



泸州老窖

Luzhou Laojiao Co., Ltd.

2024 Annual Report

【April 2025】

2024 Annual Report

Section I Important Statements, Contents and Definitions

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

Liu Miao, responsible person for the Company, Xie Hong, responsible person for accounting work and 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
Lin Feng	Director	Work	Xiong Pingting

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

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

The profit distribution plan approved by the board of directors: based on 1,471,951,503 shares, a cash dividend of CNY 45.92 (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. On January 24, 2025, the Company carried out the 2024 interim dividend payout of CNY 13.58 (tax inclusive) for every 10 existing shares held, totaling CNY 1,998,910,141.07 (tax inclusive). If the said profit distribution plan is approved at a general meeting of shareholders, the total cash dividend payout for 2024 would be CNY 8,758,111,442.85 (tax inclusive), accounting for approximately 65.00% of the net profits attributable to shareholders of the Company in 2024.

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.
Brewing Company	Refer to	Luzhou Laojiao Brewing 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
Fax	(0830)2398864	(0830)2398864
E-mail	dsb@lzlj.com	dsb@lzlj.com

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

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

4. Company registration and alteration

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

5. Other relevant information

Accounting firm engaged by the Company

Name of the accounting firm	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	He Jun, 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

	2024	2023	YoY Change	2022
Operating revenues (CNY)	31,196,248,208.33	30,233,301,388.26	3.19%	25,123,563,271.62
Net profits attributable to shareholders of the Company (CNY)	13,472,986,476.01	13,246,394,700.59	1.71%	10,365,383,281.80
Net profits attributable to shareholders of the Company before non-recurring gains and losses (CNY)	13,399,514,669.49	13,150,392,806.65	1.89%	10,321,481,236.93
Net cash flows from operating activities (CNY)	19,181,768,363.65	10,648,364,935.46	80.14%	8,262,648,269.72
Basic earnings per share (CNY/share)	9.18	9.02	1.77%	7.06
Diluted earnings per share (CNY/share)	9.18	9.02	1.77%	7.06
Weighted average ROE	30.44%	35.07%	-4.63%	33.32%
	At the end of 2024	At the end of 2023	YoY Change	At the end of 2022
Total assets (CNY)	68,334,595,564.58	63,294,455,201.60	7.96%	51,385,481,354.52
Net assets attributable to shareholders of the Company (CNY)	47,388,500,553.46	41,391,410,494.89	14.49%	34,207,871,130.03

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 last accounting year 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	9,188,402,377.79	7,716,482,791.59	7,398,670,017.92	6,892,693,021.03
Net profits attributable to shareholders of the Company	4,573,950,129.90	3,453,588,035.41	3,565,502,984.74	1,879,945,325.96
Net profits attributable to shareholders of the Company before non-recurring gains and losses	4,552,423,532.38	3,441,687,198.86	3,570,292,253.98	1,835,111,684.27
Net cash flows from operating activities	4,359,428,564.46	3,865,631,648.11	4,239,654,583.54	6,717,053,567.54

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	2024	2023	2022	Note
Profit or loss from disposal of non-current assets (including the write-off portion of the impairment)	1,058,750.22	44,694,238.37	19,805,093.70	

provision)				
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)	41,225,885.28	51,950,003.11	34,931,161.52	
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)	54,342,655.46	68,181,502.73	-2,585,156.72	
Reversed portions of impairment allowances for receivables which are tested individually for impairment	422,217.14			
Other non-operating income and expenditure except above-mentioned items	-1,550,111.21	-35,875,412.66	7,873,927.25	
Less: Corporate income tax	20,932,166.54	31,697,444.12	14,413,895.31	
Minority interests (after tax)	1,095,423.83	1,250,993.49	1,709,085.57	
Total	73,471,806.52	96,001,893.94	43,902,044.87	--

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

Applicable N/A

No such cases for the reporting period.

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

Applicable N/A

No such cases for the reporting period.

Section III Management Discussion and Analysis

1. Industry overview for the reporting period

In 2024, the baijiu industry entered a new adjustment cycle. Over the coming period, the industry is expected to undergo accelerated “differentiation”, with market competition becoming increasingly intense. The industry is trending towards younger consumers, lower alcohol content, and a focus on health. Only companies that continue to innovate will be able to seize development opportunities.

2. Business scope in the reporting period

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

Holding 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 31.196 billion, up 3.19% year on year; and the net profit attributable to the shareholders of the listed company reached CNY 13.473 billion, up 1.71% year on year.

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

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





Main sales models:

Currently, the Company has two main sales models:

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

Distribution models:

Applicable N/A

1. Main sales models

Unit: CNY

	Operating revenue	Cost of sales	Gross profit margin	YoY change of operating revenue	YoY change of cost of sales	YoY change of gross profit margin
By sales model						
Traditional channel operation model	29,573,326,673.25	3,550,217,152.71	88.00%	3.20%	12.93%	-1.03%
Emerging channel operation model	1,479,326,664.30	294,200,778.24	80.11%	4.16%	-13.66%	4.10%

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	1701	183	192	-0.53	
Overseas	85	11	30	-18.27	

3. Main settlement method for distributors and distribution method

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

4. Top five distributors

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

Store sales terminals accounted for more than 10%

Applicable N/A

Online direct sales

Applicable N/A

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

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

Applicable N/A

Purchase model and purchase content

Unit: CNY

Purchase model	Purchase content	Amount of main purchase content
Organic raw grains are purchased through cooperative model and supplied by organic raw grain bases; other raw grains and packaging materials are purchased through bid invitation	Raw materials	3,907,073,658.46
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	186,003,014.55
Purchase through bid invitation	Low-value consumables	69,781,382.75

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

Applicable N/A

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

Applicable N/A

Main production model:

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

Commissioned processing and production

Applicable N/A

Main breakdown items of cost of sales

Unit: CNY

By business segment	Item	2024		2023		YoY Change
		Amount	As % of cost of sales	Amount	As % of cost of sales	
Baijiu	Raw materials	3,088,023,001.56	80.32%	2,938,909,467.97	84.34%	5.07%
Baijiu	Labor costs	292,097,887.79	7.60%	261,260,432.24	7.50%	11.80%
Baijiu	Manufacturing overhead	464,297,041.59	12.08%	284,374,819.89	8.16%	63.27%

Note: The 63.27% YoY increase in manufacturing overhead is mainly because the Intelligent Packaging Center was put into operation during the reporting period.

Production volume and inventory

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

Product classification	Production volume (ton)	Sales volume (ton)	Inventory (ton)	YoY change of production volume (%)	YoY change of sales volume (%)	YoY change of inventory	Description of major changes
Mid- and high-end baijiu	39,441.69	42,990.65	33,002.59	26.18	14.39	-9.71	
Other baijiu	65,426.97	60,770.41	10,355.88	24.15	3.54	81.70	Mainly due to the increased stock of Touqu 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)
43,358.47	429,840.35

3. Capacity

Unit: Ton

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

3. Analysis of core competitiveness

A. Geographical advantage

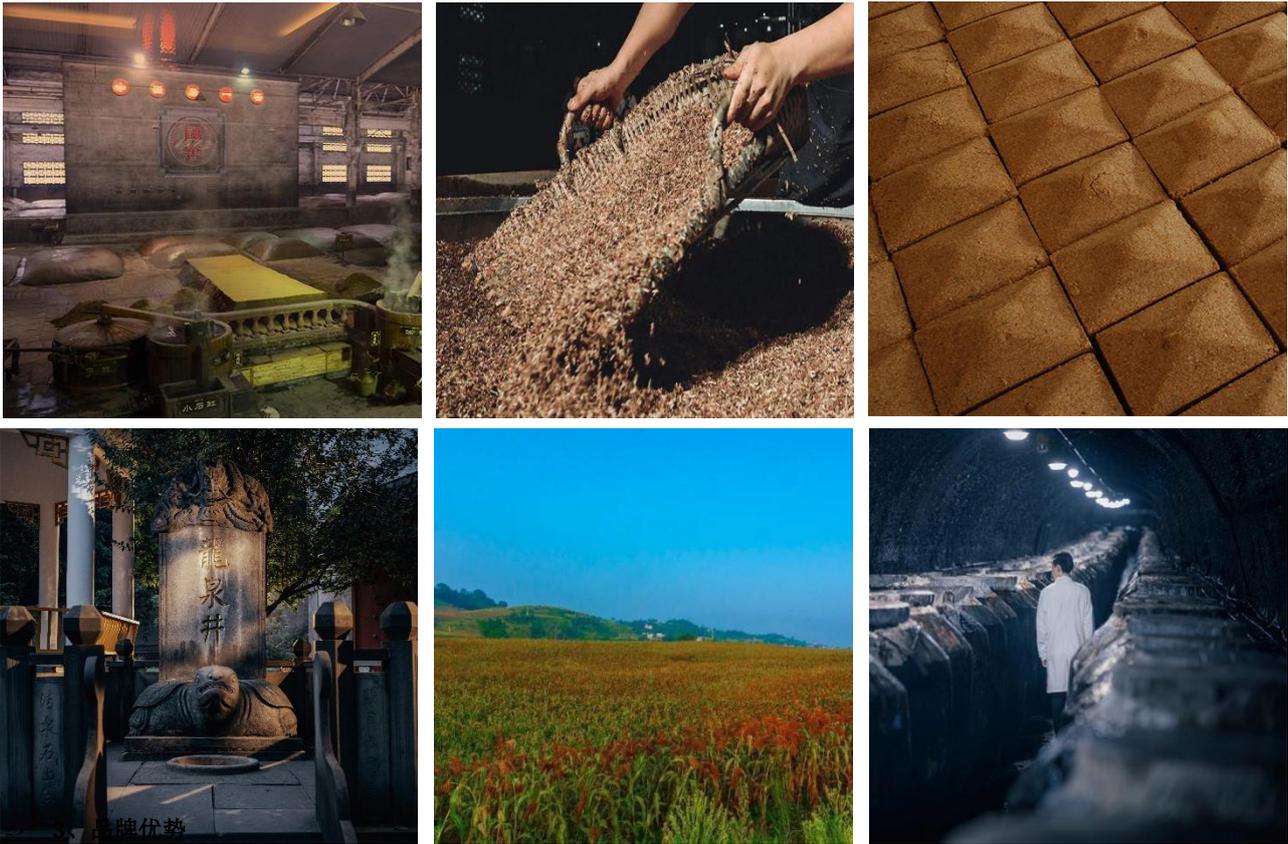
Luzhou City, where the Company is located, sits in the transitional area between the southern rim of the Sichuan Basin and the Yunnan-Guizhou Plateau, featuring a warmer and more humid sub-tropical climate compared to other areas at the same latitude, with a temperature above 0°C throughout the

year. The unique climate and soil are agreeable to grow grains for baijiu brewing. The glutinous red sorghum and soft wheat grown in this area are the primary raw materials for the baijiu of the Company. The cellars in which the Company brews its baijiu are made of the local loessal clay characterized by strong viscosity, rich minerals and excellent moisture retention. In addition, the abundant and quality water in the region creates a unique geographical advantage for the production of the Company's baijiu.



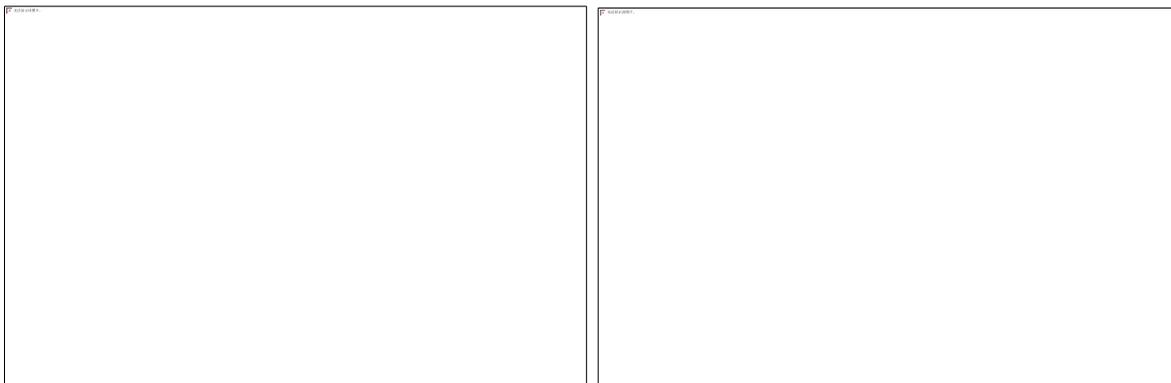
B. Advantage of cellars and brewing technique

Aged cellars are the most essential condition for a strong aromatic baijiu maker to produce good quality baijiu. The Cellars of National Treasure 1573, founded in 1573, was granted by the State Council as the first Cultural Relic of National Importance in the industry under the Protection of the State in December 1996. 1,619 cellars of Luzhou Laojiao which have been continuously used for over 100 years, together with its 16 ancient brewing workshops and three natural cellar holes, were all selected as the fourth batch of Cultural Relics of National Importance under the Protection of the State in 2013. They are unique resources that cannot be replicated. In both 2006 and 2012, Luzhou Laojiao Daqu Cellars were twice selected into the preliminary list of China for World Heritage. In November 2018, Luzhou Laojiao Cellars and Brewing Workshops were selected into China's Industrial Heritage List. The time-honored Traditional Brewing Technique of Luzhou Laojiao is a 24-generation inheritance and a classic brewing technique for strong aromatic baijiu. This technique was selected as the first batch of National Intangible Cultural Heritage in May 2006. The Cellars of National Treasure 1573 and the Traditional Brewing Technique of Luzhou Laojiao together provide the most essential basis and assurance for the quality of the product series of National Cellar 1573 and Luzhou Laojiao. Additionally, Huangyi Brewery Eco-Park has moved into full production in late 2020. Upholding the cultural connotations of "inheritance of ancient ways, pure-grain brewing, traditional techniques, and intelligent technologies", the Company carried out brewing technical renovation featuring automatic, intelligent and information technology-based transformation. As such, it has established a baijiu brewery eco-park comprising brewing workshops, leaven making workshops, and base baijiu storage cellars, along with energy and sewage treatment facilities. This brewery eco-park brings with it new production capacities of 100,000 tons of quality pure-grain solid baijiu and 100,000 tons of leaven in addition to a new storage capacity of 380,000 tons of baijiu per year, marking a substantial increase in the Company's production capacity.



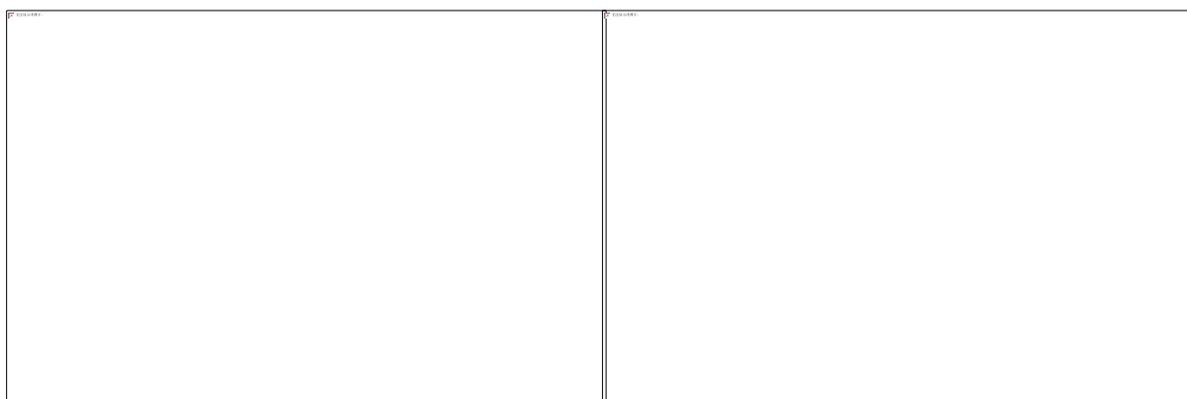
C. Brand advantage

Brand is a key business resource for baijiu producers. The Company’s reputation is greatly built on its superiority in brand. National Cellar 1573, which is of a connoisseurship level, is a world-famous high-end brand. Luzhou Laojiao Tequ, a classic brand for strong aromatic baijiu, was selected in 1952 by the first national tasting competition judges as one of the four most famous baijiu brands in China. It is the only strong aromatic baijiu brand that won the title of “National Famous 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.



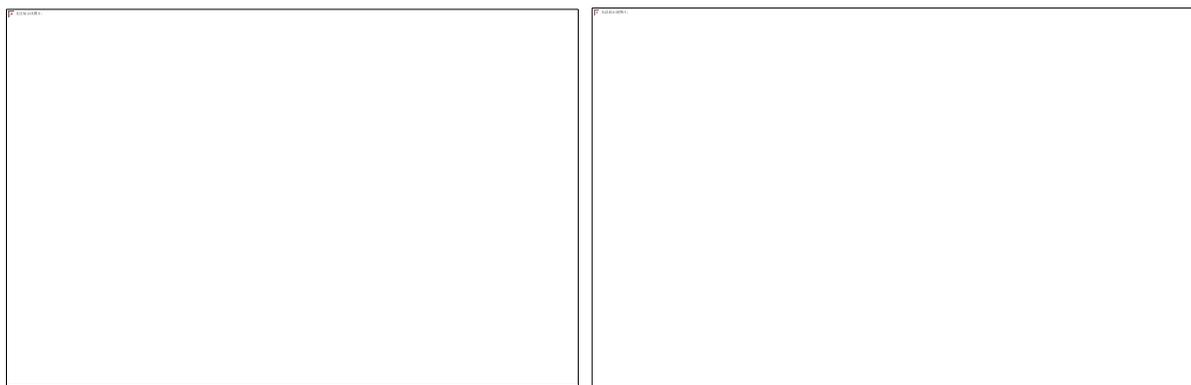
D. Quality and R&D advantage

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 Brewing, National Liquor Test Center, National Postdoctoral Workstation, etc., which all support the innovation and upgrading of products with their strong technical force. In recent years, the Company has put in a lot of efforts in researching Tequ production, informatization and intelligent transformation of brewing 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 brewing, 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, as well as hundreds of highly skilled personnel including national baijiu judges, as well as master technicians, senior technicians and technicians in baijiu brewing and tasting. The comprehensive and professional personnel system assures the sound development of the Company.



4. Analysis of main business

4.1. Overview

2024 marked the 700th anniversary of the birth of Luzhou Laojiao's strong aromatic baijiu. The Company remained firmly committed to the annual development theme of "proceeding with confidence, overcoming challenges, innovating, and collaborating", continuously strengthening its internal growth momentum, enhancing market competitiveness, and maintaining a sound and stable development trend. Over the past year, the Company achieved the following key results:

A. Multi-pronged efforts yielded marketing breakthroughs

The Company actively implemented the marketing theme of "strategic determination, digital innovation, efficient collaboration, and comprehensive breakthroughs". Market value was further consolidated and expanded, sales performance grew steadily, and the Company's development resilience and strength became increasingly evident. **Market value advanced steadily.** The National Cellar brand firmly maintained its position in the CNY 20 billion echelon, while the Luzhou Laojiao brand surpassed the CNY 10 billion mark. Market coverage and penetration continued to expand. **Digital and intelligent transformation in marketing accelerated.** The Company launched five-code products, promoted scenario code application, and reshaped the consumer channel system, driving a shift toward a "right-side strategy" focused on consumer-driven bottle-opening and scanning. **Marketing collaboration empowered efficiency.** Full collaboration across the sales team was advanced, enabling headquarters to support sales, back-end to support front-end, and teams to support customers, thereby unleashing coordinated growth momentum. **Circle development achieved remarkable results.** Relying on a three-tier public relations system at the headquarters, sales company, and sales unit levels, the Company continuously conducted public relations efforts, achieving notable progress in expanding target customer circles.

B. Culture-driven branding elevation

Centered around the theme of "Chinese Strong Aromatic Baijiu for 700 Years", the Company extensively carried out various cultural activities to promote the continuous recovery of the value of Luzhou Laojiao as a famous baijiu brand. **Brand connotation deepened.** The Company meticulously organized the "Chinese Strong Aromatic Baijiu for 700 Years" themed exhibition and vigorously advanced cultural tourism projects, earning certification as the "Origin of Chinese Strong Aromatic Baijiu". **Branding events were effectively implemented.** Leveraging cultural IP events such as the

“Baijiu Seal-off Ceremony”, global events including the Paris Olympics, and the 60th anniversary of China-France diplomatic relations, the Company consistently elevated its brand image. **Brand presence was strengthened.** By leveraging cultural and artistic resources such as the Chinese Nebula Awards and the Hundred Flowers Awards for Popular Films, the Company infused its brand with fashion and artistic appeal. Through the “letting the world taste the Chinese flavor” global cultural tour, it continued expanding its international presence. In 2024, National Cellar 1573 was ranked among the top 10 of the Hurun Most Valuable China Brands, and the Luzhou Laojiao brand was listed on the “China’s 500 Most Valuable Brands” ranking.

C. Enhancing quality and efficiency to strengthen production assurance

The Company remained firmly committed to upholding the bottom lines of quality assurance, production capacity assurance, and supply chain assurance, thereby laying a more solid foundation for high-quality development. **Quality assurance continuously strengthened.** The eight organic raw grain planting bases successfully passed organic recertification. The external audit pass rate for quality, food safety, and other management systems reached 100%. By focusing on process execution and key control points, the Company further improved the quality of base Baijiu and upgraded packaging quality. **Production capacity assurance was solid and effective.** The utilization rate of brewing resources and production efficiency continued to improve. The Luzhou Laojiao 950-mu Technical Upgrade Project of Intelligent Brewing achieved phased progress, accelerating the steps toward the goal of building a “digital lighthouse factory for baijiu brewing”. **Supply chain assurance gained new momentum.** The Luzhou Laojiao Intelligent Packaging Center, the first in the baijiu industry constructed to “lighthouse factory” standards, officially started operations. The Company added a new production capacity of 100,000 tons in intelligent bottling, further solidifying product assurance. Luzhou Laojiao was recognized as the first “National Intelligent Manufacturing Benchmark Enterprise” in the baijiu industry.

D. Technological innovation stimulating endogenous growth

The Company is committed to building a “moat” of technological innovation, leveraging strong technological capabilities to safeguard quality, enhance brand value, and empower sales. **An innovation-driven R&D ecosystem has taken shape.** The Company fully utilized major innovation platforms such as the National Engineering Research Center of Solid-state Brewing and the Sichuan Provincial Technological Innovation Center. By collaborating with top universities and research institutes, the Company tackled and applied key common and frontier-leading technologies, cultivating a large pool of senior scientific and technical talent. The Company officially released the “Top Ten Scientific and Technological Innovation Achievements of Luzhou Laojiao from 2015 to 2024”, showcasing the industry-leading technological strength of the Company. **Implementation of innovation projects accelerated.** The Company led the application for 16 key projects, successfully obtained approval for 11 government-funded science and technology projects, and completed acceptance inspections for 10 projects with a 100% pass rate. **R&D achievements continued to emerge.** The Company presided over and participated in the formulation and revision of 21 national, industry, association, and local standards. A total of 38 scientific papers were published. The Company submitted 165 patent applications and obtained 53 patent authorizations. The Company received multiple prestigious awards, including the Special Prize for Technological Invention from the China General Chamber of Commerce, First Prize for Employee Technological Innovation Achievements from

the China Association for Science and Technology, First Prize for Scientific and Technological Progress from the Chinese Institute of Food Science and Technology, and First Prize for Technological Invention from the China Alcoholic Drinks Association.

E. Strengthening headquarters capabilities

The Company focused on refined management, continuously improving a management framework that integrates authorization, systems, and processes, forming an efficient, sound, and diversified compliance operation system. **The corporate governance system was continuously optimized.** The Company implemented the deployment of deepening reform and enhancement actions for state-owned enterprises, established and improved the decision-making mechanism of “decision-making on major issues, appointment and removal of important personnel, investment decisions on major projects, and use of funds of a large amount”, and ensured the respective roles of the Board of Directors, the Board of Supervisors, general meetings of shareholders and the management. The Company’s Party Committee was honored as an “Outstanding Primary Party Organization in Sichuan Province”, and the Board of Directors won the “Best Practice Case of Listed Company Board of Directors” awarded by the China Association for Public Companies. The Company repeatedly received the highest A-level rating in the annual information disclosure assessment of listed companies on the Shenzhen Stock Exchange. **Foundational management was steadily strengthened.** The Company continued to carry out planning control, performance assessment, and investment supervision. The “nine safety responsibility checklists” were fully implemented, and the incidence of production safety accidents and occupational diseases remained zero throughout the year. **Talent-driven momentum was continuously enhanced.** The Company focused on three modules—“smart HR sharing”, “smart talent management”, and “smart HR operations”—and established a “three-pillar” human resources management model. The “Luzhou Laojiao Employees” intelligent labor union platform has been successfully launched, and the digital-intelligent “Employee Paradise” began to show its effectiveness. **Digital and intelligent management continued to upgrade.** The smart office collaboration platform is now online and operational, the application of RPA robots was advanced, and financial sharing was continuously upgraded. The Company was honored with the title of “Pioneer” in China’s industrial data governance and selected as a “Pioneer” case in the digital transformation of China’s light industry.

F. Proactively fulfilling responsibilities and demonstrating the role of a state-owned enterprise

The Company continued to practice the corporate philosophy of “Baijiu for the World, a Shared Future”, earnestly fulfilling its social responsibilities as a state-owned enterprise. **The Company made solid progress in philanthropic initiatives**, consistently carrying out social welfare activities such as rural revitalization and assistance for the underprivileged. In implementing bottom-line assistance measures, the Company was recognized as one of the “Top Ten Philanthropic Enterprises in Sichuan”. **The Company remained committed to green, low-carbon, and sustainable development.** For four consecutive years, the Company has conducted carbon emission accounting across its organizational boundaries and carried out product carbon footprint assessments. The Company also completed an evaluation of the Action Plan for Carbon Peaking. **The ESG system continued to improve.** The Company established a Strategy and ESG Committee under the Board of Directors, formulated a medium- and long-term plan for ESG system development, and achieved continuous improvement in the MSCI rating, ranking among the top in the industry.

