,783,078,059.55
<b>Total</b>	<b>6,911,410,723.16</b>	<b>2,567,098.80</b>	<b>6,908,843,624.36</b>	<b>6,738,493,659.68</b>	<b>2,567,098.80</b>	<b>6,735,926,560.88</b>

#### 19.3.1. Investment in subsidiary

Unit: CNY

Investee	Opening Balance (book value)	Opening balance of provision for impairment	Changes in current period				Closing Balance (book value)	Closing balance of provision for impairment
			Increase	Decrease	Provision for impairment	Other		
Luzhou Laojiao Sales Co., Ltd.	337,977,895.51					16,298,065.66	354,275,961.17	

Luzhou Laojiao Baijiu Production Co., Ltd.	3,395,515,670.97					11,465,671.32	3,406,981,342.29	
Luzhou Laojiao Health Liquor Industry Co., Ltd.	11,441,320.72					700,169.43	12,141,490.15	
Luzhou Laojiao Electronic Commerce Co., Ltd.	61,138,183.23						61,138,183.23	
Luzhou Pinchuang Technology Co., Ltd.	101,624,459.30					2,355,649.75	103,980,109.05	
Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	14,741,362.82					858,689.43	15,600,052.25	
Luzhou Laojiao New Retail Co., Ltd.	30,409,608.78					1,310,400.09	31,720,008.87	
Luzhou Laojiao Cultural Tourism Development Co., Ltd.			12,000,000.00 <sup>1</sup>				12,000,000.00	
<b>Total</b>	<b>3,952,848,501.33</b>		<b>12,000,000.00</b>			<b>32,988,645.68<sup>2</sup></b>	<b>3,997,837,147.01</b>	

Note: 1 The long-term equity investment increased by CNY 12,000,000.00 because the Company invested in and incorporated Luzhou Laojiao Cultural Tourism Development Co., Ltd. this year.

2 The increase in the current period is due to the Company's restricted share incentive business, where the parent company (the settlement enterprise) is an investor in the recipient subsidiary (the service enterprise) and is recognized as a long-term equity investment in the subsidiary (the recipient service enterprise) based on the fair value of the equity instruments at the date of grant, and the capital reserve (other capital reserves) is recognized at the same time.

### 19.3.2. Investment in associate and joint venture

Unit: CNY

Invest	Openi	Openi	Changes in current period		Closin	Closin
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ee	ng Balanc e (book value)	ng Balanc e of provisi on for impair ment	Increa se	Decre ase	Gain or loss recog nized under equity metho d	Adjust ments of other compr ehens ive incom e	Other chang es in equity	Cash divide d or profit declar ed	Provis ion for impair ment	Other	g Balanc e (book value)	g Balanc e of provisi on for impair ment
1. Joint Ventures												
2. Associate												
Huaxi Securities Co., Ltd.	2,614,807.032.57	2,567,098.80			152,819.549.79	9,225,632.90		34,103,893.00			2,742,748,322.26	2,567,098.80
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	36,681,718.10				131,760.45						36,813,478.55	
Sichuan Development Liquor Investment Co., Ltd.	5,878,280.93				42,543.97						5,920,824.90	
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	125,711,027.95				40,649.70		-227,826.01				125,523,851.64	
Subtotal	2,783,078.059.55	2,567,098.80			153,034,503.91	9,225,632.90	-227,826.01	34,103,893.00			2,911,006,477.35	2,567,098.80
Total	2,783,078.059.55	2,567,098.80			153,034,503.91	9,225,632.90	-227,826.01	34,103,893.00			2,911,006,477.35	2,567,098.80

The recoverable amount is determined based on the net amount of the fair value minus disposal costs

Applicable  N/A

The recoverable amount is determined by the present value of the forecasted future cash flow

Applicable  N/A

#### 19.4. Operating revenue and cost of sales

Unit: CNY

Item	Current Period		Previous Period	
	Revenue	Cost of sales	Revenue	Cost of sales
Primary business	10,447,780,093.36	8,280,349,241.83	11,068,191,164.35	8,451,791,359.73
Other business	20,846,249.20	2,851,913.79	22,778,534.03	2,521,249.13
Total	10,468,626,342.56	8,283,201,155.62	11,090,969,698.38	8,454,312,608.86

Details:

Unit: CNY

Contract category	Baijiu sales		Total	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Commodity type				
Including:				
Medium and high grade baijiu	10,379,206,890.03	8,246,853,278.57	10,379,206,890.03	8,246,853,278.57
Other baijiu	68,573,203.33	33,495,963.26	68,573,203.33	33,495,963.26
Other revenue	20,846,249.20	2,851,913.79	20,846,249.20	2,851,913.79
By operating segment				
Including:				
Domestic	10,468,626,342.56	8,283,201,155.62	10,468,626,342.56	8,283,201,155.62
Outbound				
Market or customer type				
Including:				
Contract type				
Including:				
Recognize revenue at point in time	10,459,000,573.44	8,280,363,076.40	10,459,000,573.44	8,280,363,076.40
Recognize revenue by time period	9,625,769.12	2,838,079.22	9,625,769.12	2,838,079.22
By commodity transfer time				
Including:				
By contract term				
Including:				
By sales channel				
Including:				
Total	10,468,626,342.56	8,283,201,155.62	10,468,626,342.56	8,283,201,155.62

Other statements

Note: The Company's main business is the production and sale of baijiu. Revenue is recognized at the point when the Company transfers control of the relevant goods to the customer and fulfills its performance obligations.

Information in relation to the transaction price apportioned to the residual contract performance obligation:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was CNY 960,049.10 at the period-end, among which CNY 960,049.10 was expected to be recognized in 2026.

## 19.5. Investment income

Unit: CNY

Item	Current Period	Previous Period
Investment income from long-term equity investments under cost method	6,940,181,729.27	9,761,010,919.08
Investment income from long-term equity investments under equity method	153,034,503.91	74,877,362.33
Investment income gained during the period of holding held-for-trading financial assets	25,160,965.67	46,953,767.52
Investment income from disposal of held-for-trading financial assets	2,830,900.55	-29,465,560.31
Dividends income gained during the period of holding other equity instrument investment	14,616,364.68	14,976,454.55
Income from derecognition of financial assets measured at fair value with changes recorded in other comprehensive income <sup>1</sup>	-24,263,159.29	-21,417,110.91
<b>Total</b>	<b>7,111,561,304.79</b>	<b>9,846,935,832.26</b>

Note: 1. The Company presented the discounting expenses of derecognized bank acceptance bills under this account.

## 19.6. Other

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.	6,892,374,112.24	9,761,010,919.08
Luzhou Laojiao New Retail Co., Ltd.	39,774,713.03	
Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	8,032,904.00	
<b>Total</b>	<b>6,940,181,729.27</b>	<b>9,761,010,919.08</b>

Including: investment income from long-term equity investments under the equity method

Item	Current Period	Previous Period
Huaxi Securities Co., Ltd.	152,819,549.79	75,663,468.99
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	131,760.45	-1,657,333.41
Sichuan Development Liquor Investment Co., Ltd.	42,543.97	-19,699.92
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	40,649.70	890,926.67

Item	Current Period	Previous Period
Total	153,034,503.91	74,877,362.33

## 20. Supplementary information

### 20.1. Detailed statement of non-recurring gains and losses in the current period (+ for gain, - for loss)

Applicable  N/A

Unit: CNY

Item	Amount	Note
Gains or losses on disposal non-current assets	-534,054.68	
Government grants recognized in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	50,033,249.88	
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company's normal business operations)	35,768,978.71	
Reverse of bad debt provision of accounts receivable individually conducting impairment test	40,000,000.00	
Other non-operating income and expenditure except above-mentioned items	-30,596,009.53	
Less: Corporate income tax	23,034,464.44	
Minority interests (after tax)	962,551.56	
Total	70,675,148.38	--

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

### 20.2. 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	22.66%	7.36	7.36

common shareholders of the Company			
Net profits attributable to common shareholders of the Company before non-recurring gains and losses	22.51%	7.31	7.31

### **20.3. Differences between accounting data under domestic and overseas accounting standards**

#### **20.3.1. Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards**

Applicable  N/A

#### **20.3.2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards**

Applicable  N/A

**20.3.3. Explain reasons for the differences between accounting data under domestic and overseas accounting standards; for any adjustment made to the difference existing in the data audited by the foreign auditing agent, such foreign auditing agent's name shall be clearly stated**

### **20.4. Other**

None.