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4.2. Revenues and cost of sales

4.2.1. Breakdown of operating revenues

Unit: CNY

	2024		2023		YoY Change
	Amount	As % of operating revenues	Amount	As % of operating revenues	
Total	31,196,248,208.33	100%	30,233,301,388.26	100%	3.19%
By business segment					
Baijiu	31,052,653,337.55	99.54%	30,077,278,859.58	99.48%	3.24%
Other revenues	143,594,870.78	0.46%	156,022,528.68	0.52%	-7.97%
By product					
Mid- and high-end baijiu	27,585,319,704.62	88.43%	26,841,342,073.14	88.78%	2.77%
Other baijiu	3,467,333,632.93	11.11%	3,235,936,786.44	10.70%	7.15%
Other revenues	143,594,870.78	0.46%	156,022,528.68	0.52%	-7.97%
By geographical segment					
Domestic	31,010,093,741.29	99.40%	30,056,130,668.72	99.41%	3.17%
Overseas	186,154,467.04	0.60%	177,170,719.54	0.59%	5.07%
By sales model					
Traditional channel operation model	29,573,326,673.25	94.80%	28,657,038,767.86	94.79%	3.20%
Emerging channel operation model	1,479,326,664.30	4.74%	1,420,240,091.72	4.70%	4.16%

Other revenues	143,594,870.78	0.46%	156,022,528.68	0.51%	-7.97%
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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	31,052,653,337.55	3,844,417,930.95	87.62%	3.24%	10.33%	-0.79%
By product						
Mid- and high-end baijiu	27,585,319,704.62	2,248,007,003.01	91.85%	2.77%	8.28%	-0.42%
Other baijiu	3,467,333,632.93	1,596,410,927.94	53.96%	7.15%	13.35%	-2.52%
By geographical segment						
Domestic	31,010,093,741.29	3,862,718,079.68	87.54%	3.17%	10.01%	-0.78%
By sales model						
Traditional channel operation model	29,573,326,673.25	3,550,217,152.71	88.00%	3.20%	12.93%	-1.03%

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	2024	2023	YoY Change
Baijiu	Sales volume	Ton	103,761.06	96,278.12	7.77%
	Production volume	Ton	104,868.66	83,956.49	24.91%
	Inventory	Ton	43,358.47	42,250.87	2.62%

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	2024		2023		YoY Change
		Amount	As % of cost of sales	Amount	As % of cost of sales	
Baijiu	Raw materials	3,088,023,001.56	80.32%	2,938,909,467.97	84.34%	5.07%
Baijiu	Labor costs	292,097,887.79	7.60%	261,260,432.24	7.50%	11.80%
Baijiu	Manufacturing overhead	464,297,041.59	12.08%	284,374,819.89	8.16%	63.27%

Note: The 63.27% YoY increase in manufacturing overhead is mainly because the intelligent packaging center was put into operation during the reporting period.

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

Yes No

Luzhou Laojiao Whitail Liquor Industry Co., Ltd., a subsidiary of the Company, was liquidated and de-registered in June 2024. And it has thus been excluded from the consolidated financial statements of the Company.

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)	21,067,404,089.23
Total sales to top five customers as % of the total sales	67.54%
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	12,843,472,296.80	41.17%
2	Customer B	4,035,698,543.60	12.94%
3	Customer C	2,538,145,987.32	8.14%
4	Customer D	1,017,880,050.74	3.26%
5	Customer E	632,207,210.77	2.03%
Total	--	21,067,404,089.23	67.54%

Other information on main customers

Applicable N/A

Main suppliers of the Company

Total purchases from top five suppliers (CNY)	1,394,524,586.86
Total purchases from top five suppliers as % of the total purchases	33.49%
Total purchases from related parties among top five suppliers as % of the total purchases	7.98%

Information on top five suppliers

No.	Supplier	Purchases (CNY)	As % of the total purchases for the year
1	Supplier A	394,394,837.42	9.47%
2	Supplier B	332,071,782.49	7.98%
3	Supplier C	294,354,553.42	7.07%
4	Supplier D	189,509,275.34	4.55%
5	Supplier E	184,194,138.18	4.42%
Total	--	1,394,524,586.86	33.49%

Other information on main suppliers

Applicable N/A

4.3. Expenses

Unit: CNY

	2024	2023	YoY Change	Reason for any significant change
Selling and distribution expenses	3,538,382,615.99	3,974,425,526.92	-10.97%	
General and administrative expenses	1,100,779,964.56	1,139,480,677.23	-3.40%	
Finance expenses	-488,521,059.32	-371,152,206.41		Mainly due to the reclassification of note discount expenses to investment income
R&D expenses	260,975,311.10	225,955,797.33	15.50%	

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	2024	2023	YoY Change	Reason for any significant change
Advertising expenses	1,548,153,847.96	1,614,086,963.33	-4.08%	
Sales promotion expenses	1,109,741,814.61	1,479,620,839.26	-25.00%	
Warehousing and logistics expenses	162,568,387.89	198,741,925.26	-18.20%	
Labor costs	387,418,851.76	297,757,314.24	30.11%	Mainly due to the increase in accrued remunerations for sales staff in the year
Other	330,499,713.77	384,218,484.83	-13.98%	

4.3.2. Breakdown of advertising expenses

Unit: CNY

Advertising	Expenses
Online advertising (exclusive of TV advertising)	140,288,998.95
Offline advertising	317,843,979.92
TV advertising	316,513,059.44
Other (inclusive of branding ideas, exhibitions & showcases, advertising materials, activity planning, etc.)	773,507,809.65

4.4. R&D investments

 Applicable N/A

Major R&D projects	Purpose	Progress	Specific objectives	Expected impact on the Company
Thermochemical Energy- and Resource-based Coupled Utilization Technology of Brewing Waste	The project is a national key R&D program during the "13th Five-year Plan" period undertaken by Luzhou Laojiao, which aims to realize the energy- and resource-based utilization of brewing waste with thermochemical technology, and develop a complete set of intelligent equipment systems for the resource- and energy-based utilization of brewing waste.	This project successfully passed the acceptance review by the Ministry of Science and Technology in August 2024. Focusing on brewing 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	To develop an intelligent equipment system with packaged technology for the resource- and energy-based utilization of brewing waste, successfully build a demonstration base for the project industrialization, and achieve resource- and energy-based utilization of brewing waste to ensure the low-carbon, green development of the Chinese baijiu industry.	Realize a large-scale resource- and energy-based utilization of brewing waste and achieve both ecological and economic benefits.

		<p>reused as energy in the distilling process, while the biochar serves as an organic fertilizer for sorghum cultivation. The project established the industry's first demonstration project for the coupled utilization of energy and resources from brewing waste, with an annual processing capacity of 100,000 tons. It achieved a resource utilization rate of over 90% for brewing waste and a gas energy recycling rate of over 95%, filling the technological gap in thermochemical treatment of brewing 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>Study on the Expression Regulation of Key Genes in Leaven Microorganisms in China and Japan and the Improvement of Chinese Leaven Quality</p>	<p>The project is an international project that the Company jointly undertook, which studies the evolution pattern and formation mechanism of microbiomes during the natural leaven-marking and fermentation, and screens for microbial strains with specific functions for the production of functional enhanced leaven.</p>	<p>This project successfully passed the acceptance review by the Ministry of Science and Technology in August 2024. Centered on the formation mechanism and quality improvement of strong aroma Daqu, light aroma Daqu, and light aroma Xiaoqu, the project carried out a study on the diversity of microorganisms in fermentation starters and systematically analyzed the</p>	<p>To develop functional leaven according to different quality indicator requirements based on functional leaven-marking microorganisms and key gene expression regulation, systematically evaluate the efficacy of leaven and optimize the process.</p>	<p>Improve the leaven and baijiu quality and enhance the Company's core competitiveness.</p>

		microbial community structure and metabolic characteristics of fermentation starters. Four strains were isolated; key genes related to starch decomposition and sugar production were studied. The research on fortified Daqu was completed, and functional enhanced fermentation starters were developed.		
High-value Patent Incubation Center Project of Luzhou Laojiao	The project is to implement national standards for intellectual property management, and achieve efficient management of the Company in the creation, application and protection of intellectual property. An all-round layout of intellectual property is made around the core key technologies of the industrial chain to promote the creation of high-quality patents and build a patent pool for core technologies.	The Company continuously improved the enterprise's intellectual property management system, passed the annual supervision and audit of the management system, and strengthened the review of IP clauses in technology contracts. Focusing on key brewing 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	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 around core key technologies, and formed a series of high-value patents with technical, economic, and legal value.	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.

		protection capabilities.		
Establishment of Sichuan Innovation Center for Solid-state Brewing Technologies	Luzhou Laojiao took the lead to jointly build the Sichuan Innovation Center for Solid-state Brewing Technologies with several universities, institutes and other enterprises, aiming to overcome a batch of core technological challenges in solid-state brewing and facilitate the development of the solid-state brewing sector.	<p>In research areas such as brewing processes and intelligentization, fermentation mechanisms and microbiology, as well as flavor and health, the Company continuously advanced innovation, R&D, and application of key common technologies and cutting-edge leading technologies across the industry chain.</p> <p>These efforts supported solid-state brewing technology research, industry exchanges, result transformation and talent training. Relying on the Innovation Center as the carrier, Luzhou Laojiao initiated the establishment of the "Solid-state Brewing Technology Innovation Alliance in the Chengdu-Chongqing Twin City Economic Circle" and convened the "2024 Annual Meeting of the Sichuan Innovation Center for Solid-state Brewing Technologies and the Solid-state Brewing Technology Innovation Alliance in the Chengdu-Chongqing Twin City Economic Circle", at which the Alliance's 2024 project proposals were announced.</p>	To gathering innovative resources in solid-state brewing, create an innovation alliance in the solid-state brewing sector, make breakthroughs in core key technologies in the solid-state brewing sector, and form a science and technology innovation center with national influence.	Successfully build a technological innovation platform, thereby improving the Company's scientific and technological innovation capabilities and level.
A Study on the Optimization of Key Intelligent Equipment and the System Control for Brewing	By applying modern technologies such as intelligent sensing, image recognition, spectral technology	Luzhou Laojiao carried out industry-university-research cooperation with universities and	To build an intelligent brewing demonstration production line.	Level up the Company's intelligent brewing and promote the transformation and upgrading of the

	and bio-chips, the project aims to develop core technologies for each link of brewing production, including fermentation, vinasse-based ingredient making, distillation of grains in retorts and baijiu selection, and build intelligent brewing production lines with independent optimization, production decision-making and execution capabilities to comprehensively upgrade the solid-state brewing technologies in the baijiu industry.	research institutes in the field of intelligent brewing, 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 brewing engineering renovation project of Luzhou Laojiao. These efforts addressed challenges in data collection, intelligent equipment development, and real-time process optimization in traditional brewing, realizing full-process intelligent production covering raw and auxiliary materials storage, brewing operations, distillers' grain fermentation, and base Baijiu management.		traditional brewing industry.
Construction of the Brewing Microbial Resources and Data Platform	The project aims to carry out collection of brewing microbial resources, rapid isolation, authentication, review and transfer of microbial resources in the brewing process of baijiu and development of excellent strains for industrial use, establish a brewing microbial strain library and related enzymology library, and promote the	Luzhou Laojiao carried out industry-university-research cooperation with 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 over 1,000 brewing samples, identified and preserved more than 2,000 microbial	To establish a brewing microbial strain bank of a certain scale, which can achieve long-term safe preservation of strains and is supplemented by special information technology to manage strain information.	Master the core resources of baijiu brewing microorganisms and enhance the Company's ability to protect and utilize brewing microbial resources.

	protection, sharing and sustainable utilization of brewing microbial resources.	strains, and obtained flavor compound data for over 300 strains and whole-genome sequencing data for over 200 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 21 applications for invention patents related to functional strains, of which four have been granted.		
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Information about R&D personnel

	2024	2023	YoY Change
Number of R&D personnel	475	468	1.50%
R&D personnel as % of total employees	12.40%	12.55%	-0.15%
Educational backgrounds of R&D personnel			
Bachelor’s degree	276	307	-10.10%
Master’s degree	149	131	13.74%
Doctoral degree (including postdoctoral workstations)	50	30	66.67%
Age structure of R&D personnel			
Below 30	188	217	-13.36%
30~40	207	204	1.47%

Information about R&D investments

	2024	2023	YoY Change
R&D investments (CNY)	280,166,160.16	267,474,647.16	4.74%
R&D investments as % of operating revenues	0.90%	0.88%	0.02%
Capitalized R&D investments (CNY)	0.00	0.00	0.00%
Capitalized R&D	0.00%	0.00%	0.00%

investments as % of total R&D investments			
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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	2024	2023	YoY Change
Subtotal of cash inflows from operating activities	41,014,285,259.97	32,865,186,758.61	24.80%
Subtotal of cash outflows from operating activities	21,832,516,896.32	22,216,821,823.15	-1.73%
Net cash flows from operating activities	19,181,768,363.65	10,648,364,935.46	80.14%
Subtotal of cash inflows from investing activities	2,277,579,273.71	1,933,604,489.48	17.79%
Subtotal of cash outflows from investing activities	3,660,085,206.26	3,201,722,342.48	14.32%
Net cash flows from investing activities	-1,382,505,932.55	-1,268,117,853.00	
Subtotal of cash inflows from financing activities	2,000,079,496.11	6,860,373,039.14	-70.85%
Subtotal of cash outflows from financing activities	12,328,932,533.79	8,078,799,107.43	52.61%
Net cash flows from financing activities	-10,328,853,037.68	-1,218,426,068.29	
Net increase in cash and cash equivalents	7,474,638,736.60	8,164,022,685.99	-8.44%

Explanation of why the data above varied significantly

Applicable N/A

Net cash flows from operating activities increased by 80.14%, mainly due to the increased cash received from sales 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 effects of the honoring of due notes, the discounting of notes, and the increased advance payments from suppliers on net cash flows from operating activities in the 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 2024		At the beginning of 2024		Change in percentage	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Cash and cash equivalents	33,578,396,831.33	49.14%	25,952,025,091.28	41.00%	8.14%	
Accounts receivable	11,022,302.31	0.02%	17,461,378.98	0.03%	-0.01%	
Contract assets		0.00%		0.00%	0.00%	
Inventories	13,392,794,475.96	19.60%	11,622,043,947.46	18.36%	1.24%	
Investment property	50,246,694.16	0.07%	37,785,416.77	0.06%	0.01%	
Long-term equity investments	2,801,252,317.93	4.10%	2,708,254,833.50	4.28%	-0.18%	
Fixed assets	9,131,776,915.51	13.36%	8,613,223,465.46	13.61%	-0.25%	
Construction in progress	807,233,988.90	1.18%	1,718,468,880.53	2.72%	-1.54%	
Right-of-use assets	29,254,214.23	0.04%	23,260,955.23	0.04%	0.00%	
Short-term loans		0.00%		0.00%	0.00%	
Contract liabilities	3,978,131,528.88	5.82%	2,672,977,090.30	4.22%	1.60%	
Long-term loans	6,279,900,000.00	9.19%	10,000,300,000.00	15.80%	-6.61%	Mainly due to the repayment of due bank loans, and the

						reclassification of bank loans due soon as non-current liabilities due within one year
Lease liabilities	24,528,519.13	0.04%	22,356,404.47	0.04%	0.00%	

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)	1,426,992,098.83	27,528,769.00			2,460,000,000.00	2,220,238,571.86		1,694,282,295.97
4.Investments in other equity instruments	402,893,468.80		150,915,802.27					407,194,706.55
6. Accounts receivables financing	5,938,171,007.93						-4,136,223,552.15	1,801,947,455.78
Subtotal of financial assets	7,768,056,575.56	27,528,769.00	150,915,802.27	0.00	2,460,000,000.00	2,220,238,571.86	4,136,223,552.15	1,694,282,295.97
Total	7,768,056,575.56	27,528,769.00	150,915,802.27	0.00	2,460,000,000.00	2,220,238,571.86	4,136,223,552.15	3,903,424,458.30
Financial liability	9,763.87	-9,870.60					106.73	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

Item	Closing balance	Reason
Other cash and cash equivalents (CNY)	10,000,000.00	Restricted security deposits for bank guarantees
Other cash and cash equivalents (CNY)	1,627,857.48	Restricted security deposits at e-commerce platforms
Bank deposits (CNY)	181,100,955.95	Accrued interest on term deposits
Other cash and cash equivalents (CNY)	18,000,003.44	Judicially frozen
Total	210,728,816.87	

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
2,954,722,709.66	3,415,581,665.59	-13.49%

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	Self-	Yes	Baijiu	288,54	1,077,3	Self-	30.00%	0.00	0.00	N/A	13 July	Announ

Laojiao Technical Upgrade Project of Intelligent Brewing (Phase I)	built			2,548.08	98,554.89	financing					2022	cement on the Implementation of Luzhou Laojiao Technical Upgrade Project of Intelligent Brewing (Phase I) by Subsidiary
Total	--	--	--	288,548	1,077,389	--	--	0.00	0.00	--	--	--

7.4. Financial assets investment

7.4.1. Securities investment

Applicable N/A

Unit: CNY

Category of securities	Stock code	Abbreviation of securities	Initial investment cost	Accounting measurement model	Beginning book balance	Changes in fair value recognized in profit or loss	Changes in the cumulative fair value recorded into equity	Amount of purchase	Amount of sale	Profit and loss during the reporting period	Closing book balance	Accounting item	Capital source
Domestic and foreign stock	601211	GTJA	12,719,156.76	Fair value measurement	175,241,715.34		206,921,837.27			6,477,348.35	219,640,994.03	Investments in other equity instruments	Own fund
Domestic and foreign stock	002246	SNC	1,030,000.00	Fair value measurement	12,805,515.44		14,840,083.24			78,177.75	15,870,083.24	Investments in other equity	Own fund

												instru ments	
Dome stic and foreign stock	01983	LZBA NK	51,120 ,000.0 0	Fair value measu rement	96,733 ,837.6 9		27,236 ,318.9 9			3,905, 280.00	78,356 ,318.9 9	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	84,854 ,489.6 8		- 91,129 ,295.6 4			2,015, 648.45	60,069 ,399.6 4	Invest ments in other equity instru ments	Own fund
Total			607,15 4,537. 56	--	369,63 5,558. 15	0.00	157,86 8,943. 86	0.00	0.00	12,476 ,454.5 5	373,93 6,795. 90	--	--

7.4.2. Derivative investment

Applicable N/A

No such cases in the reporting period

7.5. Use of funds raised

Applicable N/A

7.5.1. General use of funds raised

Applicable N/A

Unit: CNY 10,000

Year	Method	Date of securities listing	Total amount of funds raised	Net proceeds (1)	Total amount of raised funds used in the reporting period	Accumulated amount of raised funds used (2)	Raised funds used as % of total raised funds at the end of the reporting period (3) = (2) /	Total amount of re-purposed funds raised in the reporting period	Total amount of accumulated re-purposed funds raised	Accumulated re-purposed funds raised as % of total funds raised	Total amount of unused funds raised	Purpose and direction of unused funds raised	Amount of funds raised idle for more than two years

							(1)						
2020	Public offering of corporate bond	March 17, 2020	150,000	149,000	25,408.69	136,444.23	91.57%	0	0	0.00%	21,099.08	Deposited in special account for raised funds	0
Total	--	--	150,000	149,000	25,408.69	136,444.23	91.57%	0	0	0.00%	21,099.08	--	0
Notes for general use of funds raised													
The total amount of unused funds raised of the corporate bond "20 Laojiao 01" includes interest on some funds raised.													

7.5.2. 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 Qualified Investors	March 17, 2020	Technical Renovation Project of Brewing (Phase II)	Production and construction	No	398,400	398,400	23,174.4	352,672.27	97.77%	June 30, 2021	N/A	N/A	Yes	No
2020 Public Offering of Corporate Bond for Qualified	March 17, 2020	Project of Intelligent Upgrading and Building of	Operation and management	No			2,234.28	19,830.25		N/A	N/A	N/A	No	No

ed Invest ors		the Inform ation Mana geme nt Syste m												
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 Brewi ng 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 Brewi ng Base	Produ ction and constr uction	No			0	4,980. 25		June 30, 2021	N/A	N/A	Yes	No
Subtotal of committed investment projects				--	398,4 00 ¹	398,4 00	25,40 8.68	389,5 26.07	--	--			--	--
Use of over-raised funds														
None														
Total				--	398,4 00	398,4 00	25,40 8.68	389,5 26.07	--	--	0	0	--	--
Explain project by project the situation and reason for not reaching plan progress or expected benefits (including	N/A													

reason for inputting "N/A" for "Whether the expected benefits have been achieved")	
Significant changes of project feasibility	N/A
Amount, purpose and progress of over-raised funds	N/A
Change of implementation site of investment projects	N/A
Adjustment of the implementation mode of raised funds investment projects	N/A
Situation of advance investment and replacement	Applicable
	On May 14, 2019, the Company held the First Extraordinary General Meeting of Shareholders of 2019, which considered and approved the <i>Proposal on Requesting the Company's General Meeting of Shareholders to Fully Authorize Chairman of the Board or Other Personnel Authorized by the Board to Go Through Procedures for the Public Offering of Corporate Bond</i> . According to the Proposal, in the event of inconsistency between the payment of the raised funds and the progress of the project implementation, the Company may make advance investments using other funds (including self-owned funds, bank project loans, etc.) according to the actual situation, and replace fund investment other than capital funds when the raised funds are in place. As of December 31, 2024, 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 special account No. 9550880046723000135 for raised funds in the Chengdu Branch of China Guangfa Bank Co., Ltd., the special account No. 51751746001300000860 for raised funds in the Luzhou Branch of Bank of Communications Co., Ltd., and the special account No. 631395395 for raised funds in the Chengdu Branch of China Minsheng Banking Corp., Ltd.
Problems and other situation when raised funds are used and disclosed	N/A

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

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

Note 3: As of December 31, 2024, the Project of Intelligent Upgrading and Building of the Information Management System was in the process.

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

7.5.3. Re-purposed funds raised

Applicable N/A

No such cases in the reporting period

8. Sale of major assets and equity interests

8.1. Sale of major assets

Applicable N/A

No such cases in the reporting period.

8.2. Sale of major equity interests

Applicable N/A

9. Analysis of major subsidiaries

Applicable N/A

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

Unit: CNY

Company name	Company type	Business scope	Registered capital	Total assets	Net assets	Operating Revenue	Operating profit	Net profit
Luzhou Laojiao Sales Co., Ltd.	Subsidiary	Sales of baijiu series such as "National Cellar 1573" and "Luzhou Laojiao"	100,000,000.00	8,401,258,791.55	2,466,368,056.96	30,018,996,416.68	13,027,763,327.45	9,732,243,326.25

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 and the China Alcoholic Drinks Association, in 2024, baijiu enterprises above the designated size nationwide produced a total of 4.145 million kiloliters of baijiu, representing a year-on-year decrease of 1.8%. These enterprises generated sales revenue of CNY 796.384 billion and total profit of CNY 250.865 billion. In recent years, production volume among baijiu enterprises above the designated size has continued to decline, as the baijiu industry undergoes a transformation from extensive to refined development, from volume-driven to quality-oriented growth, and from high-speed to high-quality development.

B. At present, alcohol consumption has entered a "dual rationality era" characterized by both price rationality and consumption rationality. Consumers are placing greater emphasis on health factors and social responsibility in alcohol consumption, demanding that companies elevate product and service standards in terms of quality and safety. Baijiu enterprises must continuously adapt, enhance intrinsic value, and explore new growth paths.

C. Baijiu marketing has evolved through the product era and channel era, and is now in a convergence period of the brand era, traffic era, and cultural era. Particularly, as the “traffic era” enters a stage of deep development, enterprises must focus on attracting, converting, and utilizing consumer traffic, innovating brand communication strategies to enhance brand recognition, reach, and engagement.

D. The trend toward younger consumer demographics has increasingly become a key challenge for the sustainable development of the baijiu industry. Younger consumers, especially Gen Z, exhibit more rational consumption behavior and prefer personalized expressions in alcoholic beverages, “self-love” elements, and favored consumption scenarios. Enterprises need to focus on visual appeal, taste, brand storytelling, and the sensory experience after consumption to meet young consumers’ motivational needs and desires for “self-love”.

11.2. The Company’s development strategy

11.2.1. Development opportunities in the future

A. Since 2024, the Party and the government have introduced a series of policy packages to address new situations and challenges in economic operations, aiming to promote stable growth, structural optimization, and positive momentum in the economy. China’s industrial system remains comprehensive, with strong supporting capabilities and a continued role as the “world’s factory”. The Chinese economy possesses robust resilience and strong capabilities, while domestic consumers retain substantial purchasing power. In this context, baijiu consumption maintains both inertia and potential with a solid foundation.

B. In recent years, the baijiu industry has continuously enhanced innovation and application of key technologies, facilitating industrial upgrading. The proportion of high-quality base Baijiu has increased significantly, effectively mitigating risks of declining quality reputation. Through standard-setting, joint risk prevention, and collaborative anti-counterfeiting efforts, the industry has effectively safeguarded intellectual property rights. By pursuing diversified development and differentiated competition, a diversified and harmonious brand landscape has been formed, enhancing resilience to consumption adjustments and competition from foreign liquor brands. The future of China’s baijiu industry will be healthier and more sustainable.

C. Digitalization and intelligentization are central themes for future economic and social development, and serve as key drivers of enterprise competitiveness. The Company is actively advancing the construction of “Digital and Intelligent Luzhou Laojiao”, establishing a digital-intelligent ecosystem featuring “one framework, five transformations, and five connected flows”, which has effectively realized digital-intelligent management, intelligent production, and smart marketing, thereby securing a first-mover advantage for future competition.

11.2.2. Possible challenges and risks in the future

The trend of market concentration—where strong players grow stronger and weaker players fall further behind—will become more pronounced in the baijiu industry. Leading production regions, enterprises, and brands will continue to consolidate their market positions. Well-known Baijiu brands face significant challenges of differentiation across product lines. The downward channel expansion and pricing adjustments by leading brands and regions will intensify competition, prompting brands to optimize strategies, reposition products to attract consumers, and accelerate reshuffling within the industry.

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

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

11.3. Completion of the business plan in 2024

For the reporting period, operating revenue amounted to CNY 31.196 billion, up 3.19% year on year; and the net profit attributable to the shareholders of the listed company reached CNY 13.473 billion, up 1.71% year on year. The Company has failed to complete its business target "to achieve a year-on-year increase in operating revenue by at least 15%" as set by the Board of Directors at the beginning of the year. This is primarily driven by the clear shift and divergence in the supply-demand structure of alcohol consumption in recent years. The market has entered a stock-driven phase, and as the economy transitions to new growth drivers, the baijiu industry is also entering a new stage of development. Guided by the principle of high-quality development, the Company will make every effort to promote the construction of "Digital and Intelligent Luzhou Laojiao", ensure healthy channel operations and stable pricing systems, and strive to achieve long-term returns on industrial value and sustainable corporate development.

11.4. Business plan in 2025

2025 marks the final and critical year of the Company's 14th Five-Year Plan. In accordance with the 2025 Production and Operation Guidelines approved by the Board of Directors, the Company will focus on the annual theme of "Building Momentum for Breakthroughs, Advancing Stable Growth through Intensive Cultivation; Seizing Opportunities to Drive Development through Reform and Innovation". The Company will promote high-quality development with the goal of achieving steady progress in annual operating revenue. (The business plan in 2025 is formulated by the Company according to the 14th five-year strategic plan and based on its business capabilities. It does not represent the Company's profit forecast for 2025, 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 work plan is as follows:

A. Building momentum for breakthroughs, advancing stable growth through intensive cultivation

a. Focusing on three priorities to ensure sales investment

First, the Company will vigorously "expand coverage" by accelerating market and team expansion, intensively cultivating base markets, and continuing to make breakthroughs in strategic markets. The sales team will strengthen talent reserves and expand personnel when appropriate.

Second, the Company will vigorously "increase bottle opening" by promoting the five-code correlation and enabling digital intelligence, intensifying public relations efforts, guiding consumption orientation, and encouraging bottle opening and consumption. **Third, the Company will vigorously "expand touchpoints"** by optimizing distributor selection, broadening channels, and enhancing terminal display, thereby increasing product availability and ensuring stable and healthy sales growth.

b. Focusing on three tasks to maintain healthy market conditions

First, the Company will enhance operational capability by implementing digital-intelligent market management, intensifying market inspections and anti-counterfeiting efforts, and safeguarding the core interests of the Company and consumers. **Second, the Company will increase channel profitability** by closely monitoring customer profitability and maintaining a profit margin higher than that of competing products. **Third, the Company will strengthen brand image** by firmly upholding price stability and brand positioning, ensuring that the National Cellar 1573 maintains its position among the “three high-end baijiu brands”, while Luzhou Laojiao series products remain firmly established in their respective price ranges.

c. Seizing three strategic high grounds to build competitive moats

First, the Company will seize the cultural high ground by leveraging the historic opportunity of the China Baijiu Museum being established in Luzhou. The Company will enhance the display and presentation of the “Living Dual National Treasures” and historical artifacts, and develop cultural experience scenarios to create strong consumer appeal. **Second, the Company will seize the brand high ground** by building an integrated internal and external brand communication matrix, updating and upgrading promotional campaigns, enhancing evaluation of promotional effectiveness, and creating strong momentum to empower sales. **Third, the Company will seize the innovation high ground** by unwaveringly advancing “lower alcohol content, younger consumer orientation, scenario-based consumption, and digital and intelligent transformation”, striving to keep pace with rapid innovation cycles and, where appropriate, develop ahead of the curve.

B. Seizing opportunities to drive development through reform and innovation

a. Enhancing core technologies to strengthen support for development

In quality assurance, the Company will uphold solid-state pure grain fermentation, comprehensive quality management throughout the process, and standards that exceed national requirements. **In production assurance**, the “Huangyi Brewery Eco-Park” and the “Intelligent Packaging Center” will fully leverage new productive forces and dynamically adjust production output based on sales demand. In traditional brewing areas, the Company will advance integrated development of production and exhibition. **In R&D assurance**, the Company will focus on delivering tangible results—transforming more research into productive capacity, securing more awards through patent applications, and actively pursuing provincial and national science and technology accolades. The Company will also strengthen science communication and innovation outreach to deepen consumer understanding and appreciation of baijiu.

b. Enhancing core capabilities to win in market competition

In service improvement, the Company will shift from traditional control-oriented thinking to service-oriented thinking. The management system must excel both as a “manager” and a “service provider”. **In efficiency improvement**, the Company will ensure continued safe and sound development while further optimizing systems and processes to build a modern management system that is responsive and efficient. **In talent development**, the Company will focus on cultivating, supporting, developing, and empowering its people—providing opportunities for those who are motivated, platforms for those who are capable, and incentives for those who deliver—thereby enhancing employees’ sense of belonging, happiness, and achievement.

c. Upholding core principles to ensure steady and sustainable progress

First, the Company will strengthen Party building by enhancing political, ideological, organizational, and institutional development to foster unity and collective momentum. **Second, the Company will reinforce integrity** by emphasizing accountability, strengthening oversight, promoting sound conduct, and adopting both preventive and corrective measures to uphold Luzhou Laojiao's positive reputation in the industry. **Third, the Company will strengthen safety and environmental protection** by comprehensively identifying and addressing issues and laying a solid foundation in these areas. **Fourth, the Company will enhance its sense of responsibility** by ensuring sound corporate governance that is accountable to shareholders and by fulfilling its social responsibilities through advancing ESG system development and contributing to a harmonious society.

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 19, 2024	Conference Center of Huaxi Securities	Field survey	Institution	Institutional investor	Industry trends and company performance	http://www.cninfo.com.cn/
April 29, 2024	Company Headquarters	Communication through an online platform	Institution	Institutional investor	Industry trends and company performance	http://www.cninfo.com.cn/
May 9, 2024	Company Headquarters	Communication through an online platform	Other	All investors	Industry trends and company performance	http://www.cninfo.com.cn/
June 27, 2024	Company Headquarters	Field survey	Institution	Institutional and individual investors and media	Industry trends and company performance	http://www.cninfo.com.cn/
September 2, 2024	Company Headquarters	Communication through an online platform	Institution	Institutional investor	Company performance	http://www.cninfo.com.cn/
September 12, 2024	Company Headquarters	Communication through an online platform	Other	All investors	Industry trends and company performance	http://www.cninfo.com.cn/
November 1, 2024	Company Headquarters	Communication through an online platform	Institution	Institutional investor	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.* has 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 take 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 22.38%. In 2024, operating revenue amounted to CNY 31.196 billion, up 3.19% year on year; and the net profit attributable to the parent company reached CNY 13.472 billion, up 1.71% year on year. Various performance indicators reached a new historical high. In the future, 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 Brewing, 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 Brewing 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 1,035.4329 million, and the compound annual growth rate of innovation R&D investment reached 26.40%. 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 583 patents, including 211 invention patents and 372 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, general 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 general 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 general 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. (The Company's investor relations website has been updated. Investors are welcome to visit <https://000568.iryi.com/>).

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. By the end of 2024, the Company has paid out a cumulative cash dividend amount of CNY 43.301 billion, with a dividend payout ratio of 60.93%, 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.

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 through call auction trading during the period from December 15, 2023 to June 15, 2024, accounting for 0.08% of the total share capital of the Company, with a total amount of approximately CNY 200.9629 million. Additionally, Laojiao Group plans to increase its shareholdings in the Company through call auction trading within six months from March 14, 2025, using special loans and its own funds. The amount of increase will not be less than CNY 150 million and not more than CNY 300 million.

Moving forward, the Company will focus on the development theme of “Building Momentum for Breakthroughs, Advancing Stable Growth through Intensive Cultivation; Seizing Opportunities to Drive Development through Reform and Innovation”, 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 Corporate Governance

1. Basic situation of corporate governance

Since it was listed, in accordance with *the Corporate Law, the Securities Law, The Listed Company Governance Standards* and other laws, administrative regulations and departmental rules and normative documents, the Company has constantly perfected corporate governance structure, standardized its operation, established the rules and system on the basis of the Company's articles of association whose main framework is the rules of procedure of the shareholders' general meeting, rules of procedure of the board of directors and rules of procedure of the board of supervisors, which is formed the management system whose main structure is the shareholders meeting, board of directors, board of supervisors and management. During the reporting period, the Company won a number of honors and awards, including “The 26th Golden Bull Awards—Best Investment Value Award”, “The 18th Top 100 Most Valuable Main Board Listed Companies”, and “Best Practice Case for Listed Company Boards in 2024”.

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

Yes No

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

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

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

2.1 In the aspect of assets

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

2.2. In the aspect of business

Business apart. The Company is totally independent in the operation, production and sales of baijiu series of “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 built independent labor management, personnel management and salary management. The Company has established a relatively complete labor management system and post responsibility system. Meanwhile, the Company's senior management personnel all receive salary in the Company, but not at the controlling shareholders.

2.4 In the aspect of organization

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

2.5 In the aspect of finance

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

3. Horizontal competition

Applicable N/A

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

4.1. Meetings of shareholders convened during the reporting period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Resolutions
2023 Annual General Meeting of Shareholders	General Meeting of Shareholders	65.26%	June 27, 2024	June 28, 2024	Announcement on Resolutions of The 2023 Annual General Meeting of Shareholders Announcement No: 2024-36 (http://www.cninfo.com.cn/)

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

Applicable N/A

5. Directors, supervisors, and senior management

5.1 General information

Name	Gender	Age	Title	Incumbent/ Former	Period of service	Shares held by the beginning of the reporting period (share)	Shares increased during the reporting period (share)	Shares decreased during the reporting period (share)	Other increase/decrease (share)	Shares held by the end of the reporting period (share)	Reason for share changes
Liu Miao	Male	55	Chairman of the board	Current	June 30, 2015 to June 27, 2027	288,087				288,087	
Lin Feng	Male	51	Director, General manager	Current	June 30, 2015 to June 27, 2027	95,900				95,900	
Zhang Suyi	Male	53	Director, Deputy general manager	Current	December 29, 2015 to June 27, 2027	76,700				76,700	
Xiong Pingting	Female	49	Director, Deputy general manager	Current	June 29, 2021 to June 27, 2027	62,800				62,800	
Chen You'an	Male	67	Non-executive director	Current	June 29, 2021 to June 27, 2027						
Lyu Xianpei	Male	61	Non-executive director	Current	June 29, 2021 to June 27, 2027						
Li Guowang	Male	61	Non-executive director	Current	June 29, 2022 to June 27, 2027						
Li Liangchen	Male	50	Non-executive director	Current	June 27, 2024 to June 27, 2027						
Qian Xu	Male	61	External director	Current	June 30, 2015 to June 27, 2027						
Ying Hanjie	Male	55	External director	Current	September 13, 2016 to June 27, 2027						
Xiong	Male	48	External	Current	June 27, 2024 to						

Bo			director		June 27, 2027							
Yang Ping	Male	48	Chairman of the Board of Supervisors	Current	June 29, 2021 to June 27, 2027							
Li Guangjie	Male	55	Supervisor	Current	June 27, 2018 to June 27, 2027							
Li Lunyu	Female	38	Supervisor	Current	June 29, 2021 to June 27, 2027							
Zhou Lei	Female	51	Supervisor	Current	June 27, 2024 to June 27, 2027							
Zhang Li	Female	50	Supervisor	Current	June 27, 2024 to June 27, 2027							
Tang Dongliang	Male	47	Deputy general manager	Current	December 24, 2024 to June 27, 2027							
Shen Caihong	Male	59	Deputy general manager	Current	June 30, 2002 to June 27, 2027	180,481					180,481	
Xie Hong	Female	55	CFO	Current	March 6, 2015 to June 27, 2027	76,700					76,700	
He Cheng	Male	58	Deputy general manager	Current	June 30, 2015 to June 27, 2027	76,700					76,700	
Li Yong	Male	48	Deputy general manager, Secretary of the board	Current	September 20, 2021 to June 27, 2027	62,800					62,800	
Zhao Bingkun	Male	45	Deputy general manager	Current	August 2, 2024 to June 27, 2027	30,000					30,000	
Wang Hongbo	Male	61	Director, Deputy general manager	Resignation	March 6, 2015 to February 2, 2024	76,700					76,700	
Liu Junhai	Male	55	Non-executive director	Resignation	June 27, 2018 to June 27, 2024							
Gong Zhengying	Female	55	External director	Resignation	June 29, 2022 to June 27, 2024							
Ou Fei	Male	39	Supervisor	Resignation	June 29, 2022 to June 27, 2024							
Tang Shijun	Male	48	Supervisor	Resignation	June 29, 2022 to June 27, 2024							
Total	--	--	--	--	--	1,026,868	0	0	0	0	1,026,868	--

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

Yes No

During the reporting period, Mr. Wang Hongbo resigned as he reached the statutory retirement age.

Changes in directors, supervisors, and senior management

 Applicable N/A

Name	Title	Type	Date	Reason
Tang Dongliang	Deputy general manager	Appointed	December 24, 2024	Appointed
Zhao Bingkun	Deputy general manager	Appointed	August 02, 2024	Appointed
Li Liangchen	Non-executive director	Elected	June 27, 2024	Change of term
Xiong Bo	External director	Elected	June 27, 2024	Change of term
Zhou Lei	Supervisor	Elected	June 27, 2024	Change of term
Zhang Li	Supervisor	Elected	June 27, 2024	Change of term
Wang Hongbo	Director, Deputy general manager	Resignation	February 02, 2024	Retirement
Liu Junhai	Non-executive director	Resignation upon the expiry of period of service	June 27, 2024	Change of term
Gong Zhengying	External director	Resignation upon the expiry of period of service	June 27, 2024	Change of term
Ou Fei	Supervisor	Resignation upon the expiry of period of service	June 27, 2024	Change of term
Tang Shijun	Supervisor	Resignation upon the expiry of period of service	June 27, 2024	Change of term

5.2 Employment information

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

Mr. Liu Miao, male, born in 1969, MBA of Wright State University in the USA, Master of Chinese Brewing, 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 Brewing Workshop No. 6, vice director and director of Gouchu Center, and deputy chief engineer of the Company, as well as deputy general manager, and director of the Baijiu Body Design Centre of Brewing Company. At present, he is 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 Nomura Orient International Securities Co., Ltd., 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 and lawyer of Beijing Tianyuan (Hangzhou) Law Firm. At present, he is partner of Beijing Zhong Lun (Hangzhou) Law Firm, as well as non-executive director of Gree Real Estate Co., Ltd., Sijin Intelligent Forming Machinery Co., Ltd., Ningbo FLK Technology Co., Ltd. (non-listed), and Anhui Yingfa Ruineng Technology Co., Ltd. (non-listed). He has served as a non-executive director of the Company since June 2024.

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

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

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 Operation Management Co., Ltd., as well as full-time external director of Laojiao Group, XingLu Group, Luzhou Industrial Development Investment Group Co., Ltd., and Luzhou Development Holding Group Co., Ltd. He has served as a director of the Company since June 2024.

Mr. Yang Ping, male, born in 1976, professorate senior engineer, holds a doctoral degree. Positions previously held by him include deputy director and director at the National Cellar Workshop Section, director at the Production and Technology Department, and deputy general manager of Luzhou Laojiao Brewing Co., Ltd. Currently, he is chairman of the Board of Supervisors and member of the Discipline Inspection Committee of the Company, as well as secretary of the Party Committee and general manager of Luzhou Laojiao Brewing Co., Ltd.

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

is supervisor and management consultant of Sales Company.

Ms. Li Lunyu, female, born in 1986, holds a university degree as well as is Assistant Political Mentor and Assistant Engineer. Positions previously held by her include Publicity Officer at the Office of the CPC Luzhou Laojiao Committee, Deputy Head and Manager of Tianjin Division of the Business Department for Luzhou Laojiao Tequ 60 and 80, Secretary of the CPC National Cellar Section Branch of Luzhou Laojiao Brewing Co., Ltd., Director of the Office of the CPC Luzhou Laojiao Brewing Committee, and Director of the Discipline Inspection Department and Vice Chairman of the Labor Union of Luzhou Laojiao Brewing Co., Ltd. Currently, she is Supervisor, Vice Chairman of the Labor Union, and Director of the Office of the Labor Union of the Company.

Ms. Zhou Lei, female, born in 1973, Master degree, accountant. She used to work in the Financial Department of the Company, and in the Investment and Financing Department of Luzhou Laojiao Zhitong Trading Co., Ltd. At present, she is supervisor and head of finance of the Financial Management and Operation Center of the Company.

Ms. Zhang Li, female, born in 1975, Bachelor's degree, senior accountant. She used to work in The First Construction Department of China Railway Construction 15th Bureau, the Chengdu branch of China Railway Construction 15th Bureau, China Railway Construction 15th Bureau Group Chengdu Construction Co., Ltd. and the Financial Department of the Company. At present, she is supervisor and comprehensive auditor of the Audit Office of the Company.

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 and the deputy head of the government of Jiangyang District, Luzhou City, and the deputy secretary of the committee and the head of the government of Jiangyang District, Luzhou City. 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 Brewing", and one of the first batch of "Sichuan craftsmen". He was manager of the Company's leaven-making branch, manager of base baijiu company, general manager assistant and director of production department. At present, he is deputy general manager, chief engineer, director of national solid brewing engineering technology research center and chairman of the board of Luzhou Pinchuang Technology Co., Ltd.

Ms. Xie Hong, female, born in 1969, Master degree, senior accountant, and 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 Brewing. He was chief dispatcher of the Company, general manager of Brewing Company, as well as director of the business administration department, director of the human resources department, director of the quality department, and director of the dispatching center of the Company. At present, he is a member of the party committee, deputy general manager, 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 brewing engineer. He once worked in the education sector at the Party and government organizations at the township level as well as departments at the county and municipal levels. Also, he used to be Director of the Group Office of Luzhou Laojiao Group, Director of the General Manager's Office of the Company, as well as Deputy Secretary of the Party Committee, Secretary of the 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 Engineer. He used to be head of office and deputy general manager of Brewing 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.

Position in shareholder-holding companies

Applicable N/A

Name	Name of shareholder-holding companies	Position in shareholder-holding companies	Beginning date of term	Ending date of term	Any remunerations received from shareholder-holding companies
Liu Miao	Laojiao Group	Secretary of the party committee, Chairman of the board	11 March 2022		No
Xiong Bo	Laojiao Group	Full-time external director	July 5, 2023		No
Xiong Bo	XingLu 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
Chen You'an	Nomura Oriental International Securities Co.,	Non-executive director			

	Ltd., Hexie Health Insurance Co., Ltd., CPIC Fund Management Co., Ltd., and Tech-bank Food Co., Ltd.				
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	Gree Real Estate Co., Ltd., Sijin Intelligent Forming Machinery Co., Ltd., Ningbo FLK Technology Co., Ltd. (non-listed), and Anhui Yingfa Ruineng Technology Co., Ltd. (non-listed)	Non-executive director			
Ying Hanjie	Soochow University	President			
Ying Hanjie	National Biochemical Engineering Technology Research Center of Nanjing University of Technology	Director			
Ying Hanjie	Nanjing High Tech University Biological Technology Research Institute Co., Ltd., and Jiangsu Institute of Industrial	Director			

	Biotechnology				
Xiong Bo	Luzhou State Owned Capital Operation Management Co., Ltd.	Party secretary, chairman of the board			
Xiong Bo	Luzhou Industrial Development Investment Group Co., Ltd., and Luzhou Development Holding Group Co., Ltd.	Director			

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

Applicable N/A

5.3 Remuneration of directors, supervisors and senior management

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

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

Grounds on which decisions are made of directors, supervisors and senior management: Calculate according to the appraisal methods formulated at the beginning of the year.

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

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

Unit: CNY 10,000

Name	Gender	Age	Title	Incumbent/ Former	Total before-tax remuneration from the Company	Remuneration from related parties of the Company
Liu Miao	Male	55	Chairman of the board	Current	136.91	No
Lin Feng	Male	51	Director,	Current	135.2	No

			General manager			
Zhang Suyi	Male	53	Director, Deputy general manager	Current	108.13	No
Xiong Pingting	Female	49	Director, Deputy general manager	Current	107.25	No
Chen You'an	Male	67	Non-executive director	Current	9.52	No
Lyu Xianpei	Male	61	Non-executive director	Current	9.52	No
Li Guowang	Male	61	Non-executive director	Current	9.52	No
Li Liangchen	Male	50	Non-executive director	Current	4.76	No
Qian Xu	Male	61	External director	Current	9.52	No
Ying Hanjie	Male	55	External director	Current	9.52	No
Xiong Bo	Male	48	External director	Current	0	Yes
Yang Ping	Male	48	Chairman of the Board of Supervisors	Current	108.49	No
Li Guangjie	Male	55	Supervisor	Current	106.43	No
Li Lunyu	Female	38	Supervisor	Current	67.26	No
Zhou Lei	Female	51	Supervisor	Current	26.47	No
Zhang Li	Female	50	Supervisor	Current	22.93	No
Tang Dongliang	Male	47	Deputy general manager	Current	5.2	No
Shen Caihong	Male	59	Deputy general manager	Current	108.82	No
Xie Hong	Female	55	CFO	Current	109.3	No
He Cheng	Male	58	Deputy general manager	Current	108.07	No
Li Yong	Male	48	Deputy general manager, Secretary of the board	Current	107.05	No
Zhao Bingkun	Male	45	Deputy general manager	Current	25	No
Wang Hongbo	Male	61	Director, Deputy general manager	Resignation	5.33	No
Liu Junhai	Male	55	Non-executive director	Resignation	4.76	No
Gong Zhengying	Female	55	External director	Resignation	0	Yes

Ou Fei	Male	39	Supervisor	Resignation	0	Yes
Tang Shijun	Male	48	Supervisor	Resignation	0	Yes
Total	--	--	--	--	1,344.96	--

Other information

Applicable N/A

6. Performance of directors during the reporting period

6.1. Board meetings convened during the reporting period

Meeting	Convened date	Disclosure date	Resolutions
The 38 th Meeting of the 10 th Board of Directors	January 23, 2024	January 24, 2024	Announcement on Resolutions of the 38 th Meeting of the 10 th Board of Directors (Announcement No. 2024-1) (http://www.cninfo.com.cn/)
The 39 th Meeting of the 10 th Board of Directors	April 25, 2024	April 27, 2024	Announcement on Resolutions of the 39 th Meeting of the 10 th Board of Directors (Announcement No. 2024-15) (http://www.cninfo.com.cn/)
The 40 th Meeting of the 10 th Board of Directors	June 04, 2024	June 05, 2024	Announcement on Resolutions of the 40 th Meeting of the 10 th Board of Directors (Announcement No. 2024-23) (http://www.cninfo.com.cn/)
The First Meeting of the 11 th Board of Directors	June 27, 2024	June 28, 2024	Announcement on Resolutions of the First Meeting of the 11 th Board of Directors (Announcement No. 2024-37) (http://www.cninfo.com.cn/)
The Second Meeting of the 11 th Board of Directors	August 02, 2024	August 03, 2024	Announcement on Resolutions of the Second Meeting of the 11 th Board of Directors (Announcement No. 2024-40) (http://www.cninfo.com.cn/)
The Third Meeting of the 11 th Board of Directors	August 29, 2024	August 31, 2024	Announcement on Resolutions of the Third Meeting of the 11 th Board of Directors (Announcement No. 2024-44) (http://www.cninfo.com.cn/)
The Fourth Meeting of the 11 th Board of Directors	September 23, 2024	September 24, 2024	Announcement on Resolutions of the Fourth Meeting of the 11 th Board of Directors (Announcement No. 2024-48) (http://www.cninfo.com.cn/)
The Fifth Meeting of the 11 th Board of Directors	October 30, 2024	October 31, 2024	Announcement on Resolutions of the Fifth Meeting of the 11 th Board of Directors (Announcement No. 2024-57) (http://www.cninfo.com.cn/)
The Sixth Meeting of the 11 th Board of Directors	December 24, 2024	December 25, 2024	Announcement on Resolutions of the Sixth Meeting of the 11 th Board of Directors (Announcement No. 2024-60) (http://www.cninfo.com.cn/)

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

Attendance of director in board meeting and general meeting of shareholders							
Director	Attendance due in the reporting period (times)	Attendance on site (times)	Attendance by telecommunication (times)	Attendance through a proxy (times)	Absence (times)	Absence for two consecutive times	Attendance at general meeting of shareholders (times)
Liu Miao	9	2	5	2	0	No	1
Lin Feng	9	4	5	0	0	No	1
Zhang Suyi	6	2	4	0	0	No	1
Xiong Pingting	9	3	5	1	0	No	1
Chen You'an	9	4	5	0	0	No	1
Lyu Xianpei	9	4	5	0	0	No	1
Li Guowang	9	4	5	0	0	No	1
Li Liangchen	6	2	4	0	0	No	1
Qian Xu	9	4	5	0	0	No	1
Ying Hanjie	9	3	5	1	0	No	0
Xiong Bo	6	2	4	0	0	No	1
Wang Hongbo	3	2	1	0	0	No	0
Liu Junhai	3	2	1	0	0	No	0
Gong Zhengying	3	2	1	0	0	No	0

Notes to absence for two consecutive times

6.3. Objections from directors in related issues of the Company

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

Yes No

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

6.4. Other details about the performance of duties by directors

Was there any advice from directors adopted by the Company?

Yes No

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

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

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

Committee	Members	Number of meetings convened	Convened date	Topics	Substantial opinion and recommendations	Other information	Details of objections (if any)
The Strategy Committee	Liu Miao, Lin Feng, and Zhang Suyi	3	May 27, 2024	Review of the following proposal: The Proposal on the De-registration of Luzhou Laojiao Whitail Liquor Industry Co., Ltd.	Approved, to be submitted to the Board of Directors for further review		
			July 29, 2024	Review of the following proposal: The Proposal on the Investment and Wealth Management with Own Funds	Approved, to be submitted to the Board of Directors for further review		
			December 05, 2024	Review of the following proposal: The Proposal on Joint Stock Subsidiary Reducing the Registered Capital	Approved, to be submitted to the Board of Directors for further review		
The Nomination Committee	Li Liangchen, Lyu Xianpei, and Xiong Pingting (Liu Junhai resigned as a member of the Nomination Committee on June 27, 2024)	4	May 31, 2024	Review of the following proposal: The Proposal on Reviewing the Qualifications of Non-employee Director Candidates for the 11 th Board of Directors	Approved, to be submitted to the Board of Directors for further review		
			June 18, 2024	Review of the following proposal: The Proposal on Formulating the Work Plan for the Appointment of Deputy General Manager of Luzhou Laojiao Co., Ltd.	Approved, to be submitted to the Board of Directors for further review		
			July 29, 2024	Review of the following proposal: The Proposal on	Approved, to be submitted to the Board of Directors for further review		

				Nominating Candidates for Senior Management			
			December 20, 2024	Review of the following proposal: The Proposal on Recommending Candidates for Senior Management	Approved, to be submitted to the Board of Directors for further review		
The Audit Committee	Lyu Xianpei, Chen You'an and Qian Xu	5	April 15, 2024	Review of the following proposals: 1. The 2023 Annual Financial Report; 2. The 2023 Internal Control Self-assessment Report; 3. The Summary Report of the Audit Committee of the Board of Directors on the 2023 Annual Audit; 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 2023; 5. The Work Plan for the 2024 Internal Audit; and 6. The Q1 2024 Report	Approved, to be submitted to the Board of Directors for further review		
			April 19, 2024	Review of the following proposals: 1. The Proposal on the Formulation of the Rules of Luzhou Laojiao Co., Ltd. for the Appointment of Accounting Firm; and 2. The Proposal on Starting the	Approved, to be submitted to the Board of Directors for further review		

				Appointment of Accounting Firm			
			May 27, 2024	Review of the following proposal: The Proposal on Changing the Accounting Firm	Approved, to be submitted to the Board of Directors for further review		
			August 16, 2024	Review of the following proposals: 1. The Proposal on the 2024 Interim Financial Report; and 2. The 2024 Interim Audit Work Report	Approved, to be submitted to the Board of Directors for further review		
			October 23, 2024	Review of the following proposals: 1. The Audit Work Report for Q1-Q3 2024; and 2. The Q3 2024 Report	Approved, to be submitted to the Board of Directors for further review		
The Remuneration and Appraisal Committee	Chen You'an, Li Guowang, and Ying Hanjie	5	January 19, 2024	Review of the following proposal: The Proposal on the Satisfaction of Unlocking Conditions for the First Unlocking Period of the 2021 Restricted Share Incentive Plan	Approved, to be submitted to the Board of Directors for further review		
			May 28, 2024	Review of the following proposal: The Proposal on Amending the Appraisal and Management Measures for Remunerations of the Management of Luzhou Laojiao Co., Ltd.	Approved, to be submitted to the Board of Directors for further review		
			July 22, 2024	Review of the following proposals: 1. The Proposal on Revising the Management Rules of Luzhou Laojiao Co., Ltd. for	Approved, to be submitted to the Board of Directors for further review		

				Remunerations of the Management and the Management Rules of Luzhou Laojiao Co., Ltd. for Performance Appraisal of the Management; and 2. The Proposal on Reviewing the 2023-2025 Appraisal Implementation Plan of Luzhou Laojiao Co., Ltd. for the Management			
			September 18, 2024	Review of the following proposal: 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	Approved, to be submitted to the Board of Directors for further review		
			December 20, 2024	Review of the following proposal: The Proposal on the Remunerations of the Management for 2023	Approved, to be submitted to the Board of Directors for further review		

8. Performance of duties by the board of supervisors

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

Yes No

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

9. Staff in the Company

9.1. Number, functions and educational backgrounds of the staff

Number of in-service staff of the parent company at the end of the reporting period	1,292
Number of in-service staff of main subsidiaries at the end of the reporting period	2,540
Total number of in-service staff at the end of the reporting period	3,832
Total number of staff with remuneration in the period	3,832
Number of retirees to whom the Company or its main subsidiaries need to pay retirement pension	895
Functions	
Function by category	Number of staff
Production staff	1,358
Sales staff	927
R&D staff	853
Financial staff	104
Administrative staff	590
Total	3,832
Educational backgrounds	
Educational background by category	Number of staff
Senior high school and below	417
Junior college	765
Bachelor	2,031
Master	603
Doctor	16
Total	3,832

9.2. Staff remuneration policy

In 2024, the Company implemented the distribution policy of "sharing benefits, paying for losses, classification and setting, and long-term policy effects", continuously strengthened the digital assessment, linked individual performance with organizational performance, and highlighted the distribution according to performance. The Company implemented the post rating wage system and strengthened the performance management of all employees. According to the following principles:

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

Salary and its changes based on position, ability and performance: The salary of employee shall be determined by position and the depth of their expertise. The salary shall be adjusted accordingly

when the position, ability and performance change.

Performance orientation, bonus and forfeit: Performance assessment is conducted according to the actual contributions of employees, and the salary distribution is inclined to the employees with excellent performance.

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

9.3. Staff training plans

In 2024, 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 hired through campus and social recruitment. 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. The purpose of this program is 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 enrich employees' knowledge on corporate business management, improve their knowledge structure, and enhance their strategic understanding and abilities of work and team management.

Steering Program: The “Steering Program” training was conducted for middle management personnel and department experts in the form of online and offline 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, public relations, 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”, and actively carries out the work of staff title appraisal, skill rating, recommendation and assessment and so on. 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.

9.4. Labor outsourcing

Applicable N/A

10. Profit distribution and converting capital reserves into share capital

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

Applicable N/A

According to the plan for profit distribution for 2023 deliberated and approved by 2023 annual meeting of shareholders, based on its total of 1,471,966,503 shares, the Company distributed a cash dividend of CNY 54.000780 (tax inclusive) per 10 shares to all shareholders. The distribution plan was implemented on August 23, 2024.

A special statement of the policy of cash dividends	
Whether it meets the requirements of the articles of corporation or the resolution of shareholders' meeting:	Yes
Whether the standard and proportion of dividends are clear:	Yes
Whether the relevant decision-making process and systems are complete:	Yes

Whether non-executive directors perform their duties and play their due role:	Yes
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)	45.92
Total shares as the basis for the preliminary plan for profit distribution (share)	1,471,951,503
Total cash dividends (CNY) (tax included)	6,759,201,301.78
Cash dividends in other forms (e.g. repurchase share)	0.00
Total cash dividends (CNY) (including other forms)	6,759,201,301.78
Distributable profit (CNY)	31,526,616,851.39
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 24, 2025, the Company carried out the 2024 interim dividend payout of CNY 13.58 (tax inclusive) for every 10 existing shares held, totaling CNY 1,998,910,141.07 (tax inclusive). If the said profit distribution plan is approved at a general meeting of shareholders, the total cash dividend payout for 2024 would be CNY 8,758,111,442.85 (tax inclusive), accounting for approximately 65.00% of the net profits attributable to shareholders of the Company in 2024.	

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

Applicable N/A

11.1. Equity incentives

A. On 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 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 approved at the First Extraordinary General Meeting of Shareholders of 2021. Meanwhile, a self-inspection on the trading of the Company's shares by insiders of the Incentive Plan and the proposed awardees was conducted, and the Self-Inspection Report on the Trading of the Company's Shares by Insiders and Awardees in the 2021 Restricted Share Incentive Plan was disclosed.

E. On 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 General Meeting of Shareholders of 2021, the Board of Directors of the Company agreed to adjust the grant price and repurchase price of the reserved restricted shares under the incentive plan from CNY 92.71 per share to CNY 89.466 per share in view of the implementation of the Company's profit distribution plan for 2021. The independent directors consented to this matter.

J. On 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 objects, 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 aforesaid 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 objects, 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 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.

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								95,900	38,360		92.71	57,540
Lin Feng	Director, General manager								95,900	38,360		92.71	57,540
Shen Caihong	Deputy general manager								76,700	30,680		92.71	46,020
Xie Hong	CFO								76,700	30,680		92.71	46,020
He Cheng	Deputy								76,700	30,680		92.71	46,020

	general manager												
Zhang Suyi	Director, Deputy general manager								76,700	30,680		92.71	46,020
Xiong Pingting	Director, Deputy general manager								62,800	25,120		92.71	37,680
Li Yong	Deputy general manager, Secretary of the board								62,800	25,120		92.71	37,680
Zhao Bingkun	Deputy general manager								30,000	12,000		92.71	18,000
Total	--	0	0	0	0	--	0	--	654,200	261,680	0	--	392,520
Notes (if any)	The first grant date for the 2021 Restricted Share Incentive Plan was December 29, 2021 and the registration date of the grant was February 21, 2022. And the unlocked restricted shares in the first unlocking period of the Incentive Plan were allowed for public trading on February 22, 2024.												

Appraisal mechanism and incentives for senior management

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

11.2. Implementation of employee stock ownership plans

Applicable N/A

11.3. Other incentive measures for employees

Applicable N/A

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

12.1. Establishment and implementation of the internal control system

During the reporting period, in accordance with the Basic Rules for Internal Control of Enterprises, relevant laws, administrative regulations, normative documents, and other regulatory requirements concerning internal control, as well as the reality of the Company, the Company consistently improved and optimized its internal control systems and established a well-developed system that covered the corporate governance, administrative management, operations management, financial management, human resources, production guarantee, and safety and environmental protection. Additionally, it strengthened the implementation, supervision, inspection, feedback, and improvement of the internal control systems in the operations management to ensure that each internal control system is reasonable, complete, and effective, thereby promoting the sound, sustainable development of the Company.

12.2. Material internal control deficiencies found in the reporting period

Yes No

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

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

14. Internal control assessment report and auditor report

14.1. Internal control assessment report

Disclosure date of the internal control assessment report	April 28, 2025
Disclosure index of the internal control assessment report	2024 Internal Control Assessment Report (http://www.cninfo.com.cn/)

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

14.2. Internal control auditor report

Applicable N/A

Deliberation opinion section in the internal control audit report	
The Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, 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 28, 2025
Disclosure index of the internal control audit report	2024 Internal Control Auditor Report (http://www.cninfo.com.cn/)
Type of the audit's opinion	Standard unqualified opinion
Significant deficiencies found in the non-financial report	No

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

Yes No

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

Yes No

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

None.

Section V Environmental and Social Responsibility

1. Information about environment protection

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

Yes No

Policies and industry standards on environmental protection

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

Environmental protection administrative permission

In 2024, Luzhou Laojiao Co., Ltd. obtained eight ecological and environmental administrative permits, including a total of five permits for change and renewal of discharge permits and three approval of environmental impact assessment reports.

Name of permit	Administrative permit No.	Review and issuance authority	Acquiring time	Valid term	Permitted matter	Remark
Reply of Luzhou Municipal Ecology and Environment Bureau to the Report of Luzhou Laojiao Brewing Co., Ltd. on the Environmental Impact of Thermochemical Energy- and Resource-based Coupled Utilization Technology of Brewing Waste	L.SH.H.J.H. [2024] No. 33	Luzhou Municipal Ecology and Environment Bureau	March 12, 2024	5 years	In Sichuan Luzhou Baijiu Industrial Park, a production line for the resource- and energy-based utilization of disposed grains will be built, processing distiller's 50,450.45 tons of grains per year and producing 2,880 tons of biochar per year and 15,192.68 tons of grain residue per year. This project will generate additional annual air pollutant emissions of: sulfur dioxide 0.18 t/a, nitrogen oxides 1.44 t/a, particulate matter 1.06 t/a, and volatile organic compounds 1.49 t/a. The main water pollutants from the project will be treated by the Sichuan Luzhou Baijiu Industrial Park Wastewater Treatment Plant, with final discharge volumes as follows: chemical oxygen demand (COD) 2.26 t/a, ammonia nitrogen 0.113	Newly acquired

					t/a, and total phosphorus 0.0226 t/a. The actual emission volumes of the main pollutants for this project are subject to confirmation during the pollutant discharge permit application.	
Reply of Luzhou Municipal Ecology and Environment Bureau to the Report of Sichuan Luzhou Baijiu Industrial Park (Huangyi) on the Environmental Impact of Thermolectric Cogeneration Expansion Project (Phase I)	L.SH.H.J.H. [2024] No. 10	Luzhou Municipal Ecology and Environment Bureau	January 10, 2024	5 years	<p>Within the Huangyi Brewery Eco-Park, based on the existing two 75 t/h and one 20 t/h gas-fired steam boilers, and two 7 MW back-pressure turbine generator units, the project plans to build two new 220 t/h gas-fired steam boilers (one in use and one as a backup), and one 21 MW back-pressure turbine generator unit. Auxiliary facilities will be constructed, including the fuel handling system, demineralized water system, compressed air system, water supply and drainage system and fire protection system.</p> <p>Additional annual air pollutant emissions from the project are: sulfur dioxide 10.66 t/a, nitrogen oxides 80.79 t/a, and particulate matter 4.85 t/a. After project completion, the total annual air pollutant emissions from the entire heat supply center will be: sulfur dioxide 18.89 t/a, nitrogen oxides 135.44 t/a, and particulate matter 8.59 t/a. Before being treated by the Sichuan Luzhou Baijiu Industrial Park Wastewater Treatment Plant, the wastewater pollutant emissions are: COD 269.28 t/a, ammonia nitrogen 20.2 t/a, and total phosphorus 2.02 t/a. After treatment, the discharge volumes will be: COD 20.20 t/a, ammonia nitrogen 1.01 t/a, and total phosphorus 0.20 t/a. Upon completion, the wastewater discharge volumes from the entire heat supply center will be: COD 34.93 t/a, ammonia nitrogen 1.75 t/a, and total phosphorus 0.35 t/a. The actual emission volumes of the main pollutants for this project are subject to confirmation during the pollutant discharge permit application.</p>	Newly acquired
Reply of Luzhou Municipal Ecology and Environment Bureau to the Report of Luzhou Laojiao Brewing Co., Ltd. on the Environmental Impact of Luzhou Laojiao Technical Upgrade Project of Intelligent Brewing (Phase I & II)	L.SH.H.J.H. [2024] No. 35	Luzhou Municipal Ecology and Environment Bureau	April 18, 2024	5 years	<p>The project is located in the Sichuan Luzhou Baijiu Industrial Park, with a total planned land area of 633,047 m² (approximately 950 mu). The project will be expanded in phases. Phase I includes the construction of two brewing workshops, nine semi-open liquor rooms, a sorghum pretreatment area, a rice husk pretreatment area, a circulating water station, a maintenance workshop, and an air compression station, adding a production capacity of 80,000 tons per year for strong aromatic base baijiu and a storage capacity of 104,000 tons for base baijiu. Phase II involves the construction of 10 ceramic liquor rooms, adding a storage capacity of 56,000 tons for base baijiu. Upon completion of the project, the entire plant will have an annual production capacity of</p>	Newly acquired

						205,000 tons of strong aromatic base baijiu and a storage capacity of 540,000 tons for base baijiu. The total investment of the project is CNY 6.075 billion, of which CNY 25.5 million is invested in environmental protection.	
Pollutant Discharge Permit — Luzhou Laojiao Brewing Co., Ltd. (Energy Center of Sichuan Luzhou Baijiu Industrial Park)	91510500204755181G002V	Luzhou Municipal Ecology and Environment Bureau	October 12, 2024	October 26, 2026	1. The circulating cooling water discharge outlet shall comply with the Class III discharge standard of the Integrated Wastewater Discharge Standard (GB8978-1996); 2. The plant boundary noise monitoring shall be combined with that of Huangyi Brewery Eco-Park of Luzhou Laojiao Co., Ltd. and shall comply with Class 3 standards under the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008).	Change	
Pollutant Discharge Permit — Luzhou Laojiao Co., Ltd. (Huangyi Brewery Eco-Park)	91510500204706718H004Q	Luzhou Municipal Ecology and Environment Bureau	July 26, 2024	July 25, 2029	Licensed annual emission limits: Air pollutants: particulate matter 0.06 t/a, sulfur dioxide 0.18 t/a, and nitrogen oxides 1.44 t/a; water pollutants: COD 482.76 t/a, ammonia nitrogen 36.213 t/a, total nitrogen 62.5 t/a, total phosphorus 3.6226 t/a.	Change	
Discharge Permit for Luzhou Laojiao Co., Ltd. (Huangyi Brewery Eco-Park)	91510500204706718H004Q	Luzhou Municipal Ecology and Environment Bureau	February 2, 2024	February 1, 2029	Permitted annual discharge limits for wastewater: 480.5t/a for chemical oxygen demand (COD), 36.1t/a for ammonia nitrogen, 62.5t/a for total nitrogen (TN), and 3.6t/a for total phosphorus (TP).	Change	
Discharge Permit for Luzhou Laojiao Co., Ltd. (National Cellar and Zaojiaoxiang Bases)	91510500204706718H003Q	Luzhou Municipal Ecology and Environment Bureau	January 6, 2024	September 2, 2026	Permitted standards and limits for non-NMHC: No applicable standards.	Change	
Discharge Permit for Luzhou Laojiao Co., Ltd. (Luohan Brewery Eco-Park)	91510500204706718H001V	Luzhou Municipal Ecology and Environment Bureau	January 8, 2024	November 28, 2027	Permitted standards and limits for non-NMHC: No applicable standards.	Change	

Industry discharge standards and pollutants in producing and operating activities

Company name	Type of main pollutant and particular pollutant	Name of main pollutant and particular pollutant	Discharge type	Number of discharge outlet	Distribution of discharge outlet	Emission concentration/intensity	Pollution discharge standard	Total emission	Approved total emission	Excessive discharge
Luzhou Laojiao Co., Ltd.	Water pollutant	COD	Direct discharge	1	Luohan Brewery Eco-Park	20.3mg/L	50mg/L	7.7408t	23.183t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Ammonia nitrogen	Direct discharge	1	Luohan Brewery Eco-Park	0.328mg/L	5mg/L	0.1239t	2.017t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Total nitrogen	Direct discharge	1	Luohan Brewery Eco-Park	7.482mg/L	15mg/L	2.7891t	5.796t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Total phosphorus	Direct discharge	1	Luohan Brewery	0.074mg/L	0.5mg/L	0.0294t	0.232t/a	No

Co., Ltd.		us			Eco-Park					
Luzhou Laojiao Co., Ltd.	Air pollutant	PM	Organized discharge	2	Luohan Brewery Eco-Park	0.742mg/m ³	20mg/m ³	0.1044t	/	No
Luzhou Laojiao Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	2	Luohan Brewery Eco-Park	0.804mg/m ³	50mg/m ³	0.1342t	/	No
Luzhou Laojiao Co., Ltd.	Air pollutant	Oxynitride	Organized discharge	2	Luohan Brewery Eco-Park	23.564mg/m ³	150mg/m ³	3.7058t	22.1t/a	No
Luzhou Laojiao Co., Ltd.	Air pollutant	PM	Organized discharge	1	Luohan Brewery Eco-Park	0mg/m ³	20mg/m ³	0t	1.1t/a	No
Luzhou Laojiao Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	1	Luohan Brewery Eco-Park	0mg/m ³	50mg/m ³	0t	/	No
Luzhou Laojiao Co., Ltd.	Air pollutant	Oxynitride	Organized discharge	1	Luohan Brewery Eco-Park	0mg/m ³	150mg/m ³	0t	23.3t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	COD	Indirect discharge	1	Huangyi Brewery Eco-Park	36.013mg/L	400mg/L	22.1593t	482.76t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Ammonia nitrogen	Indirect discharge	1	Huangyi Brewery Eco-Park	1.375mg/L	30mg/L	0.8128t	36.213t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Total nitrogen	Indirect discharge	1	Huangyi Brewery Eco-Park	19.859mg/L	50mg/L	12.2214t	62.5t/a	No
Luzhou Laojiao Co., Ltd.	Water pollutant	Total phosphorus	Indirect discharge	1	Huangyi Brewery Eco-Park	0.895mg/L	3.0mg/L	0.5529t	3.6226t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Dust	Organized discharge	2	Energy Center of Sichuan Luzhou Baijiu Industrial Park	0.7545mg/m ³	5mg/m ³	0.4626t	8.640t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	PM	Organized discharge	1	Energy Center of Sichuan Luzhou Baijiu Industrial Park	0.9982mg/m ³	20mg/m ³	0.0117t		No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	2	Energy Center of Sichuan Luzhou Baijiu Industrial Park	0.47935mg/m ³	35mg/m ³	0.3238t	18.880t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	1	Energy Center of Sichuan Luzhou Baijiu	0.5527mg/m ³	50mg/m ³	0.0064t		No

					Industrial Park					
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Oxynitride	Organized discharge	2	Energy Center of Sichuan Luzhou Baijiu Industrial Park	30.4398 mg/m ³	100mg/m ³	18.7061t	136.080t/a	No
Luzhou Laojiao Brewing Co., Ltd.	Air pollutant	Oxynitride	Organized discharge	1	Energy Center of Sichuan Luzhou Baijiu Industrial Park	49.2419 mg/m ³	150mg/m ³	0.4039t		No

Treatments of pollutants

A. Waste water: Areas of the Company that produce wastewater are National Cellar Brewery Base, Zaojiaoxiang Brewery Base, Xiaoshi Brewery Base, Anning Technology Park, Luohan Brewery Eco-Park, and Huangyi Brewery Eco-Park. In National Cellar Brewery Base, Zaojiaoxiang Brewery Base, Xiaoshi Brewery Base, and Anning Technology Park, the high-concentration brewing wastewater is temporarily collected in pools (or tanks), and is later transferred to the wastewater treatment station of Huangyi Brewery Eco-Park by truck for treatment. The wastewater treatment stations of Luohan Brewery Eco-Park and Huangyi Brewery Eco-Park are equipped with online monitors to automatically monitor COD, ammonia nitrogen, total phosphorus, total nitrogen, pH value and flows, and transmit the monitoring data to the supervision platform of the higher authority. During the reporting period, the Company reduced wastewater discharge by more than 3.08 million tons through methods such as reclaimed water reuse and cooling water recycling. The Company's facilities for prevention and control of wastewater pollution are under normal operations, ensuring up-to-standard discharge through general discharging outlets. Compared with last year, suspended matter discharge was reduced by 6.82%, and Five-day BOD discharge by 16.81%.

B. Waste gas: Main areas of the Company that produce exhaust gas are National Cellar Brewery Base, Zaojiaoxiang Brewery Base, Xiaoshi Brewery Base, Luohan Brewery Eco-Park, and Huangyi Brewery Eco-Park. In National Cellar Brewery Base, natural gas boilers are used, while in Xiaoshi Brewery Base and Zaojiaoxiang Brewery Base, direct-fired bottom boilers are used. The natural gas boilers of Luohan Brewery Eco-Park (20t/h, 30t/h) and the natural gas boilers of Huangyi Brewery Eco-Park (20t/h, 75t/h, 75t/h) are equipped with online monitors to automatically monitor exhaust gas, and transmit the monitoring data to the supervision platform of the higher authority. Low NO_x combustion technology is adopted for the natural gas boilers. During the reporting period, the Company's facilities for prevention and control of exhaust gas pollution were under normal operations, ensuring up-to-standard emission of exhaust gas through outlets. Compared with last year, PM discharge was reduced by 34.28%, nitrogen oxide discharge by 22.03%, and sulfur dioxide by 2.69%.

C. Solid waste: The Company has established a digital ledger for general solid waste to comprehensively manage the types, quantities, flows, storage, utilization methods, and disposal entities

of general industrial solid waste. In strict compliance with relevant laws and regulations such as the Administrative Measures for the Transfer Manifest of Hazardous Waste and the Standard for Pollution Control on Hazardous Waste Storage, the Company regulated the collection, temporary storage, transfer, and disposal of hazardous waste. The Company has completed the industry's first demonstration project for the coupled utilization of energy and resources from brewing waste, with an annual processing capacity of 100,000 tons. The project has achieved a resource utilization rate of over 90% for brewing waste and a gas energy recycling rate of over 95%, filling a technological gap in the field of thermochemical treatment of brewing waste (discarded grains). It represents a breakthrough in addressing the common and critical technologies for efficient conversion and safe disposal of discarded grains in the distillery industry.

D. Noise: During the reporting period, the Company strictly complied with the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution. It mitigated noise pollution by selecting low-noise equipment, installing vibration dampers, and enhancing the maintenance and operational management of equipment used in production processes.

Emergency plan for environmental emergencies

The Company has revised and issued in 2023 the Contingency Plan for Environmental Emergencies in Jiangyang District of Luzhou Laojiao Co., Ltd. (2023), and the Contingency Plan for Environmental Emergencies in Longmatan District of Luzhou Laojiao Co., Ltd. (2023), which have been filed with the Luzhou Municipal Environmental Emergency Command Platform. In 2024, the Company implemented relevant management requirements in accordance with the contingency plans, and carried out emergency training and emergency drills.

Environmental self-monitoring plan

Monitoring site	Monitoring indicator	Implementation standard	Emission limit	Monitoring frequency	Monitoring form	Monitoring compliance rate in 2024
Unorganized monitoring points 1#-4# for the exhaust gas emission outlets of Luohan Brewery Eco-Park	Odor concentration	Emission Standards for Odor Pollutants (GB14554- 93)	20 (dimensionless)	1 time/half-year	Manual	100%
	Hydrogen sulfide		0.06mg/m ³			
	Ammonia		1.5mg/m ³			
	NMHC	/				
Particulate matters	Integrated Emission Standards for Air Pollutants (GB16297-1996)	1mg/m ³				
Exhaust gas emission outlets DA022, DA021 (unused) and DA020 of Luohan Brewery Eco-Park	Ringelman emittance	Emission Standards for Air Pollutants for Boiler (GB13271-2014)	≤1	1 time/quarter	Manual	100%
	Nitrogen oxide		150mg/m ³		Automatic	
	Particulate matters		20mg/m ³			
	Sulfur dioxide:		50mg/m ³			
Exhaust gas emission outlet DA019 of Luohan Brewery Eco-Park	Hydrogen sulfide	Emission Standards for Odor Pollutants (GB14554-93)	15000 / 1.8kg/h	1 time/half-year	Manual	100%
	Ammonia		/			
	Odor concentration		27kg/h			
Exhaust gas emission outlet DA018 of Luohan Brewery Eco-Park	Sulfur dioxide:	Integrated Emission Standards for Air Pollutants (GB16297-1996)	240mg/m ³ 0.77kg/h	1 time/quarter	Manual	100%
	Particulate matters		120mg/m ³ 3.5kg/h			
	Nitrogen oxide		550mg/m ³			

			2.6kg/h			
	Volatile organic compounds	/	/			
Exhaust gas emission outlet DA017 of Luohan Brewery Eco-Park	NMHC	/	/	1 time/quarter	Manual	100%
Exhaust gas emission outlets DA001-DA016 of Luohan Brewery Eco-Park	Particulate matters	Integrated Emission Standards for Air Pollutants (GB16297-1996)	120 mg/m ³	1 time/half-year	Manual	100%
Main outlet DW001 of the wastewater treatment station of Luohan Brewery Eco-Park	Flow	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Baijiu Industry (GB27931-2011)	/	1 time/quarter	Automatic	100%
	PH value		6-9			
	COD		50mg/L			
	Ammonia nitrogen		5mg/L			
	TP		0.5mg/L	1 time/month	Manual	
	TN		15mg/L			
	Suspended solids		20mg/L			
	Five-day BOD		20mg/L			
Chroma	20					
Rainwater outlets DW002-DW006 of Luohan Brewery Eco-Park	Suspended solids	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Baijiu Industry (GB2731-2011)	20 mg/L	1 time/month (1 time/quarter in case of no abnormalities monitored)	Manual	100%
	COD		50mg/L			
Noise monitoring points 1-4# at the boundary of Luohan Brewery Eco-Park	Boundary noise	Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008)	Daytime: 60 dB (A); nighttime: 50 dB (A)	1 time/quarter	Manual	100%
Circulating cooling water outlet DW002 of the Energy Center of Baijiu Industrial Park	COD	Integrated Wastewater Discharge Standard (GB8978-1996)	500mg/L	1 time/quarter	Manual	100%
	PH value		6-9mg/L			
	TP (P)		/mg/L			
Wastewater outlet DW001 of the Energy Center of Sichuan Luzhou Baijiu Industrial Park	PH value	Integrated Wastewater Discharge Standard (GB8978-1996)	6-9	1 time/quarter	Manual	100%
	Total dissolved solids (TDS)		/			
	Suspended solids		140mg/L			
	Five-day BOD		80mg/L			
	COD		400mg/L			
	TN		50mg/L			
	Ammonia nitrogen		30mg/L			
TP	3mg/L					
Boiler exhaust gas vents DA001-DA002 of the Energy Center of Sichuan Luzhou Baijiu Industrial Park	Ringelman emittance	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	≤1	1 time/quarter	Manual	100%
	Nitrogen oxide		100mg/m ³		Automatic	
	Soot		5mg/m ³			
	Sulfur dioxide:		35mg/m ³			
Boiler exhaust gas vent DA003 of the Energy Center of Sichuan Luzhou Baijiu Industrial Park	Ringelman emittance	Emission Standards for Air Pollutants for Boiler (GB13271-2014)	≤1	1 time/quarter	Manual	100%
	Nitrogen oxide		150mg/m ³		Automatic	
	Particulate matters		20mg/m ³			
	Sulfur dioxide		50mg/m ³			
Rainwater outlets DW004-DW010 of Huangyi Brewery Eco-Park	Suspended solids	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Baijiu Industry (GB2731-2011)	50mg/L	1 time/month (1 time/quarter in case of no abnormalities monitored)	Manual	100%
	COD		100mg/L			
Unorganized monitoring points 1#-4# at the boundary of Huangyi Brewery Eco-Park	Odor concentration	Emission Standards for Odor Pollutants (GB14554-93)	20 (dimensionless)	1 time/quarter	Manual	100%
	Hydrogen sulfide		0.06mg/m ³			
	Ammonia		1.5mg/m ³			
	NMHC		/			
	Particulate		Integrated Emission			

	matters	Standards for Air Pollutants (GB16297-1996)					
DA041 and DA042 of Huangyi Brewery Eco-Park	Odor concentration	Emission Standards for Odor Pollutants (GB14554-93)	2000 (dimensionless)	1 time/half-year	Manual	100%	
	Ammonia		4.9kg/h				
	Hydrogen sulfide		0.33kg/h				
DA096-DA097 of Huangyi Brewery Eco-Park	NMHC	/	/	1 time/quarter	Manual	100%	
DA034-DA040, DA043-DA070, DA076-DA086, DA088-DA095, DA098, and DA099-DA101 of Huangyi Brewery Eco-Park	Particulate matters	Integrated Emission Standards for Air Pollutants (GB16297-1996)	120mg/m ³	1 time/half-year	Manual	100% (DA100-101 not yet put into operation)	
DA102 of Huangyi Brewery Eco-Park	Particulate matters	Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB 9078-1996)	200mg/m ³	1 time/month	Manual	Not yet put into operation	
	Sulfur dioxide		/				
	Nitrogen oxide		/				
	Ammonia (NH ₃)	Emission Standards for Odor Pollutants (GB14554-93)	/	1 time/quarter			
	NMHC	/	/				
Main outlet of the wastewater treatment station of Huangyi Brewery Eco-Park	Flow	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Baijiu Industry (GB2731-2011)	/	1 time/quarter	Automatic	100%	
	PH value		6-9				
	COD		400mg/L				
	Ammonia nitrogen		30mg/L				
	TP		3mg/L				
	TN		50mg/L				
	Suspended solids		140mg/L	1 time/month			Manual
	Five-day BOD		80mg/L				
	Chroma		80				
Noise monitoring points 1-4# at the boundary of Huangyi Brewery Eco-Park	Boundary noise	Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008)	Daytime: 65 dB (A); nighttime: 55 dB (A)	1 time/quarter	Manual	100%	
Unorganized monitoring points 1#-7# at Xiaoshi Brewery Base	Odor concentration	Emission Standards for Odor Pollutants (GB14554-93)	20	1 time/half-year	Manual	100%	
	NMHC	/	/				
Boiler exhaust gas vents DA001-DA010 of Xiaoshi Brewery Base	Ringelman emittance	Emission Standards for Air Pollutants for Boiler (GB13271-2014)	≤1	1 time/year	Manual	100%	
	Soot		20mg/m ³				
	Sulfur dioxide:		50mg/m ³				
	Nitrogen oxide		150mg/m ³	1 time/month			
Noise monitoring points at the boundary of Xiaoshi Brewery Base	Boundary noise	Emission Standard for Noise of Industrial Enterprises at Boundary (GB12348-2008)	Daytime: 60 dB (A)	1 time/quarter	Manual	100%	
Unorganized monitoring points 1#-4# of National Cellar and 1#-3# of Zaojiaoxiang Brewery Bases	Odor concentration	Emission Standards for Odor Pollutants (GB14554-93)	20	1 time/half-year	Manual	100%	
	NMHC	/	/				
Boiler exhaust gas vents DA001-DA003 of National Cellar and Zaojiaoxiang Brewery Bases	Ringelman emittance	Emission Standards for Air Pollutants for Boiler (GB13271-2014)	≤1	1 time/year	Manual	100%	
	Soot		20mg/m ³				
	Sulfur dioxide:		50mg/m ³				
	Nitrogen oxide		150mg/m ³	1 time/month			
Noise monitoring points at the boundary of National Cellar and Zaojiaoxiang Brewery Bases	Boundary noise	Emission Standard for Noise of Industrial Enterprises at Boundary (Class 4 for street frontage)	Daytime: 60 dB (A)	1 time/quarter	Manual	100%	
Rainwater outlet DW003 of National Cellar Brewery Base	Suspended solids	Standards for the Emission of Water Pollutants in the Fermented Alcohol and Baijiu Industry (GB2731-2011)	20mg/L	1 time/month (1 time/quarter in case of no abnormalities monitored)	Manual	100%	

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

During the reporting period, CNY 58.01 million was input in environmental governance and protection, and CNY 156 thousand was paid in environmental protection tax as required.

Taxable pollutant	Amount of tax payable (CNY 10,000)	Actual amount paid (CNY 10,000)	Tax deduction (CNY 10,000)
Water pollutant and air pollutant	16.1	15.6	0.5

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

Applicable N/A

The Company reduced CO₂ emissions through resource recycling. Waste heat recovery is carried out during the bran steaming stage to save steam, reducing natural gas consumption by approximately 1.24 million cubic meters and carbon dioxide emissions by more than 2,700 tons per year. The Company recycled the marsh gas generated from the wastewater treatment process as boiler fuel, with 3.5992 million cubic meters of marsh gas recycled during the reporting period, and more than 52,281 tons of carbon dioxide emissions were reduced. In addition, the Company reduced carbon dioxide emissions by purchasing green power. During the reporting period, 5,944,000 kilowatt-hours of green power were purchased and carbon emissions were reduced by 3,190 tons.

Administrative penalties received in the reporting period due to environmental issues

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

Other information about environmental protection that should be disclosed

None

Other information about environment protection

None

2. Social responsibility

See the 2024 Environmental, Social and Governance (ESG) Report disclosed on the same day with this Annual Report.

3. Efforts in poverty alleviation and rural revitalization

3.1. Work plan for rural revitalization in 2024

In 2024, the Company will strictly implement the arrangement of the central, provincial and municipal Party committees regarding effectively connecting consolidation and expansion of poverty alleviation

achievements with rural revitalization, as well as follow the principle of "what the locality needs is what the enterprise can provide". Focusing on the bottom-line assistance for Hongyuan County, as well as the targeted assistance for Guntang Village in Hongyuan County, Xiangtian Village in Gulin County, Hongdongqiao Village and Baiyang Village in Xuyong County, a series of targeted, beneficial, and forward-looking key projects will be initiated and carried out, effectively advancing the bottom-line and targeted assistance for the assisted areas so that they can catch up and achieve leapfrog development.

A. Enhance industrial assistance and stimulate the development momentum. By virtue of the resource endowment of the assisted areas and the operational advantages of the Company, the Company will focus on incorporating agricultural and animal husbandry industries into modernized industrial parks. Our goal is to promote the transformation and high-quality development of modern animal husbandry, tap into and utilize the unique advantages of resources in the assisted villages. It plans to broaden the sales channels of characteristic agricultural and sideline products through bulk purchases, "purchase for sales" initiatives, and e-commerce platforms, aiming to accelerate the conversion of resource advantages into industrial strengths.

B. Improve the infrastructure and enhance the living environment. To effectively improve the rural living environment and enhance the happiness index of the people, one of the Company's objectives is to build ecologically beautiful and livable villages. In 2024, the plan is to add movable trash bins to the assisted villages, further improving the hygiene of the village environment, beautifying the village appearance, and cultivating good hygiene habits among the people in Tibetan areas; and the plan also includes upgrading the heating equipment in the assisted villages to help solve the heating problems in the high-cold environments of the assisted villages.

C. Focusing on educational assistance to support students' growth. The Company will continue to carry out the "Pillar Program – Gratitude and Striving Forward" initiative, granting a scholarship of CNY 5,000 to each financially disadvantaged college freshman graduating in 2025 from the assisted villages. This initiative aims to support underprivileged students in their educational journey, address the challenge of access to education, and fundamentally prevent school dropout due to financial hardship.

D. Strengthening the talent support and enhancing the vitality of development. Focusing on the requirements of the new era and based on the new stage of development, the Company will continue transitioning the assistance model toward capacity enhancement, industry-driven, and sustainable development types. Youth training programs will be conducted according to the needs of characteristic industries in assisted regions, with the goal of cultivating a dedicated and capable talent team that is willing to stay and contribute.

E. Increase cultural support and enrich the cultural knowledge. To further solidify the ideological and ethical standards and build up moral power for rural revitalization, the company will continue to focus on local cultural characteristics and the spiritual needs of the masses. It will strongly support the promotion of traditional culture such as Tibetan opera, and support themed events for International Women's Day, and other activities to enrich the cultural life of the masses. These efforts aim to broaden the villagers' horizons, and uplift their spirits.

F. Enhance the building of the assistance team to boost rural revitalization. Considering the next steps in the assistance plan, the Company, guided by the principle of sending people who are needed and suitable for the task, will select a group of individuals with strong execution abilities, high professional qualities, and broad expertise to form an assistance team. The Company will ensure that the assistance initiative is effectively implemented on the front line, and the role of assistance is well played on the front line, so as to contribute to the comprehensive revitalization of rural industries, culture, ecosystem,

organizations, and talents.

3.2. The achievements of rural revitalization assistance in 2024

In 2024, the Company fully implemented the decisions and arrangements of the Provincial Party Committee and Government as well as the Luzhou Municipal Party Committee and Government regarding bottom-line and targeted assistance. Leveraging its advantages in capital, technology, talent, and management, the Company invested a total of CNY 3,543,900 in assistance projects. Over ten high-quality projects were carried out focusing on industrial support, educational support, employment assistance, consumer support, talent development, and the promotion of rural civility, aiming to ensure effective alignment between poverty alleviation achievements and rural revitalization.

First, the Company strengthened organizational leadership to systematically advance responsibility fulfillment. Throughout the year, four Party committee meetings were convened to communicate and deploy related work, and six special meetings on assistance were held to study implementation measures. Tailored plans under the “One Enterprise, One Policy” approach were formulated, and members of the leadership team conducted eight visits to counties and villages for on-site coordination and research into revitalization paths. Six politically reliable, highly competent, and proactive young employees were assigned to reside in the villages full-time to ensure effective implementation of assistance efforts.

Second, the Company focused on industrial upgrading to inject strong momentum into development. A total of CNY 1,065,000 was invested to support Hongyuan County in establishing the “Yak Grassland Enterprise Store” livestreaming studio on Douyin, where sales during the livestream exceeded CNY 1 million, effectively boosting the local yak industry. The Company actively carried out bulk procurement and “purchase instead of donation” campaigns, purchasing CNY 1,760,600 worth of specialty products such as yak milk powder and yak jerky from Hongyuan County, and CNY 220,000 of alpine specialty rice from Xiangtian Village. These efforts achieved tangible results in promoting supply-demand linkage and rural revitalization, strengthening collective economies and increasing villagers’ income. The Company also continued to deepen the “self-motivation-based” assistance model by distributing 5,000 charity chicks to Xiangtian Village, helping 294 households increase income by approximately CNY 500,000.

Third, the Company enhanced talent development to accumulate momentum for growth. To encourage rural students to study diligently, the Company granted a total of CNY 160,000 in scholarships to 32 college freshmen from Guntang Village and Xiangtian Village, helping disadvantaged students fulfill their college dreams. The Company launched a “charity teaching support” initiative in Xiangtian Village to deliver school uniforms and care packages to underprivileged students, contributing to the prevention of intergenerational poverty transmission. In earnest fulfillment of the key political task of “preventing dropout and ensuring compulsory education”, the Company invested CNY 266,700 to organize a summer camp for 32 teachers and students from Hongyuan County. Additionally, CNY 100,000 was allocated for a youth talent training program in Hongyuan County, under which experts were invited to provide e-commerce training and hands-on sessions for over 50 aspiring entrepreneurs, aiming to cultivate a locally rooted, capable, and committed talent pool for the assisted region.

Fourth, the Company improved infrastructure to enhance the rural environment. The Company invested CNY 80,000 to upgrade and repair the heating facilities and equipment of the Maiwa Township Government in Hongyuan, providing a comfortable working environment for staff in this alpine region. Additionally, CNY 70,000 was allocated to install nine 2.5-cubic-meter detachable garbage container

boxes in Hongyuan County, thereby facilitating the establishment of a village-wide waste collection and transportation network and improving the living environment for villagers by making it cleaner, more pleasant, and more comfortable.

Fifth, the Company expanded benefit measures to safeguard people's well-being. The Company has always upheld the principle of "I do practical things for the public" as a key guideline in its assistance work, resolving over twenty urgent and difficult issues for villagers in assisted areas, including medical care and permafrost removal. CNY 50,000 was used to procure high-quality coal for distribution to 100 households lifted out of poverty, and over CNY 100,000 was spent on distributing New Year relief packages to more than 400 households, ensuring warmth during winter. The stationed village work team actively fulfilled their responsibilities by completing safety inspections for all houses of poverty-alleviated households and assisting the village committees in implementing a special winter pipe protection campaign. These efforts helped consolidate the achievements in the "three guarantees" and drinking water safety, ensuring the effective delivery of various benefit measures.

Sixth, the Company promoted traditional culture to enhance villagers' spiritual outlook. The Company invested CNY 95,000 to support festival and local cultural activities in Guntang Village, which helped promote and pass on intangible cultural heritage such as Baiwang playing and singing and Tibetan opera. These efforts actively disseminated traditional rural and Tibetan culture and enriched the cultural and spiritual life of herders.

3.3. Assistance highlights in 2024

A. Promoting industrial training to enhance professional "capabilities". In accordance with the requirement to "strengthen industry-led support", the Company invested CNY 100,000 to implement a youth talent training program in Hongyuan County. By delivering technologies and sharing practical experiences, the Company effectively transformed assistance resources into villagers' capacity for self-driven development, fueling new drivers for industrial revitalization and providing sustainable support for rural revitalization.

B. Supporting courtyard farming to enhance the "momentum" for prosperity. At the beginning of the year, the Company distributed 5,000 disease-resistant chicks to nearly 300 low-income households in assisted villages and guided them in scientific farming. At year-end, the Company coordinated with the Wumengshan Supply and Marketing Cooperative to purchase the poultry in villages, enabling farmers to increase their income by nearly CNY 500,000. Courtyard farming has become an important means for poverty-alleviated households to boost their income and a new growth driver for rural collective economic development. This has effectively motivated villagers to pursue prosperity and provided stronger "driving power" for rural industrial development.

C. Conducting themed education to strengthen "emotional support". Four "Gratitude and Striving Forward" themed education sessions were held in assisted villages. Through comparisons between past and present, and through showcasing development achievements, these sessions highlighted the results of regional revitalization, helping villagers deeply appreciate social transformation and government care, and cultivating a sense of gratitude. By uncovering local role models of perseverance, villagers were inspired to cherish development opportunities and transform their gratitude into active participation in residential environment improvement and specialty industry cultivation, thereby building consensus for the revitalization and development of assisted villages.

3.4. Work plan for assistance in 2025

Looking ahead, the Company will firmly regard supporting the revitalization and development of assisted regions as a significant political responsibility and mission, and will fully implement all tasks related to bottom-line and targeted assistance.

A. Deepening industrial support to unleash development potential. The Company will adhere to the implementation of the strategy to “strengthen industry-led support” as the central focus, consistently treating industrial development as the key to both development and assistance. The Company will concentrate on the characteristic and advantageous resources of assisted counties and leverage the Company’s strengths in business operation and management to promote high-quality development of local industries. At the same time, the Company will participate to the fullest extent possible in the “matrix-style” assistance efforts for underdeveloped counties, supporting their accelerated growth.

B. Sustaining consumer assistance to broaden income channels. The Company will actively practice its corporate philosophy of “Baijiu for the World, a Shared Future” by continuing to carry out “bulk procurement” campaigns and mobilizing upstream and downstream partners to participate in “purchase instead of donation” initiatives. Through the purchase of specialty products from underdeveloped counties, the Company aims to resolve their agricultural product sales challenges and transform local specialties into income-generating industries for farmers, thereby establishing a key engine for comprehensive rural revitalization.

C. Strengthening talent assistance to boost endogenous momentum. The Company will remain committed to providing intellectual support and talent assistance by conducting multi-dimensional capacity-building actions such as educational support, talent training, and pairing co-development. The focus will shift from one-way input to empowerment-based models, treating local talent cultivation as an effective approach to improving the quality and capability of assisted regions, and fully reinforcing the talent foundation for rural revitalization.

D. Implementing multiple measures to safeguard people’s well-being. The Company will continue to prioritize livelihood-related assistance as both the starting point and the ultimate goal of rural revitalization. Through activities such as joint Party building, visits and condolences, and spiritual civilization promotion, the Company will implement multi-dimensional and multi-level support measures to effectively prevent the risk of returning to poverty and improve the quality of life for farmers and herders in underdeveloped counties.

Section VI Significant Events

1. Performance of undertakings

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

Applicable N/A

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Other commitments	Laojiao Group	Other commitments	Not to reduce shares of Luzhou Laojiao Co., Ltd. held by us in any way within 12 months from August 25, 2023	August 25, 2023	12 months	Having expired
	Laojiao Group, and Golden Rudder	Other commitments	Laojiao Group plans to increase its holdings of the Company's shares via its wholly-owned subsidiary Golden Rudder through call auction trading within 6 months from December 15, 2023, with the amount of increase not less than CNY 200 million and not more than CNY 250 million. Laojiao Group and Golden Rudder promise not to reduce their holdings of the Company's shares during the increase period, within the statutory period and before the announcement of the completion of the increase plan, and will complete the implementation of the increase plan within the above implementation period.	December 15, 2023	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

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

Applicable N/A

No such cases in the reporting period.

3. Irregularities in the provision of guarantees

Applicable N/A

No such cases in the reporting period.

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

Applicable N/A

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

Applicable N/A

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

Applicable N/A

For details of changes in accounting policies, please refer to "5.37 Changes in significant accounting policies and accounting estimates" in Section X.

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

Applicable N/A

Luzhou Laojiao Whitail Liquor Industry Co., Ltd., a subsidiary of the Company, was liquidated and de-registered in June 2024. And it has thus been excluded from the consolidated financial statements of the Company.

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)	88
Consecutive years of the audit service provided by the domestic CPA firm	1
Names of the certified public accountants from the domestic CPA firm	He Jun, Ouyang Lihua
Consecutive years of the audit service provided by the certified public accountants	He Jun: 1 year Ouyang Lihua: 1 year

Whether the CPA firm was changed in the current period

Yes No

Whether the CPA firm was changed during the audit

Yes No

Whether an approval procedure was executed for the change of CPA firm

Yes No

Details of the change of CPA firm

In view of the fact that Sichuan Huaxin (Group) CPA Firm has provided audit services to the Company for 26 consecutive years, in order to ensure the independence and objectivity of the audit work, in accordance with the relevant provisions of the Management Measures for the Appointment of Accounting Firm by State-owned Enterprises and Listed Companies, upon open bidding, the Company appointed ShineWing Certified Public Accountants as the 2024 annual financial report and internal control audit agency.

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 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.	14,942.5	No	The second trial has been concluded, and the case is now at the stage of enforcement.	For the losses that the Company cannot recover through criminal execution procedures, 40% shall be borne by ABC Changsha Yingxin Branch, 20% shall be borne by ABC Changsha Hongxin Branch and the rest shall be borne by the Company itself.	The Company applied to Hunan Province Higher People's Court for enforcement of the verdict. Hunan Province Higher People's Court ruled that Hunan Changsha Intermediate People's Court should see to the execution of the verdict. Upon the enforcement, the banks have paid part of the compensations.	October 15, 2014	See Section VI "Other significant events"
The Company filed a lawsuit with ICBC Nanyang Zhongzhou Branch over a deposit dispute, and the case has been completed in the first instance of Henan Province Higher People's Court and the final trial of the Supreme	15,000	No	Both the trial and execution have been concluded.	ICBC Nanyang Zhongzhou Branch, ICBC Nanyang Branch, and Sanya Rural Commercial Bank Hongsha Branch shall pay compensations of CNY 75 million, CNY 7.5 million and CNY 6.105 million respectively with the relevant	Upon the bank's voluntary execution and execution by the Nanyang Intermediate People's Court, the Company received a total compensation of CNY 106.1426 million.	January 10, 2015	See Section VI "Other significant events"

People's Court. The case is now concluded and the judgment has been executed.				interest to the Company, and the rest of the loss shall be borne by the Company itself.			
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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 transitions arising from joint investments in external parties

Applicable N/A

No such cases in the reporting period.

14.4. Credits and liabilities with related parties

Applicable N/A

No such cases in the reporting period.

14.5. Transactions with related finance companies

Applicable N/A

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

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

Applicable N/A

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

14.7. Other significant related party transactions

Applicable N/A

No such cases in the reporting period.

15. Significant contracts and their execution

15.1. Trusteeship, contracting and leasing

15.1.1. Trusteeship

Applicable N/A

No such cases in the reporting period.

15.1.2. Contracting

Applicable N/A

No such cases in the reporting period.

15.1.3. Leasing

Applicable N/A

No such cases in the reporting period.

15.2. Major guarantees

Applicable N/A

No such cases in the reporting period.

15.3. Entrusted cash asset management

15.3.1. Entrusted assets management

Applicable N/A

Entrusted assets management during the reporting period

Unit: CNY 10,000

Type	Fund source for entrusted assets management	Amount of entrusted assets management	Undue balance	Overdue outstanding amount	Impairment allowances for the overdue outstanding amount
Wealth management product of securities firm	Own funds	246,000	170,000	0	0
Total		246,000	170,000	0	0

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

Applicable N/A

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

Applicable N/A

15.3.2 Entrust loans

Applicable N/A

No such cases in the reporting period.

15.4. Other significant contracts

Applicable N/A

No such cases in the reporting period.

16. Other significant events

Applicable N/A

The Company disclosed in October 2014 and January 2015 respectively the contract disputes involving three savings deposits of CNY 500 million in total with banks including ABC Changsha Yingxin Branch and ICBC Nanyang Zhongzhou Branch. Upon criminal booty recovery, criminal and

civil enforcement, as of the end of the reporting period, the Company had recovered a total amount of CNY 376 million for the three disputes.

See details in the Company's announcements:

Date of announcement	No.	Catalogue	Official website
October 15, 2014	2014-35	Announcement of significant litigation	http://www.cninfo.com.cn/
November 12, 2014	2014-41	Announcement of significant litigation progress	
December 6, 2014	2014-43	Announcement of significant litigation progress part II	
January 10, 2015	2015-1	Announcement of significant events	
February 4, 2015	2015-4	Announcement of significant events progress	
March 25, 2015	2015-11	Announcement of significant litigation progress part III	
April 18, 2015	2015-20	Announcement of significant litigation progress part IV	
April 22, 2015	2015-21	Announcement of significant events progress part II	
April 24, 2015	2015-25	Announcement of significant litigation progress part V	
July 15, 2015	2015-44	Announcement of significant litigation progress part VI	
July 22, 2015	2015-45	Announcement of significant litigation progress part VII	
June 6, 2018	2018-17	Announcement of significant litigation progress part VIII	
May 7, 2019	2019-11	Announcement of significant litigation progress part IX	
May 17, 2019	2019-13	Announcement of significant litigation progress part X	
March 24, 2020	2020-6	Announcement of significant litigation progress part XI	
May 6, 2020	2020-14	Announcement of significant litigation progress part XII	
November 7, 2020	2020-34	Announcement of significant litigation progress part XIII	
July 6, 2021	2021-30	Announcement of significant litigation progress part XIV	
December 15, 2021	2021-57	Announcement of significant litigation progress part XV	
December 30, 2021	2021-64	Announcement of significant litigation progress part XVI	

17. Significant events of subsidiaries

Applicable N/A

The Company invested in the technical upgrade program of intelligent brewing (Phase I) with the wholly-owned subsidiary, Brewing Company, as the implementer. The total investment amount approximated CNY 4,782.5090 million. For further information, see Announcement No. 2022-24 on the Implementation of Luzhou Laojiao's Technical Upgrade Program of Intelligent Brewing (Phase I) by Subsidiary. The program is currently under construction.

Section VII Changes in Shares and Information about Shareholders

1. Changes in shares

1.1 Changes in shares

Unit: Share

	Before		Changes in this year (+, -)					After	
	Number	Proportion	Issuance of new shares	Bonus shares	Capitalization of capital reserves	Other	Subtotal	Number	Proportion
I. Restricted shares	7,468,589	0.51%				- 2,818,630	- 2,818,630	4,649,959	0.32%
1. Shares held by the state									
2. Shares held by state-owned corporations									
3. Shares held by other domestic investors	7,468,589	0.51%				- 2,818,630	- 2,818,630	4,649,959	0.32%
Of which: shares held by domestic corporations									
Shares held by domestic individuals	7,468,589	0.51%				- 2,818,630	- 2,818,630	4,649,959	0.32%
4. Shares held by foreign corporations									
Of which: shares held by foreign corporations									
Shares held by foreign individuals									
II. Non-restricted shares	1,464,519,180	99.49%				2,782,364	2,782,364	1,467,301,544	99.68%
1. CNY common shares	1,464,519,180	99.49%				2,782,364	2,782,364	1,467,301,544	99.68%
2. Domestically listed foreign shares									

3. Overseas listed foreign shares										
4. Other										
III. Total shares	1,471,987,769	100.00%				-36,266	-	36,266	1,471,951,503	100.00%

Reasons for the change in shares

Applicable N/A

A. 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 Satisfaction of Unlocking Conditions for the First Unlocking Period of the 2021 Restricted Share Incentive Plan was reviewed and approved. As such, 2,734,640 restricted shares of 435 awardees that satisfied the unlocking conditions for the first unlocking period of the 2021 Restricted Share Incentive Plan were allowed for public trading on February 22, 2024. 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 was reviewed and approved. As such, 134,534 reserved restricted shares of 45 awardees that satisfied the unlocking conditions for the first unlocking period of the 2021 Restricted Share Incentive Plan were allowed for public trading on October 9, 2024.

B. 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 was reviewed and approved. As three awardees were no longer eligible for the incentives, the Company decided to repurchase and retire a total of 15,266 restricted shares that had been granted to the aforesaid awardees but remained in lockup. On June 4, 2024, the Proposal on the Repurchase and Retirement of Certain Restricted Shares was approved at the 40th Meeting of the 10th Board of Directors and the 22nd Meeting of the Board of Supervisors, respectively. As one awardee was no longer eligible for the incentives, the Company decided to repurchase and retire a total of 6,000 restricted shares that had been granted to the aforesaid awardee but remained in lockup. The repurchase and retirement of the aforesaid shares was completed on August 14, 2024. 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 Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price was reviewed and approved. As one awardee was no longer eligible for the incentives, the Company decided to repurchase and retire a total of 15,000 restricted shares that had been granted to the aforesaid awardee but remained in lockup. The repurchase and retirement of the aforesaid shares was completed on December 18, 2024.

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 98,130 shares.

D. During the reporting period, 11,320 locked shares of Shen Caihong, a member of the Company's senior management, were unlocked.

Approval of share changes

Applicable N/A

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 was reviewed and approved. As three awardees were no longer eligible for the incentives, the Company decided to repurchase and retire a total of 15,266 restricted shares that had been granted to the aforesaid awardees but remained in lockup. On June 4, 2024, the Proposal on the Repurchase and Retirement of Certain Restricted Shares was approved at the 40th Meeting of the 10th Board of Directors and the 22nd Meeting of the Board of Supervisors, respectively. As one awardee was no longer eligible for the incentives, the Company decided to repurchase and retire a total of 6,000 restricted shares that had been granted to the aforesaid awardee but remained in lockup. The repurchase and retirement of the aforesaid shares was completed on August 14, 2024. 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 Repurchase and Retirement of Certain Restricted Shares and the Adjustment of Repurchase Price was reviewed and approved. As one awardee was no longer eligible for the incentives, the Company decided to repurchase and retire a total of 15,000 restricted shares that had been granted to the aforesaid awardee but remained in lockup. The repurchase and retirement of the aforesaid shares was completed on December 18, 2024. Upon the above-mentioned repurchases and retirements, the total share capital of the Company decreased to 1,471,951,503 shares from 1,471,987,769.

Transfer of share ownership

Applicable N/A

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

Applicable N/A

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

Applicable N/A

1.2 Changes in restricted shares

Applicable N/A

Unit: Share

Name of shareholder	Number of restricted shares held at the beginning of the reporting period	Increase in restricted shares during the reporting period	Decrease in restricted shares during the reporting period	Number of restricted shares held at the end of the reporting period	Reason for restriction	Date of unlocking

2021 Restricted Share Incentive Plan	7,235,293	-36,266	2,869,174	4,329,853	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	233,296	98,130	11,320	320,106	Locked shares of senior management converted from unlocked restricted shares under the 2021 Restricted Share Incentive Plan	In accordance with the relevant unlocking provisions of the 2021 Restricted Share Incentive Plan
Total	7,468,589	61,864	2,880,494	4,649,959	--	--

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 to 1,471,951,503 shares from 1,471,987,769 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	210,742	Total number of common shareholders at the prior month-end before the disclosure date of the annual report	180,122	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	25.89%	381,088,389	0	0	381,088,389	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	3.45%	50,835,769	7,818,790.00	0	50,835,769	N/A	0
Hong Kong Securities Clearing Company Limited	Outbound corporation	2.44%	35,913,646	11,577,615.00	0	35,913,646	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	1.51%	22,250,000	780,000.00	0	22,250,000	N/A	0

China Co., Ltd.—Blue chip selected hybrid securities investment fund by E Fund									
Central Huijin Asset Management Co., Ltd.	State-owned corporation	0.92%	13,539,862	0	0	13,539,862	N/A	0	
Industrial and Commercial Bank of China Co., Ltd.- Huatai-Pinebridge CSI 300 Exchange-Traded Fund	Other	0.87%	12,761,135	7,350,600.00	0	12,761,135	N/A	0	
Industrial and Commercial Bank of China Co., Ltd.-Newly growth hybrid securities investment fund by Invesco Great Wall	Other	0.85%	12,550,000	1,048,087.00	0	12,550,000	N/A	0	
China Construction Bank Corporation — Penghua Wine & Liquor Exchange-Traded Fund	Other	0.68%	10,007,720	2,204,771.00	0	10,007,720	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 holding state-owned companies under the jurisdiction of SASAC of Luzhou. The two companies signed the agreement of persons acting in concert on December 31, 2015 and the renewed agreement of persons acting in concert on May 27, 2021. For details, please refer to the announcement of the Company on January 5, 2016 -								

	<p>Announcement on the Agreement of Persons Acting in Concert Signed by Shareholders (Announcement No. 2016-1) and the announcement of the Company on May 29, 2021 - Announcement on the Renewed Agreement of Persons Acting in Concert Signed by Shareholders (Announcement No. 2021-18). The two companies signed the renewed agreement of persons acting in concert again on May 23, 2024. 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., through its wholly-owned subsidiary Golden Rudder, 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. By the end of the reporting period, Luzhou Laojiao Group Co., Ltd. and Golden Rudder collectively held 382,228,589 shares in the Company, representing 25.97% 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.	381,088,389	CNY common shares	381,088,389
Luzhou XingLu Investment Group Co., Ltd.	365,971,142	CNY common shares	365,971,142
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund	50,835,769	CNY common shares	50,835,769
Hong Kong Securities Clearing Company Limited	35,913,646	CNY common shares	35,913,646
China Securities Finance Corporation Limited	33,842,059	CNY common shares	33,842,059
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	22,250,000	CNY common shares	22,250,000
Central Huijin Asset Management Co., Ltd.	13,539,862	CNY common shares	13,539,862
Industrial and Commercial Bank of China Co., Ltd.- Huatai-Pinebridge CSI 300 Exchange-Traded Fund	12,761,135	CNY common shares	12,761,135
Industrial and Commercial Bank of China Co., Ltd.- Newly growth hybrid securities investment fund	12,550,000	CNY common shares	12,550,000

by Invesco Great Wall			
China Construction Bank Corporation—Penghua Wine & Liquor Exchange-Traded Fund	10,007,720	CNY common shares	10,007,720
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)	<p>1. During the reporting period, Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund, Industrial and Commercial Bank of China Co., Ltd.- Huatai-Pinebridge CSI 300 Exchange-Traded Fund, and China Construction Bank Corporation—Penghua Wine & Liquor Exchange-Traded Fund among the Company's top 10 common shareholders participated in securities refinancing, with details in the table below.</p> <p>2. Save as disclosed above, as of the end of the reporting period, no other top 10 common shareholders of the Company participated in securities margin trading.</p>		

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

Applicable N/A

Unit: Share

5% or greater shareholders, top 10 shareholders and top 10 non-restricted shareholders involved in refinancing shares lending								
Full name of shareholder	Shares in the common account and credit account at the period-begin		Shares lent in refinancing and not yet returned at the period-begin		Shares in the common account and credit account at the period-end		Shares lent in refinancing and not yet returned at the period-end	
	Total shares	As % of total share capital	Total shares	As % of total share capital	Total shares	As % of total share capital	Total shares	As % of total share capital
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund	43,016,979.00	2.92%	55,000.00	0.00%	50,835,769.00	3.45%	0.00	0.00%
Industrial and Commercial Bank of China Co., Ltd.- Huatai-	5,410,535.00	0.37%	3,700.00	0.00%	12,761,135.00	0.87%	0.00	0.00%

Pinebridge CSI 300 Exchange-Traded Fund								
China Construction Bank Corporation—Penghua Wine & Liquor Exchange-Traded Fund	7,802,949.00	0.53%	181,800.00	0.01%	10,007,720.00	0.68%	0.00	0.00%

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	91510500723203346	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	1. As of June 30, 2024, Laojiao Group holds 70,406,310 shares of Luzhou Xinglu Water (Group) Co., Ltd. (02281.HK), accounting for 8.19% of the total issued shares. 2. As of September 30, 2024, Laojiao Group holds 212,954,666 shares of Hongli Zhihui Group Co., Ltd. (300219.SZ) through its wholly-owned subsidiary, Golden Rudder, accounting for 30.08% of the total issued shares. 3. As of September 30, 2024, Laojiao Group holds 475,940,143 shares of Huaxi Securities Co., Ltd. (002926.SZ), accounting for 18.13% of the total issued shares. 4. As of June 30, 2024, Laojiao Group holds 390,528,000 shares of Luzhou Bank (01983.HK), accounting for 14.37% of the total issued shares.			

Change of the controlling shareholder during the reporting period

Applicable N/A

No such cases in the reporting period

3.3 Actual controller and its persons acting in concert

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

Type of actual controller: Corporation

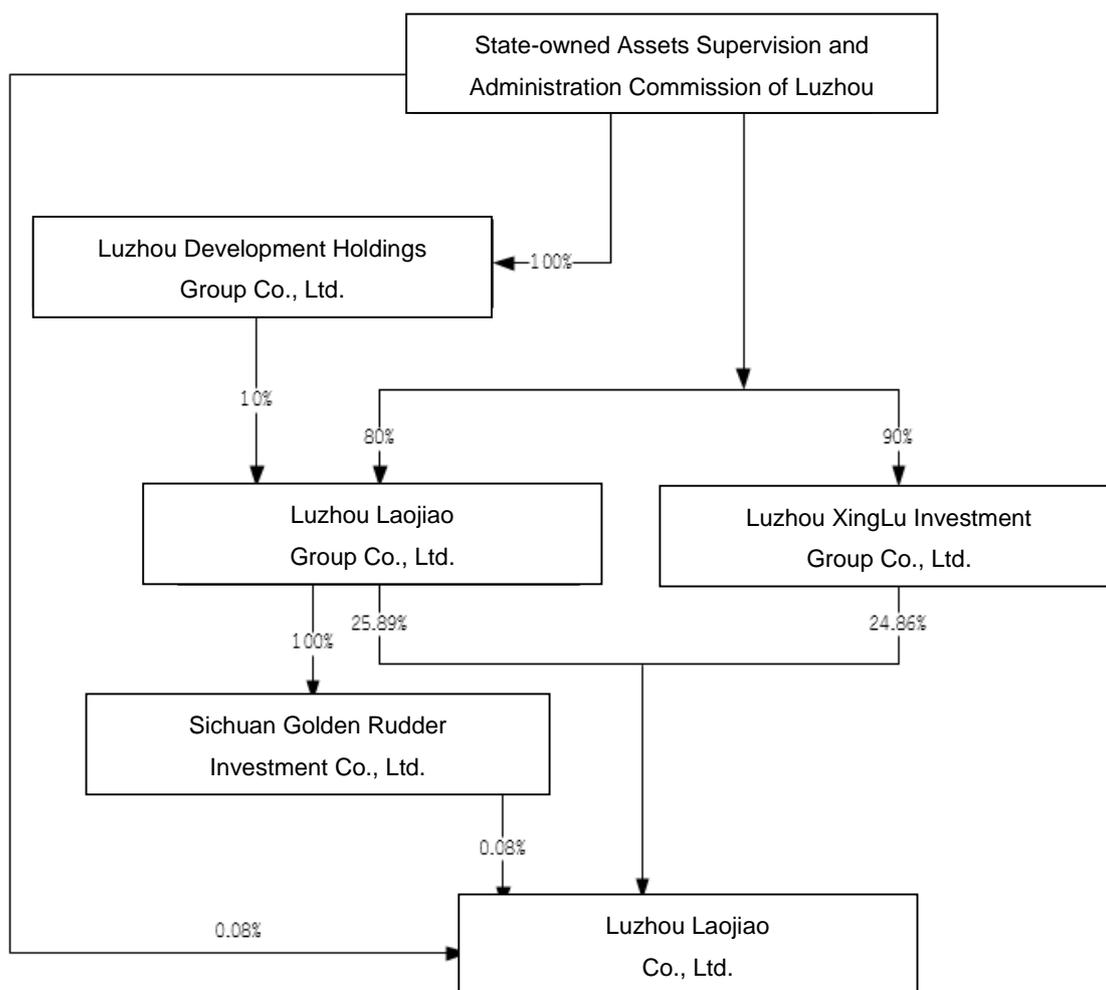
Name of actual controller	Legal representative/Company principal	Date of establishment	Credibility code	Main business scope
SASAC of Luzhou	Zhang Xuebin	March 1, 2005	11510400771686813T	State-owned assets supervision and administration department
Share holdings of the controlling shareholder in other controlled or non-controlled listed companies at home or abroad during the reporting period.	<p>1. As of June 30, 2024, Luzhou XingLu Asset Management Co., Ltd., a controlled subsidiary of XingLu Group (a controlled subsidiary of SASAC of Luzhou), holds 511,654,127 shares of Luzhou Xinglu Water (Group) Co., Ltd. (02281.HK), accounting for 59.51% of the total issued shares. Luzhou Infrastructure Construction Investment Co., Ltd., a holding subsidiary of XingLu Group, holds 62,709,563 shares of Luzhou Xinglu Water (Group) Co., Ltd. (02281.HK), and accounting for 7.29% of the total issued shares. Laojiao Group, a controlled subsidiary under SASAC of Luzhou, holds 70,406,310 shares of Luzhou Xinglu Water (Group) Co., Ltd. (02281.HK), accounting for 8.19% of the total issued shares.</p> <p>2. As of September 30, 2024, Laojiao Group holds 212,954,666 shares of Hongli Zhihui Group Co., Ltd. (300219.SZ) through its controlled subsidiary, Golden Rudder, accounting for 30.08% of the total shares issued.</p> <p>3. As of March 25, 2025, Luzhou Industrial Investment Group Co., Ltd., a holding Company under the jurisdiction of SASAC of Luzhou, holds 195,110,310 shares of Sichuan Lutianhua Company Limited (000912.SZ), accounting for 12.44% 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), and accounting for 15.09% of the total issued shares.</p> <p>4. As of September 30, 2024, Laojiao Group, a controlled subsidiary under SASAC of Luzhou, holds 475,940,143 shares of Huaxi Securities Co., Ltd. (002926.SZ), accounting for 18.13% of the total issued shares.</p> <p>5. As of June 30, 2024, Laojiao Group, a controlled 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 controlled subsidiary under SASAC of Luzhou, holds 173,568,000 shares of Luzhou Bank (01983.HK), accounting for 6.39% of the total issued shares. XingLu Group, a controlled subsidiary under SASAC of Luzhou, holds 62,154,702 shares of Luzhou Bank (01983.HK), accounting for 2.29% of the total issued shares.</p>			

Change of the actual controller during the reporting period

Applicable N/A

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

Ownership and control relations between the actual controller and the Company



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

Applicable N/A

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

Applicable N/A

3.5 Other corporate shareholders with a shareholding proportion over 10%

Applicable N/A

Name of corporate shareholder	Legal representative/Company principal	Date of establishment	Registered capital (CNY)	Main business scope
Luzhou XingLu Investment Group Co., Ltd.	Dai Zhiwei	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)
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3.6 Limits on reduction of the Company's shares held by its controlling shareholder, actual controller, restructuring party and other commitment entities.

Applicable N/A

4. Specific implementation of share repurchase during the reporting period

Implementation progress of shares repurchases

Applicable N/A

Implementation progress of share buyback reduction through centralized bidding

Applicable N/A

Section VIII Preferred Shares

Applicable N/A

No preferred stock in the Company during the reporting period.

Section IX Information about Bond

Applicable N/A

1. Enterprise bonds

Applicable N/A

No such cases in the reporting period.

2. Corporate bonds

Applicable N/A

2.1. Basic information about the corporate bond

Unit: CNY 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	Shenzhen Stock Exchange

								year and the interests for the last installment will be paid together with the 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			N/A					

Overdue bonds

Applicable N/A

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

Applicable N/A

2.3. Information about the intermediaries

Bond	Intermediary	Office address	Signature accountant	Contact person of intermediary	Contact number
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 Ziqui	(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 code	Bond abbreviation	Total amount	Stated purpose	Amount spent	Actual use of raised funds (classified by purpose, excluding temporarily replenishment of working capital)	Actual use of raised funds by purpose	Unused amount	Operation of special account for raised funds (if any)	Rectification of raised funds for violation operation (if any)	Whether is consistent with the usage, using plan and other agreements stipulated in the raising specification
149062.SZ	20 Laojiao 01	150,000	Used for the Technical Renovation Project of Brewing (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 Brewing Base, and the Project of Acquiring Accessory	136,444.23	Used for the construction and operation of physical projects	Used for the Technical Renovation Project of Brewing (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 Brewing Base, and the Project of Acquiring Accessory	21,099.08	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

			Equipme nt for Leaven Making for Huangyi Brewing Base			Equipme nt for Leaven Making for Huangyi Brewing 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 "7.5. Use of funds raised" in Section III	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 up the period-end

Applicable N/A

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

Yes No

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

Unit: CNY 10,000

Item	December 31, 2024	December 31, 2023	Change
Current ratio	3.56	4.50	-20.89%
Debt/asset ratio	30.48%	34.38%	-3.90%
Quick ratio	2.60	3.31	-21.45%
	2024	2023	Change
Net profits before non-recurring gains and losses	1,339,951.47	1,315,039.28	1.89%
EBITDA/debt ratio	201.87%	163.53%	38.34%
Interest cover (times)	60.60	37.49	61.64%
EBITDA-to-interest cover (times)	63.32	38.87	62.90%

Section X Financial Report

1. Auditor's report

Type of audit report	Standard without reserved opinion
Signing date of auditor's report	April 24, 2025
Name of Audit	ShineWing Certified Public Accountants
No. of auditor's report	XYZH/2025CDAA7B0258
Names of auditors	He Jun, 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, 2024, 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, 2024 and its operating results and cash flow for the year then ended.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our

audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Existence and completeness of cash and cash equivalents	
Key audit matter	Audit response
As of December 31, 2024, the cash and cash equivalent balance of Luzhou Laojiao was CNY 33,578,396,800, accounting for 49.14% 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: <ol style="list-style-type: none"> 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 2024 amounted to CNY 31,196,248,200, 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: <ol style="list-style-type: none"> 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: He Jun

(Engagement Partner)

Chinese CPA: Ouyang Lihua

April 24, 2025

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, 2024

Unit: CNY

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Current assets:		
Cash and cash equivalents	33,578,396,831.33	25,952,025,091.28
Settlement reserves		
Lending funds		
Held-for-trading financial assets	1,694,282,295.97	1,426,992,098.83
Derivative financial assets		
Notes receivables		
Accounts receivables	11,022,302.31	17,461,378.98
Accounts receivables financing	1,801,947,455.78	5,938,171,007.93
Prepayment	123,870,282.65	202,309,186.70
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve		
Other receivables	13,053,645.00	22,716,893.12
Including: Interests receivable		
Dividends receivable		

Buying back the sale of financial assets		
Inventories	13,392,794,475.96	11,622,043,947.46
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	241,081,908.89	176,684,731.97
Total current assets	50,856,449,197.89	45,358,404,336.27
Non-current assets:		
Disbursement of loans and advances		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	2,801,252,317.93	2,708,254,833.50
Investments in other equity instruments	407,194,706.55	402,893,468.80
Other non-current financial assets		
Investment property	50,246,694.16	37,785,416.77
Fixed assets	9,131,776,915.51	8,613,223,465.46
Construction in progress	807,233,988.90	1,718,468,880.53
Productive biological assets		
Oil and gas assets		
Use right assets	29,254,214.23	23,260,955.23
Intangible assets	3,417,898,796.19	3,397,873,791.08
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term deferred expenses	1,756,272.03	960,005.91
Deferred tax assets	424,185,093.04	674,429,617.92
Other non-current assets	407,347,368.15	358,900,430.13
Total non-current assets	17,478,146,366.69	17,936,050,865.33
Total assets	68,334,595,564.58	63,294,455,201.60
Current liabilities:		
Short-term loans		
Borrowings from the central bank		
Loans from other banks		
Held-for-trading financial liabilities		9,763.87
Derivative financial liabilities		
Notes payable		
Accounts payable	1,844,497,206.78	2,357,223,733.21
Advance from customer		
Contract liabilities	3,978,131,528.88	2,672,977,090.30
Financial assets sold for repurchase		
Deposits from customers and inter-bank		

Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee benefits payable	553,580,768.99	523,866,711.41
Taxes payable	3,233,948,597.08	2,939,627,533.00
Other payable	873,595,429.08	1,150,721,162.53
Including: Interests payable		
Dividends payable	29,668,290.20	29,684,819.82
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	3,276,628,616.74	78,918,152.41
Other current liabilities	516,729,820.48	347,485,071.57
Total current liabilities	14,277,111,968.03	10,070,829,218.30
Non-current liabilities:		
Insurance contract reserves		
Long-term loans	6,279,900,000.00	10,000,300,000.00
Bonds payable		1,498,716,737.02
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	24,528,519.13	22,356,404.47
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	86,672,726.83	27,772,083.74
Deferred tax liabilities	158,375,714.88	142,773,028.22
Other non-current liabilities		
Total non-current liabilities	6,549,476,960.84	11,691,918,253.45
Total liabilities	20,826,588,928.87	21,762,747,471.75
Owners' equity		
Share capital	1,471,951,503.00	1,471,987,769.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	5,365,763,566.55	5,185,481,523.22
Less: treasury stock	345,699,443.89	616,743,610.59
Other comprehensive income	84,235,115.38	63,130,469.51
Special reserves		
Surplus reserves	1,471,951,503.00	1,471,987,769.00
General risk reserve		
Undistributed profits	39,340,298,309.42	33,815,566,574.75
Total equity attributable to owners of the parent company	47,388,500,553.46	41,391,410,494.89
Non-controlling interests	119,506,082.25	140,297,234.96
Total owners' equity	47,508,006,635.71	41,531,707,729.85
Total liabilities and owners' equity	68,334,595,564.58	63,294,455,201.60

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, 2024

Unit: CNY

Item	Balance as at December 31, 2024	Balance as at January 1, 2024
Current assets:		
Cash and cash equivalents	26,651,132,665.66	24,271,855,815.25
Held-for-trading financial assets	1,694,282,295.97	1,426,992,098.83
Derivative financial assets		
Notes receivables		
Accounts receivables	14,701.83	
Accounts receivables financing		
Prepayment	12,888,111.51	6,360,210.40
Other receivables	14,619,833,493.32	14,844,650,322.98
Including: Interests receivable		
Dividends receivable		
Inventories	898,380.40	1,051,717.53
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	172,283,759.93	108,073,731.77
Total current assets	43,151,333,408.62	40,658,983,896.76
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	6,735,926,560.88	6,494,866,955.20
Investments in other equity instruments	406,890,784.92	402,589,547.17
Other non-current financial assets		
Investment property	50,246,694.16	37,785,416.77
Fixed assets	866,342,467.75	950,099,737.28
Construction in progress	174,069,734.13	57,369,565.37
Productive biological assets		
Oil and gas assets		
Use right assets	118,384.41	316,259.61
Intangible assets	770,645,637.66	781,194,544.01
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		

Long-term deferred expenses	341,637.85	820,758.81
Deferred tax assets	124,327,561.74	154,645,014.28
Other non-current assets	215,109,132.46	200,783,195.94
Total non-current assets	9,344,018,595.96	9,080,470,994.44
Total assets	52,495,352,004.58	49,739,454,891.20
Current liabilities:		
Short-term loans		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	36,143,495.43	19,666,554.15
Advance from customer		
Contract liabilities	3,354,639.36	2,230,734.50
Employee benefits payable	175,075,638.37	163,823,844.30
Taxes payable	94,520,857.23	204,018,131.83
Other payables	2,980,878,449.35	1,960,371,090.55
Including: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	3,266,940,267.72	74,018,942.63
Other current liabilities	436,103.12	289,995.48
Total current liabilities	6,557,349,450.58	2,424,419,293.44
Non-current liabilities:		
Long-term loans	6,279,900,000.00	10,000,300,000.00
Bonds payable		1,498,716,737.02
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	8,714,300.00	
Deferred tax liabilities	82,430,689.59	72,592,887.99
Other non-current liabilities		
Total non-current liabilities	6,371,044,989.59	11,571,609,625.01
Total liabilities	12,928,394,440.17	13,996,028,918.45
Owners' equity		
Share capital	1,471,951,503.00	1,471,987,769.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	5,361,333,958.25	5,179,307,881.60
Less: treasury stock	345,699,443.89	616,743,610.59
Other comprehensive income	80,803,192.66	60,513,567.32
Special reserves		
Surplus reserves	1,471,951,503.00	1,471,987,769.00

Undistributed profits	31,526,616,851.39	28,176,372,596.42
Total owners' equity	39,566,957,564.41	35,743,425,972.75
Total liabilities and owners' equity	52,495,352,004.58	49,739,454,891.20

Consolidated income statement

Unit: CNY

Item	Year 2024	Year 2023
1. Total operating revenue	31,196,248,208.33	30,233,301,388.26
Including: Operating revenue	31,196,248,208.33	30,233,301,388.26
Interest income		
Earned premium		
Fee and commission income		
2. Total operating costs	13,053,488,597.44	12,638,987,548.90
Including: Cost of sales	3,888,116,183.93	3,537,151,403.15
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	4,753,755,581.18	4,133,126,350.68
Selling and distribution expenses	3,538,382,615.99	3,974,425,526.92
General and administrative expenses	1,100,779,964.56	1,139,480,677.23
Research and Development expenses	260,975,311.10	225,955,797.33
Financial expenses	-488,521,059.32	-371,152,206.41
Including: Interest expenses	305,448,236.36	488,003,010.93
Interest income	797,923,434.30	864,006,165.58
Plus: Other income	43,752,551.73	54,179,605.39
Investment income ("-" for losses)	-9,892,859.80	84,724,581.98
Including: income from investment in associates and joint ventures	106,578,492.71	66,927,156.69
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)	27,538,639.60	62,988,462.30
Credit impairment losses ("-" for losses)	1,632,237.61	932,241.70
Impairment losses("-" for losses)		
Gains from disposal of assets("-" for losses)	1,058,750.22	44,694,238.37
3. Operating profits ("-" for losses)	18,206,848,930.25	17,841,832,969.10
Plus: non-operating income	24,229,862.26	36,203,863.17
Less: non-operating expenses	25,779,973.47	72,079,275.83
4. Total profits before tax ("-" for total losses)	18,205,298,819.04	17,805,957,556.44
Less: income tax expenses	4,707,520,248.15	4,517,297,533.23
5. Net profit ("-" for net loss)	13,497,778,570.89	13,288,660,023.21
5.1 By operating continuity		
5.1.1 Net profit from continuing operation ("-" for losses)	13,497,778,570.89	13,288,660,023.21
5.1.2 Net profit from discontinued operation ("-" for losses)		
5.2 By ownership		
1) Attributable to shareholders of the parent company	13,472,986,476.01	13,246,394,700.59
2) Attributable to non-controlling interests	24,792,094.88	42,265,322.62
6. Net of tax from other comprehensive income	21,861,927.17	-267,285,844.76
Net of tax from other comprehensive income to the owner of the parent company	21,195,697.36	-267,620,776.33
6.1 Other comprehensive income that cannot be reclassified into the profit and loss:	3,388,621.68	-270,029,977.35
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	162,693.33	106,537.86
3) Changes in fair value of investments in other equity instruments	3,225,928.35	-270,136,515.21
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	17,807,075.68	2,409,201.02
1) Share in other comprehensive income that will be classified into profit and loss under equity method	16,992,055.15	2,000,549.31
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	815,020.53	408,651.71
7) Others		
Net of tax from other comprehensive income to non-controlling interests	666,229.81	334,931.57
7. Total comprehensive income	13,519,640,498.06	13,021,374,178.45
Total comprehensive income attributable to owners of the parent company	13,494,182,173.37	12,978,773,924.26
Total comprehensive income attributable to non-controlling interests	25,458,324.69	42,600,254.19
8. Earnings per share		
(1) Basic earnings per share	9.18	9.02
(2) Diluted earnings per share	9.18	9.02

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 2024	Year 2023
1. Operating revenue	11,090,969,698.38	9,145,460,581.25
Less: Cost of sales	8,454,312,608.86	6,915,061,972.96
Taxes and surcharges	74,473,268.61	69,667,975.44
Selling and distribution expenses		
General and administrative expenses	929,395,807.24	955,055,338.48
Research and Development expenses	109,645,034.10	93,610,992.94
Financial expenses	-458,345,168.33	-523,148,275.90
Including: Interest expenses	304,323,204.07	344,865,497.27
Interest income	766,784,421.39	872,919,941.62
Plus: Other income	14,051,099.41	20,117,651.96
Investment income ("-" for losses)	9,846,935,832.26	9,964,009,506.49
Including: income from investment in associates and joint ventures	74,877,362.33	43,134,582.17
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)	27,528,769.00	60,959,140.61
Credit impairment losses ("-" for losses)	287,004.41	630,355.40
Asset impairment losses ("-" for losses)		
Gains from disposal of assets ("-" for losses)	1,177,426.76	44,029,637.89
2. Operating profits ("-" for losses)	11,871,468,279.74	11,724,958,869.68
Plus: non-operating income	17,436,206.22	26,553,752.25
Less: non-operating expenses	20,162,234.74	24,214,208.31
3. Total profits before tax ("-" for total losses)	11,868,742,251.22	11,727,298,413.62
Less: income tax expenses	570,243,254.91	479,471,279.32
4. Net profit ("-" for net loss)	11,298,498,996.31	11,247,827,134.30
4.1 Net profit from continuing operation ("-" for losses)	11,298,498,996.31	11,247,827,134.30
4.2 Net profit from discontinued operation ("-" for losses)		
5. Net of tax from other comprehensive income	20,380,676.83	-268,029,428.04
5.1 Other comprehensive income that cannot be reclassified into the profit and loss:	3,388,621.68	-270,029,977.35
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	162,693.33	106,537.86
3) Changes in fair value of investments in other equity instruments	3,225,928.35	-270,136,515.21
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	16,992,055.15	2,000,549.31
1) Share in other comprehensive income that will be classified into profit and loss under equity method	16,992,055.15	2,000,549.31
2) Changes in fair value of investments in other debt obligations		
3) Other comprehensive income arising from the reclassification of financial assets		
4) Allowance for credit impairments in investments in other debt obligations		
5) Reserve for cash-flow hedge		
6) Balance arising from the translation of foreign currency financial statements		

7) Others		
6. Total comprehensive income	11,318,879,673.14	10,979,797,706.26
7. Earnings per share		
(1) Basic earnings per share		
(2) Diluted earnings per share		

Consolidated statement of cash flows

Unit: CNY

Item	Year 2024	Year 2023
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	40,036,206,060.66	31,589,430,458.52
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	8,746,142.49	4,311,439.27
Cash received from other operating activities	969,333,056.82	1,271,444,860.82
Subtotal of cash inflows from operating activities	41,014,285,259.97	32,865,186,758.61
Cash paid for goods purchased and services received	5,963,558,109.59	6,584,743,337.24
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	1,313,523,728.57	1,291,700,762.53
Cash paid for taxes and surcharges	12,329,320,329.48	11,873,473,704.94
Cash paid for other operating activities	2,226,114,728.68	2,466,904,018.44
Subtotal of cash outflows from operating activities	21,832,516,896.32	22,216,821,823.15
Net cash flows from operating activities	19,181,768,363.65	10,648,364,935.46
2. Cash flows from investing activities		
Cash received from disposal of investments	2,190,773,011.55	1,806,849,496.56
Cash received from returns on investments	75,373,409.80	57,070,473.44
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	11,432,852.36	69,684,519.48
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	2,277,579,273.71	1,933,604,489.48
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	1,188,370,866.64	1,501,625,135.45
Cash paid for investments	2,471,700,000.00	1,700,000,000.00
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities	14,339.62	97,207.03
Subtotal of cash outflows from investing activities	3,660,085,206.26	3,201,722,342.48
Net cash flows from investing activities	-1,382,505,932.55	-1,268,117,853.00
3. Cash flows from financing activities		
Cash received from investors	79,496.11	10,373,039.14
Including: cash received by subsidiaries from investments by minority shareholders	79,496.11	2,082,314.40
Cash received from borrowings	2,000,000,000.00	6,850,000,000.00
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	2,000,079,496.11	6,860,373,039.14
Cash paid for debt repayments	4,025,200,000.00	1,524,700,000.00
Cash paid for distribution of dividends and profits or payment of interest	8,283,493,371.53	6,546,495,859.54
Including: dividends and profits paid	29,684,819.82	16,594,850.59

to minority shareholders by subsidiaries		
Cash paid for other financing activities	20,239,162.26	7,603,247.89
Subtotal of cash outflows from financing activities	12,328,932,533.79	8,078,799,107.43
Net cash flows from financing activities	-10,328,853,037.68	-1,218,426,068.29
4. Effect of fluctuation in exchange rate on cash and cash equivalents	4,229,343.18	2,201,671.82
5. Net increase in cash and cash equivalents	7,474,638,736.60	8,164,022,685.99
Plus: balance of cash and cash equivalents at the beginning of the period	25,893,029,277.86	17,729,006,591.87
6. Balance of cash and cash equivalents at the end of the period	33,367,668,014.46	25,893,029,277.86

Cash flow statements of parent company

Unit: CNY

Item	Year 2024	Year 2023
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	12,533,904,242.20	9,465,106,131.52
Refunds of taxes and surcharges		
Cash received from other operating activities	839,554,176.00	883,796,732.00
Subtotal of cash inflows from operating activities	13,373,458,418.20	10,348,902,863.52
Cash paid for goods purchased and services received	8,190,445,319.94	7,055,302,497.34
Cash paid to and on behalf of employees	456,045,492.39	459,785,090.92
Cash paid for taxes and surcharges	1,111,830,751.18	1,081,990,787.32
Cash paid for other operating activities	446,783,054.68	344,059,510.02
Subtotal of cash outflows from operating activities	10,205,104,618.19	8,941,137,885.60
Net cash flows from operating activities	3,168,353,800.01	1,407,764,977.92
2. Cash flows from investing activities		
Cash received from disposal of investments	2,190,773,011.55	1,725,428,067.29
Cash received from returns on investments	9,836,384,328.88	9,960,472,292.73
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	10,363,496.03	57,611,113.20
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing		

activities		
Subtotal of cash inflows from investing activities	12,037,520,836.46	11,743,511,473.22
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	212,817,179.55	440,672,744.69
Cash paid for investments	2,460,000,000.00	1,720,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	2,672,817,179.55	2,160,672,744.69
Net cash flows from investing activities	9,364,703,656.91	9,582,838,728.53
3. Cash flows from financing activities		
Cash received from investors		8,290,724.74
Cash received from loans	2,000,000,000.00	6,850,000,000.00
Cash received from other financing activities		28,533,781.29
Subtotal of cash inflows from financing activities	2,000,000,000.00	6,886,824,506.03
Cash paid for debt repayments	4,025,200,000.00	1,524,700,000.00
Cash paid for distribution of dividends and profits or payment of interest	8,253,808,551.71	6,542,888,426.79
Cash paid for other financing activities	3,253,410.81	2,576,358,468.60
Subtotal of cash outflows from financing activities	12,282,261,962.52	10,643,946,895.39
Net cash flows from financing activities	-10,282,261,962.52	-3,757,122,389.36
4. Effect of fluctuation in exchange rate on cash and cash equivalents	327,855.29	102,691.83
5. Net increase in cash and cash equivalents	2,251,123,349.69	7,233,584,008.92
Plus: balance of cash and cash equivalents at the beginning of the period	24,225,475,946.42	16,991,891,937.50
6. Balance of cash and cash equivalents at the end of the period	26,476,599,296.11	24,225,475,946.42

Consolidated statement of changes in owners' equity

For the year ended December 31, 2024

Unit: CNY

Item	Year 2024													Non-controlling interests	Total owners' equity
	Equity attributable to owners of the parent company														
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other Comprehensive	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Other	Subtotal		
	Preferred stock	Perpetual	Other												

		k	bond		k	e Inco me									
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															
2. Balance as at January 1 of the current 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
3. Increases/decreases in the current period ("-" for decreases)	-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 contributions	-36,266.00				180,282,043.33	-271,044,166.70							451,289,944.03	-16,581,187.00	434,708,756.84

buted or reduced by owners						6.70							.19	
Capital contributions by owners	- 36,26 6.00				- 3,325 ,954. 86	- 247,0 13,96 3.19						243,6 51,74 2.33	79,60 4.28	243,7 31,34 6.61
Capital contributions by other equity instruments holders														
Amounts of share-based payments recognized in owners' equity					183,6 07,99 8.19	- 24,03 0,203 .51						207,6 38,20 1.70	1,744 ,033. 28	209,3 82,23 4.98
Others													- 18,40 4,824 .75	- 18,40 4,824 .75
(3) Profit distribution								- 36,26 6.00		- 7,948 ,345, 792.8 3		- 7,948 ,382, 058.8 3	- 29,66 8,290 .21	- 7,978 ,050, 349.0 4
Withdrawal of surplus reserves								- 36,26 6.00		36,26 6.00				
Withdrawal of general risk reserve														
Profit distributed to owners (or share holder										- 7,948 ,382, 058.8 3		- 7,948 ,382, 058.8 3	- 29,66 8,290 .21	- 7,978 ,050, 349.0 4

rs)															
Other s															
(4) Intern al carry-forwa rd of owne rs' equit y							91,05	-			91,05				
							1.49				1.49				
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 earni ngs from chan ges in defin ed benef it plans															
Carry - forwa rd of retain ed earni ngs from other comp rehen sive inco me							91,05	-			91,05				
							1.49				1.49				

accounting errors in prior year															
Others															
2. Balance as at January 1 of the current year	1,471,895,100.00				4,800,154,468.99	639,021,998.78	330,751,245.84		1,471,895,100.00		26,772,197,213.98		34,207,871,130.03	120,923,806.61	34,328,794,936.64
3. Increases/decreases in the current period ("-" for decreases)	92,669.00				385,327,054.23	-22,278,388.19	-267,620,776.33		92,669.00		7,043,369,360.77		7,183,539,364.86	19,373,428.35	7,202,912,793.21
(1) Total comprehensive income							-251,405,123.12				13,246,394,700.59		12,994,989,577.47	42,600,254.19	13,037,589,831.66
(2) Capital contributed or reduced by owners	92,669.00				385,099,228.22	-22,278,388.19							407,470,285.41	6,457,993.99	413,928,279.40
Capital contributions by owners	92,669.00				8,198,055.74	8,290,724.74								2,082,314.40	2,082,314.40
Capital contributions by other equity instrument holders															
Amounts of share					376,901,172.48	-30,569,112							407,470,285.41	4,375,679.59	411,845,965.00

- base d paym ents recog nized in owne rs' equit y						.93								
Other s														
(3) Profit distributio n								92,66 9.00		- 6,219 ,240, 993.0 3		- 6,219 ,148, 324.0 3	- 29,68 4,819 .83	- 6,248 ,833, 143.8 6
Withd rawal of surpl us reser ves								92,66 9.00		- 92,66 9.00				
Withd rawal of gener al risk reser ve														
Profit distrib uted to owne rs (or share holde rs)										- 6,219 ,148, 324.0 3		- 6,219 ,148, 324.0 3	- 29,68 4,819 .83	- 6,248 ,833, 143.8 6
Other s														
(4) Intern al carry- forwa rd of owne rs' equit y							- 16,21 5,653 .21			16,21 5,653 .21				
Conv ersio n of capit al reser ves into paid- in capit al														
Conv ersio n of surpl us reser ves														

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							- 16,21 5,653 .21				16,21 5,653 .21				
Others															
(5) Special reserves															
Withdrawal for the period															
Use for the period															
(6) Others					227,8 26.01							227,8 26.01		227,8 26.01	
4. Balance as at December 31 of the current	1,471 ,987, 769.0 0				5,185 ,481, 523.2 2	616,7 43,61 0.59	63,13 0,469 .51		1,471 ,987, 769.0 0		33,81 5,566 ,574. 75	41,39 1,410 ,494. 89	140,2 97,23 4.96	41,53 1,707 ,729. 85	

year														
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Statement of changes in owners' equity of parent company

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								
1. Balance as at December 31 of last year	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 changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
2. Balance as at January 1 of the current year	1,471,987,769.00				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
3. Increases/decreases in the current period ("-" for decreases)	-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 contrib	-36,266.00				182,026,076.65	-271,044,166.70						453,033,977.3

uted or reduce d by owners	00				5	4,166.70					5
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)									- 7,948,382,058.83		- 7,948,382,058.83
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												
4. Balance as at December 31 of the current year	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

For the year ended December 31, 2023

Unit: CNY

Item	Year 2023											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	Undistributed profit	Other	Total owners' equity
		Preferred stock	Perpetual bond	Other								
1. Balance as at December 31 of last year	1,471,8 95,100. 00				4,789,6 03,151. 65	639,02 1,998.7 8	328,54 2,995.3 6		1,471,8 95,100. 00	23,131, 570,80 1.94		30,554, 485,15 0.17
Plus: adjustments for changes in accounting policies												

Adjustments for correction of accounting errors in prior year												
Others												
2. Balance as at January 1 of the current year	1,471,895,100.00				4,789,603,151.65	639,021,998.78	328,542,995.36		1,471,895,100.00	23,131,570,801.94		30,554,485,150.17
3. Increases/decreases in the current period ("-" for decreases)	92,669.00				389,704,729.95	-22,278,388.19	-268,029,428.04		92,669.00	5,044,801,794.48		5,188,940,822.58
(1) Other comprehensive income							-251,813,774.83			11,247,827,134.30		10,996,013,359.47
(2) Capital contributed or reduced by owners	92,669.00				389,476,903.94	-22,278,388.19						411,847,961.13
Capital contributions by owners	92,669.00				8,198,055.74	8,290,724.74						
Capital contributions by other equity instrument holders												
Amounts of share-based payments recognized in owners' equity					381,278,848.20	-30,569,112.93						411,847,961.13
Others												
(3) Profit distribution									92,669.00	-6,219,240,993.03		-6,219,148,324.03
Withdrawal of surplus reserve									92,669.00	-92,669.00		

s												
Profit distributed to owners (or shareholders)											-	-
											6,219,148,324.03	6,219,148,324.03
Others												
(4) Internal carry-forward of owners' equity												
											-	-
											16,215,653.21	16,215,653.21
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												
											-	-
											16,215,653.21	16,215,653.21
Others												
(5) Special reserves												
Withdrawal for the period												
Use for the period												
(6) Others												
											227,826.01	227,826.01

4. Balance as at December 31 of the current year	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
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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 brewing workshops from the Ming and Qing dynasties. On September 20, 1993, Luzhou Laojiao brewery 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 were completed; in September 2022, the Company granted 342,334 shares of the Restricted Share Incentive Plan for the second time; in September 2022, with seven awardees no longer eligible, the Company decided to repurchase and retire the 62,310 restricted shares of them 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, 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, 2024, Laojiao Group, its wholly-owned subsidiary Sichuan Golden Rudder Investment Co., Ltd., and XingLu Group held 381,088,389 shares, 1,140,200 shares and 365,971,142 shares respectively in the Company, with the shareholding ratios of 25.89%, 0.08% and 24.86% respectively. Laojiao Group held a total of 50.83% 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 main activity are research and development, production and sales of “National Cellar 1573”, “Luzhou Laojiao” and other baijiu series.

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

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

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

3.5 Approval and submission of the financial report and its date

The financial report is approved for issue by the Board of Directors of the Company on April 24, 2025.

In accordance with the Company's Articles of Association, the financial report will be submitted to a general 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 (the following called the ASBE) issued by Ministry of Finance, and Rules on Company Information Disclosure and Preparation of Publicly Issued Securities No.15- General Rules on Financial Reporting Rules (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 and results of operations, changes in shareholders' equity and cash flows. In addition, in all material respects, the financial statements of the Company comply with disclosure requirements of the financial statements and their notes in accordance with Rules on Company Information Disclosure and Preparation of Publicly Issued Securities No.15- General Rules on Financial Reporting Rules revised by CSRC in 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 receivables Significant write-off of accounts receivables 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 in short of the fair value of the net identifiable asset acquired from the acquiree through combination, include the difference in the current profit and loss.

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

5.7 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 statement, the Company considers the Group as an accounting entity, adopts unified accounting policies, and applies the requirements of ASBE related to recognition, measurement and presentation to reflect the Group's financial position, operating results and cash flows.

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

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

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

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

When the Company becomes capable of exercising control over an investee not under common control due to additional investment or other reasons, the Company shall re-measure the previously held equity interests to its fair value on the acquisition date, and the difference shall be recognized as investment income. When the previously held equity investment is accounted for under equity method, any other comprehensive income previously recognized and other equity changes (excluding other comprehensive, net profit and loss and profit distribution) in relation to the acquiree's equity changes shall be transferred to profit and loss for the current period when acquisition took place, except for other comprehensive income resulting from changes in net liabilities or net assets due to re-measurement of defined benefit plan by investee.

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 of or other changes in owners' equity excluding net profit and loss, other comprehensive income and profit distribution shall be transferred to investment income for the current period when control is lost. Other comprehensive income resulting from changes in net liabilities or net assets due to re-measurement of defined benefit plan by investee is excluded.

Disposal of subsidiaries by step

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

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

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

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

③ Purchase of non-controlling interests

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

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 or 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 systematical and reasonable method and similar to the spot exchange rate on the day when the transactions occur. Differences arising from the above translations of foreign currency financial statements are separately listed under other comprehensive income in the consolidated balance sheet. If the overseas business is partly disposed of, the foreign currency financial statements exchange difference shall be calculated in proportion to the percentage of disposal and transferred to gain or loss on disposal for the current period.

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

5.11 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 interests, performs subsequent measurement of them at amortized cost, and includes the gains or losses from derecognition, changes or impairment of them into current profits/losses.

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

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

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

③ Financial assets measured at fair value with their changes included into current profits/losses

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

(2) Classification, recognition and measurement of financial liabilities

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

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

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

the initial recognition.

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

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

② Other financial liabilities

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

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

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

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

value of the financial asset.

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

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

For a financial asset sold with the right of recourse or with the transfer of the financial asset endorsement, the Company shall decide whether almost all the risks and remunerations in respect of the ownership of the financial asset should be transferred. If they are transferred, the financial asset shall be derecognized; if they are retained, the financial asset shall not be derecognized; if they are neither transferred nor retained, the Company will continue to decide whether the enterprise should retain control over the asset and perform the accounting treatment according to the principles stated in previous paragraphs.

(4) Derecognition of financial liabilities

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

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

(5) Offsetting of financial assets and financial liabilities

When the Company has the legal right to offset recognized financial assets and financial liabilities and may execute the legal right currently and simultaneously, the Company plans to settle or simultaneously encash the financial assets in net amounts and pay off the financial liabilities, the financial assets and the financial liabilities which are presented in the net amount after the mutual offset in the balance sheet. Other than that, they shall be presented separately in the balance sheet without the mutual offset.

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

Fair value refers to the price that a market participant can receive for selling an asset or transferring a liability in an orderly transaction on the measurement date. For an existing financial instrument in an active market, the Company adopts the quotations in the active market to determine its fair value. Quotations in the active market refer to prices that can be easily obtained from exchanges, brokers, industrial associations and pricing service institutions and represent the actual prices in the market transactions happening in a fair trade. For a non-existing financial instrument in an active market, the Company adopts the valuation technique to determine its fair value. The valuation technique includes references to familiar situations and the prices used by the parties voluntarily participating in the recent market transactions, as well as references to the present fair value of other financial instruments of the same nature, discounted cash flow method and options pricing model. In the valuation, the Company uses a valuation technique that is applicable in the current situation with sufficient data available and other information support, chooses input values that are consistent with the asset or liability characteristics considered by market players in related asset or liability transactions, and make maximum effort to use related observable input values on a preferential basis. When it is unable or unfeasible to obtain related observable input values, unobservable will be used.

(7) Equity instruments

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

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

(8) Impairment of financial instruments

Based on the expected credit loss, the Company treats financial assets measured at amortized cost and debt instrument investment measured at fair value with its changes included into other

comprehensive income by impairment and recognizes the provision for loss.

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

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

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

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

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

5.12 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 receivables

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

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

(2) When the information about the expected credit loss of a single financial asset cannot be evaluated at a reasonable cost, the Company shall divide the accounts receivables portfolio according to credit risk characteristics and measure the expected credit loss based on portfolios:

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

Other portfolio refers to the normal intercourse funds among the Company and businesses under common control, the recovery of which are 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 receivables classified as risk portfolio in accordance with similar credit risk characteristics (aging), and calculates the expected credit loss through the exposure at default and expected credit loss rate over the entire life based on the current situation and prediction of future economic situation consulting historical credit loss experience. The comparative table of the credit loss rate is as follows:

Aging	Expected loss provision rate %
Within 1 year	5
1-2 years	10

2-3 years	20
3-4 years	40
4-5 years	80
Over 5 years	100

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

5.14 Accounts receivables financing

The accounts receivables financing of the Company refer to the notes receivables measured at fair value through other comprehensive income on the balance sheet date. For more details, see Note 5.11 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 intercourse funds among the Company and businesses under common control, the recovery of which are controllable with no risks. Thus, no bad debt provision was made.

The Company combines the other receivables classified as risk portfolio in accordance with similar credit risk characteristics, 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 receivables and accounting treatment method" for the detail on the Company's method of determining the expected credit loss of contract assets and accounting treatment method.

5.17 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 that the Company is unable to control, leading to the transactions uncompleted with non-related party within one year, and the Company still commits to sale non-current assets or disposal groups, it can continue to account for non-current assets or disposal groups as held-for-sale: the buyer or any other party accidentally set sale extension condition. The Company has to take action in time according to these conditions and the extension problem is expected to be solved within one year; In rare cases, the Company has taken the necessary steps and re-satisfy the hold for sale category condition within the first year for the new circumstances which caused it unable to complete the sale of the non-current assets or disposal group within one year.

(2) 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 at the amount of the difference of these two in profit and loss, the provision for assets held for sale need to be recognized at the same time.

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

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

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

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 incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company and recognize the profit and loss on investments on such basis. Where the losses on internal transactions between the Company and the investee are impairment of related assets, full amounts of such losses shall be recognized. Profit and loss from internal unrealized transactions between the Company's subsidiaries included into the combination scope and associates and joint ventures shall be written off according to the above principles and the profit and loss on investments thereafter shall be recognized on such basis.

When the share of net loss of the investee attributable to the Company is recognized, it is treated in the following sequence: Firstly, write off the book value of the long-term equity investments; where the book value of the long-term equity investments is insufficient to cover the loss, investment losses are

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

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

(1) Initial Recognition

When the Company can obtain the rental income or value-added income related to the investment property and the cost of the investment property that can be measured reliably, the Company will initially measure it according to the actual expenditure of purchase or construction:

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

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

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

(2) Subsequent measurement

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

If there is solid evidence suggests that the investment property acquired can be measured at fair value continuously and reliably, the Company can use fair value model for subsequent measurement. For the investment property measured at fair value model, the Company does not provide depreciation or

amortization and adjusts its book value based on the fair value of investment property at the balance sheet date. The difference between the fair value and book value is recorded into current profit or loss.

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

5.21. 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) Capitalization suspension of borrowing costs

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

profit or loss for the current period, and the capitalization of borrowing costs continues when the acquisition and construction or production activities of the asset resume.

(5) Capitalization cessation of borrowing costs

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

5.24. 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.

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 those 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 in which the employee provides the service into the current profit and loss or the relevant assets cost.

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

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

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

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

(3) Accounting treatment method of termination benefits

Employee benefits liabilities shall be recognized and included into profit or loss for the current period on the earlier date of the two following circumstances: a. When the Company is not able to withdraw the benefits from termination of employment or resignation persuasion unilaterally; b. When the Company recognizes costs and fees relevant to reforming the termination benefits payment. As for the termination benefits that cannot be fully paid within 12 months after the end of the annual report period, the Company shall choose an appropriate discount rate and record it into current profit and loss based on it.

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

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

Other long-term employee benefits provided by the Company to the employee that meet the conditions of the defined contribution plan shall be treated in accordance with the same principles of the defined contribution plan; If the conditions for defined benefits are met, net liabilities or net assets of other long-term employee benefits shall be recognized and measured in accordance with the relevant principles of the defined benefits plan.

5. 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 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 with employees, the equity instrument is measured at fair value. The cash-settled share-based payment shall be measured according to the fair value of the

liabilities calculated and determined on the basis of shares or other equity instruments undertaken by the Company.

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

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

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

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

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

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

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

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

5. 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 commence of depreciation or amortization when the relevant assets reaching the intended use condition, and included in the current profit or loss. However, government grants measured at the nominal amount shall be directly included in current profit and loss.

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

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

Accounting method:

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 of 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 beginning 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 payable of the residual value of the guarantee, the index or rate used to confirm the lease payment, the Company calculated the present value based on the changed lease payment amount and the original discount rate to remeasure the lease liabilities. However, where changes in lease payments arise from changes in floating interest rates, a revised discount rate was used to calculate the present value.

(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
On October 25, 2023, the Ministry of Finance issued the "Interpretation No. 17 to the Accounting Standards for Business Enterprises" (Accounting (2023) No. 21). Provisions "On the division of current liabilities and non-current liabilities", "On the disclosure of supplier financing arrangements" and "On the accounting treatment of sale and leaseback transactions" have come into effect on January 1, 2024.	None	
On August 1, 2023, the Ministry of Finance issued the "Interim Provisions on Accounting Treatment Related to Enterprise Data Resources" (Accounting [2023] No. 11), which regulates the relevant accounting treatment of data resources and puts forward specific requirements for the disclosure of data resources. The provisions have come into effect on January 1, 2024.	None	
On December 6, 2024, the Ministry of Finance issued the "Interpretation No. 18 to the Accounting Standards for Business Enterprises" (Accounting (2024) No. 24), which stipulates that the estimated liabilities arising from the product warranties of the guarantee type that does not belong to the single performance obligation shall be included in the "main business cost" and "other business cost" according to the determined amount, and shall no longer be included in the "selling and distribution expenses", which shall be implemented from the date of publication. And the Company has adopted the said policy from January 1, 2024.	None	

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 2024

Applicable N/A

6. Taxes

6.1. Major tax types and rates

Tax type	Tax base	Tax rate
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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 ²
Others	According to national regulation	

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

Company name	Corporate income tax rate
Luzhou 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 are located in the western region whose primary business is listed in the Catalogue of Encouraged Industries in the Western Region, and the primary business income accounting for over 60% of the total enterprise income. These companies shall be subject to the corporate income tax at a reduced rate of 15%. The Company's holding subsidiary, Luzhou Pinchuang Technology Co., Ltd., whose primary business income meet the requirements of scope and standard of the Catalogue of Encouraged Industries in the Western Region, is paid at the rate of 15% for corporate income tax.

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

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

(4) According to the Article 3, Item 7 of the Notice on Revise of Interim Measures of Accelerating the Development in Headquarters Economy of China-Malaysia Qinzhou Industrial Park, till 31 December 2025, the enterprises in the Qinzhou Industrial Park that enjoy 15% of tax rate of Western Development with the half reduction in the tax period of preferential policies shall enjoy the local share of corporate income tax exemption (namely 40% of corporate income tax was exempted, and the proportion adjusted by the state shall be executed according to new proportion); Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd., the wholly-owned subsidiary of the Company, pays corporate income tax at the rate of 9% according to the tax preference policies.

(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 meet 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 unit is CNY, except other statements)

7.1. Cash and cash equivalents

Unit: CNY

Item	Closing Balance	Opening Balance
Cash	27,640.75	24,059.24
Bank deposit	33,506,712,545.24	25,916,630,894.83
Other cash and cash equivalents	71,656,645.34	35,370,137.21
Total	33,578,396,831.33	25,952,025,091.28
Including: Total deposit outbound	104,980,028.96	93,987,202.68

Other statements:

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

Note 2: The closing balance of other monetary funds mainly consists of the remaining funds in securities accounts of the Company in the amount of CNY 2,817,992.63, bank guarantee deposits of CNY 10,000,000.00 for the subsidiary, Luzhou Laojiao Sales Co., Ltd., the closing balance of funds in self-owned accounts on third-party platforms for subsidiaries such as Luzhou Laojiao Electronic Commerce Co., Ltd., Luzhou Laojiao New Retail Co., Ltd. and Luzhou Laojiao Nostalgic Liquor Marketing Co., Ltd., in the amount of CNY 40,838,649.27, and the court frozen funds of Luzhou Laojiao Brewing Co., Ltd. in the amount of CNY 18,000,003.44.

Note 3: There is no special benefit arrangement such as establishing a fund co-management account with related parties 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	1,694,282,295.97	1,426,992,098.83
Including:		
Wealth management products	1,694,282,295.97	1,426,992,098.83
Including:		
Total	1,694,282,295.97	1,426,992,098.83

Other statements:

Note 1: The closing balance is the Company's wealth management products of the collective asset management plan purchased from securities-type companies which are measured at fair value based on the amount calculated on the basis of the net value of relevant asset units published on the official website of the asset manager.

7.3. Accounts receivable

7.3.1. Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	11,602,423.49	18,489,106.27
2-3 years		263,509.80
Total	11,602,423.49	18,752,616.07

7.3.2. 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	
Accounts receivable tested for impairment individually						372,217.14	1.98%	372,217.14	100.00%	
Including:										
Account						372,217	1.98%	372,217	100.00	

s receivable that are not individually material but for which a separate provision for bad debts has been made						.14		.14	%	
Accounts receivable tested for impairment by the portfolio	11,602, 423.49	100.00 %	580,121 .18	5.00%	11,022, 302.31	18,380, 398.93	98.02%	919,019 .95	5.00%	17,461, 378.98
Including:										
Accounts receivable tested for impairment on the portfolio with characteristics of credit risk	11,602, 423.49	100.00 %	580,121 .18	5.00%	11,022, 302.31	18,380, 398.93	98.02%	919,019 .95	5.00%	17,461, 378.98
Total	11,602, 423.49	100.00 %	580,121 .18	5.00%	11,022, 302.31	18,752, 616.07	100.00 %	1,291,2 37.09	6.89%	17,461, 378.98

Accounts receivable tested for impairment individually: CNY 0

Unit: CNY

Name	Opening Balance		Closing Balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Proportion	Reason
Beijing Secoo Trading Limited ¹	372,217.14	372,217.14				The amount is not expected to be recovered
Total	372,217.14	372,217.14				

Note: 1 The amount due from Beijing Secoo Trading Limited was fully recovered in the year, and the corresponding balance of the provision for bad debt at the beginning of the year was recovered.

Accounts receivable tested for impairment by the portfolio: CNY 580,121.18

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	11,602,423.49	580,121.18	5.00%
Including: within 1 year	11,602,423.49	580,121.18	5.00%
Other portfolio			
Total	11,602,423.49	580,121.18	

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

7.3.3. 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	372,217.14		372,217.14			
Accounts receivable with expected credit loss by portfolio	919,019.95		338,898.77			580,121.18
Total	1,291,237.09		711,115.91			580,121.18

7.3.4. 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
Beijing User Growth Network Technology Co., Ltd.	4,228,353.65		4,228,353.65	36.45%	211,417.68
China Duty Free International Co., Ltd.	2,724,518.70		2,724,518.70	23.48%	136,225.94
Hangzhou Youzan	2,453,739.29		2,453,739.29	21.15%	122,686.96

Technology Inc.					
Sazerac Company, Inc	1,103,625.27		1,103,625.27	9.51%	55,181.26
Chengdu Kuaigou Technology Co., Ltd.	476,804.65		476,804.65	4.11%	23,840.23
Total	10,987,041.56		10,987,041.56	94.70%	549,352.07

7.4. Accounts receivable financing

7.4.1. Accounts receivable financing listed by category

Unit: CNY

Item	Closing Balance	Opening Balance
Bank acceptance bill	1,801,947,455.78 ¹	5,938,171,007.93
Total	1,801,947,455.78	5,938,171,007.93

Notes: 1 The closing balance of accounts receivables financing decreased by CNY 4,136,000,000 or 69.65% compared with the opening balance, which was mainly due to the impact of bill endorsement and discount, as well as remittance of bills for collection at maturity.

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:										
Provision allowance by portfolio	1,801,947,455.78	100.00%			1,801,947,455.78 ¹	5,938,171,007.93	100.00%			5,938,171,007.93
Including:										
Bank acceptance bill	1,801,947,455.78	100.00%			1,801,947,455.78	5,938,171,007.93	100.00%			5,938,171,007.93
Total	1,801,947,455.78	100.00%			1,801,947,455.78	5,938,171,007.93	100.00%			5,938,171,007.93

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	1,801,947,455.78		

Other portfolio			
Total	1,801,947,455.78		

Notes to the determination basis for the portfolio:

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

7.4.3. 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	Derecognition at period-end	Not derecognition at period-end
Bank acceptance bill	7,494,365,701.36 ¹	
Total	7,494,365,701.36	

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.

7.4.4. 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	5,938,171,007.93	23,043,222,841.01	27,179,446,393.16	1,801,947,455.78
Total	5,938,171,007.93	23,043,222,841.01	27,179,446,393.16	1,801,947,455.78

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.

7.4.5. Other statements

7.5. Other receivables

Unit: CNY

Item	Closing Balance	Opening Balance
Other receivables	13,053,645.00	22,716,893.12
Total	13,053,645.00	22,716,893.12

7.5.1. Other receivables

7.5.1.1. Other receivables disclosed by nature

Unit: CNY

Nature	Closing book balance	Opening book balance
Intercourse funds	10,388,747.89	17,537,144.37
Petty cash	243,853.22	214,206.23
Saving deposits involving contract disputes ¹	124,099,253.17	127,564,873.50
Total	134,731,854.28	145,316,224.10

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 2024, CNY 3,465,620.33 of the saving deposits involving contract disputes was recovered. The closing balance of this account as at the date of the statement was CNY 124,099,253.17.

7.5.1.2. Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	9,264,632.85	15,696,066.07
1-2 years	139,760.59	38,347.61
2-3 years	6,347.61	293,480.00
Over 3 years	125,321,113.23 ¹	129,288,330.42
3-4 years	36,880.00	11,500.00
4-5 years		22,800.00
Over 5 years	125,284,233.23	129,254,030.42
Total	134,731,854.28	145,316,224.10

Note: 1 Other receivables with significant single amount exceeding three years in age relates to savings deposit of CNY 124,099,253.17, which are yet to be recovered due to contractual disputes.

7.5.1.3. 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	124,099,253.17	92.11%	120,000,000.00	96.70%	4,099,253.17	127,614,873.50	87.82%	120,050,000.00	94.07%	7,564,873.50
Including:										
Other receivables that are individually material and for which a separate provision for bad debts has	124,099,253.17	92.11%	120,000,000.00	96.70%	4,099,253.17	127,564,873.50	87.79%	120,000,000.00	94.07%	7,564,873.50

been made										
Other receivables that are not individually material but for which a separate provision for bad debts has been made						50,000.00	0.03%	50,000.00	100.00%	
Provision for bad debt by the portfolio	10,632,601.11	7.89%	1,678,209.28	15.78%	8,954,391.83	17,701,350.60	12.18%	2,549,330.98	14.40%	15,152,019.62
Including:										
Other receivables tested for impairment on the portfolio with characteristics of credit risk	10,632,601.11	7.89%	1,678,209.28	15.78%	8,954,391.83	17,701,350.60	12.18%	2,549,330.98	14.40%	15,152,019.62
Total	134,731,854.28	100.00%	121,678,209.28	90.31%	13,053,645.00	145,316,224.10	100.00%	122,599,330.98	84.37%	22,716,893.12

Provision for bad debt by individual item: CNY 120,000,000

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	127,564,873.50	120,000,000.00	124,099,253.17	120,000,000.00	96.70%	Provision based on legal opinion
Beijing Secoo Trading Limited	50,000.00	50,000.00				The amount is not expected to be recovered
Total	127,614,873.50	120,050,000.00	124,099,253.17	120,000,000.00		

Provision for bad debt by the portfolio: CNY 1,678,209.28

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	10,632,601.11	1,678,209.28	15.78%
Including: within 1 year	9,264,632.85	463,231.64	5.00%
1-2 years	139,760.59	13,976.06	10.00%
2-3 years	6,347.61	1,269.52	20.00%
3-4 years	36,880.00	14,752.00	40.00%
4-5 years			80.00%
Over 5 years	1,184,980.06	1,184,980.06	100.00%
Other portfolio			
Total	10,632,601.11	1,678,209.28	

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, 2024	2,549,330.98		120,050,000.00	122,599,330.98
Balance of January 1, 2024 in the current period				
Reversal of the current period	871,121.70		50,000.00	921,121.70
Balance of December 31, 2024	1,678,209.28		120,000,000.00	121,678,209.28

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 15.78% for Stage 1 and 96.70% for Stage 3, totaling 90.31%.

Changes of book balance with significant amount changed of loss provision in the current period

Applicable N/A

7.5.1.4. 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	122,599,330.98		921,121.70			121,678,209.28
Total	122,599,330.98		921,121.70			121,678,209.28

7.5.1.5. 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	Saving deposits involving contract disputes	124,099,253.17	Over 5 years	92.11%	120,000,000.00
Luzhou Qianheng Labor Service Co., Ltd.	Intercourse funds and other accounts	224,296.76	Within 1 year, 1-2 years	0.17%	14,922.37
TOWNE CENTRE OFFICES-PI PROPERTIES NO 111 LLC	Intercourse funds and other accounts	134,503.47	Within 1 year	0.10%	6,725.17
Chen Weirong	Petty cash	113,853.22	Within 1 year	0.08%	5,692.66
Liao Wuhong	Petty cash	80,000.00	Within 1 year	0.06%	4,000.00
Total		124,651,906.62		92.52%	120,031,340.20

7.6. Prepayment

7.6.1. Aging analysis

Unit: CNY

Aging	Closing Balance		Opening Balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	115,124,824.62	92.95%	196,801,356.07	97.28%
1-2 years	4,202,267.01	3.39%	1,685,909.93	0.83%
2-3 years	722,670.32	0.58%	2,987,977.50	1.48%
Over 3 years	3,820,520.70	3.08%	833,943.20	0.41%
Total	123,870,282.65		202,309,186.70	

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

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

7.6.2. 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.	16,020,000.00	Within 1 year	12.93%
Luzhou Western Gas Co., Ltd.	12,010,808.11	Within 1 year	9.70%
Luzhou Power Supply Company of State Grid Sichuan Electric Power Company	9,799,623.42	Within 1 year	7.91%
Luzhou Laojiao Group Co., Ltd.	9,180,164.89	Within 1 year	7.41%
Sports Equipment Center of General Administration of Sport of China	7,105,776.78	Within 1 year	5.74%
Total	54,116,373.20		43.69%

7.7. Inventories

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

No

7.7.1. Categories of Inventories

Unit: CNY

Category	Closing Balance			Opening Balance		
	Book Balance	Provision for stock obsolescence or impairment provision of contract performance costs	Book Value	Book Balance	Provision for stock obsolescence or impairment provision of contract performance costs	Book Value
Raw materials	114,546,157.4 1		114,546,157.4 1	112,835,009.7 7		112,835,009.7 7
Goods in progress	10,739,545.76 4.82 ¹		10,739,545.76 4.82	9,169,963.972 .73		9,169,963.972 .73
Finished goods	2,505,218,578 .73		2,505,218,578 .73	2,316,583,144 .62		2,316,583,144 .62
Goods in transit	33,483,975.00		33,483,975.00	22,661,820.34		22,661,820.34
Total	13,392,794.47 5.96		13,392,794.47 5.96	11,622,043.94 7.46		11,622,043.94 7.46

Note: 1 The increase in 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.

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*.

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

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

7.8. Other current assets

Unit: CNY

Item	Closing Balance	Opening Balance
VAT to be deducted	217,415,843.41	164,220,376.30
Corporate income tax	20,441,701.15	8,733,293.33
Other taxes	3,224,364.33	3,731,062.34
Total	241,081,908.89	176,684,731.97

Other statements:

The value-added tax expected to be deducted in the next fiscal year and corporate income tax and other taxes are disclosed in other current assets.

7.9. 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 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)	219,640,994.03	175,241,715.34	44,399,278.69		206,921,837.27		6,477,348.35	According to the mode of managing assets by management layer
China Tourism Group Duty Free Corporation Limited	60,069,399.64	84,854,489.68		24,785,090.04		91,129,295.64	2,015,648.45	According to the mode of managing assets by management layer
Luzhou Bank Co., Ltd.	78,356,318.99	96,733,837.69		18,377,518.70	27,236,318.99		3,905,280.00	According to the mode of managing assets by management layer
Guotai Junan Investment Management	22,611,834.24	22,611,834.24						According to the mode of managing assets by

ent Co., Ltd.								managem ent layer
North Chemical Industries Co., Ltd.	15,870,083.24	12,805,515.44	3,064,567.80		14,840,083.24		78,177.75	According to the mode of managing assets by managem ent 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 managem 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	2,500,000.00	According to the mode of managing assets by managem ent layer
Total	407,194,706.55	402,893,468.80	47,463,846.49	43,162,608.74	248,998,239.50	98,082,437.23	14,976,454.55	

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.	6,477,348.35	206,921,837.27			According to the mode of managing assets by management layer	
China Tourism Group Duty Free Corporation Limited	2,015,648.45		91,129,295.64		According to the mode of managing assets by management layer	
Luzhou Bank Co., Ltd.	3,905,280.00	27,236,318.99			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.	78,177.75	14,840,083.24			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	2,500,000.00		5,752,926.37		According to the mode of managing assets by management layer	

Other statements:

7.10. 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.	2,535,630,372.30	2,567,098.80			75,663,468.99	17,154,748.48		13,641,557.20			2,614,807,032.57	2,567,098.80
Luzhou Laojiao Postdoctoral Workstation Technology Innov	38,339,051.51				-1,657,333.41						36,681,718.10	

ation Co., Ltd.												
Sichuan Development Liquor Investment Co., Ltd.	5,897,980.85				-19,699.92						5,878,280.93	
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	120,047,035.94				3,063,143.19						123,110,179.13	
Sichuan Tianfu Granary Liquor Industry Co., Ltd.			11,700,000.00		802,140.27						12,502,140.27	
Sichuan Tongnang Baijiu Industry Technology Research Institute Co., Ltd.	8,340,392.90				-67,425.97						8,272,966.93	
Subtotal	2,708,254,833.50	2,567,098.80	11,700,000.00		77,784,293.15	17,154,748.48		13,641,557.20			2,801,252,317.93	2,567,098.80
Total	2,708,254,833.50	2,567,098.80	11,700,000.00		77,784,293.15	17,154,748.48		13,641,557.20			2,801,252,317.93	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

7.11. Investment property

7.11.1. Investment property with cost measurement model

Applicable N/A

Unit: CNY

Item	Buildings and constructions	Land use right	Construction in progress	Total
I. Original cost:				
1. Opening balance	47,321,613.93	9,566,480.21		56,888,094.14
2. Increase in current period	32,288,816.14	3,200,587.50		35,489,403.64
(1) External purchase				
(2) Transfer from inventories/ fixed assets/ construction in progress	32,288,816.14	3,200,587.50		35,489,403.64
(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	15,788,024.62	3,314,652.75		19,102,677.37
2. Increase in current period	21,110,780.90	1,917,345.35		23,028,126.25
(1) Provision or amortization	1,332,489.69	730,478.51		2,062,968.20
(2) Transfer from fixed assets/ construction in progress/ intangible assets	19,778,291.21	1,186,866.84		20,965,158.05
3. Decrease in current period				
(1) Disposal				
(2) Other transfer out				
4. Closing Balance	36,898,805.52	5,231,998.10		42,130,803.62
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	42,711,624.55	7,535,069.61		50,246,694.16
2.Opening Book Value	31,533,589.31	6,251,827.46		37,785,416.77

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

The reason for the discrepancy between the foregoing information and the information used in the impairment tests in prior years or external information

The reason for the discrepancy between the information used in the Company's impairment tests in prior years and the actual situation of those years

Other statements:

7.11.2. Investment property without certification of right

Unit: CNY

Item	Book value	Reason for not having the certification of right
Buildings of the Company	13,832,335.36	In procedure

7.12. Fixed assets

Unit: CNY

Item	Closing Balance	Opening Balance
Fixed assets	9,131,607,204.08	8,613,187,271.67
Disposal of fixed assets	169,711.43	36,193.79
Total	9,131,776,915.51	8,613,223,465.46

7.12.1. 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	7,601,544,871.04	1,249,997,326.78	1,223,925,013.96	46,767,392.95	1,652,688,060.94	11,774,922,665.67
2.Increase in current period	777,708,299.57	246,002,383.20	102,041,092.69	9,835,445.28	343,010,928.44	1,478,598,149.18
(1) External purchase	97,500.00	3,758,081.52	43,281,600.96	691,247.80	1,245,529.72	49,073,960.00

(2) Transfer from construction in progress	772,988,699.26	242,244,189.18	51,951,320.26	9,144,197.48	316,242,837.82	1,392,571,244.00
(3) Increase from business combination						
(4) Transfer from intangible assets		112.50			327,870.63	327,983.13
(5) Adjustment for completion settlement	4,061,406.77		6,408,565.43			10,469,972.20
(6) Changes of exchange rates			-71,770.81			-71,770.81
(7) Other	560,693.54		471,376.85		25,194,690.27	26,226,760.66
3. Decrease in current period	345,922,691.84	26,184,907.54	24,387,710.97	17,886,915.54	27,590,835.80	441,973,061.69
(1) Disposal or retirement	49,364,373.26	19,439,930.27	24,001,059.46	17,881,376.62	21,490,665.26	132,177,404.87
(2) Transfer to investment property	32,288,816.14					32,288,816.14
(3) Transfer to intangible assets	36,714,324.50					36,714,324.50
(4) Transfer to construction in progress	227,449,719.99		0.01		1,162,127.66	228,611,847.66
(5) Adjustment for completion settlement		6,744,977.27		5,538.92	4,742,925.76	11,493,441.95
(6) Other	105,457.95		386,651.50		195,117.12	687,226.57
4. Closing 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
II. Accumulated depreciation						
1. Opening Balance	1,157,287,207.89	606,617,382.10	541,324,309.81	35,207,198.35	820,676,355.78	3,161,112,453.93
2. Increase in current period	272,358,849.43	163,238,236.98	147,667,745.64	4,070,653.19	93,393,524.70	680,729,009.94
(1) Provision	270,499,692.77	163,238,236.98	147,743,407.97	4,070,653.19	93,219,196.04	678,771,186.95
(2) Transfer from intangible assets					174,328.66	174,328.66
(3) Adjustment for completion settlement	1,859,156.66					1,859,156.66
(4) Changes of exchange rates			-75,662.33			-75,662.33
3. Decrease in current period	88,470,179.29	18,900,952.80	20,141,141.71	16,106,774.63	18,281,866.36	161,900,914.79
(1) Disposal or retirement	43,656,355.23	17,051,714.62	20,141,141.71	16,106,774.63	18,271,947.88	115,227,934.07
(2) Transfer to investment property	19,778,291.21					19,778,291.21

(3) Transfer to intangible assets	25,035,532.85					25,035,532.85
(4) Adjustment for completion settlement		1,849,238.18			9,918.48	1,859,156.66
4.Closing 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
III. Provision for impairment						
1.Opening Balance	622,940.07					622,940.07
2.Increase in current period						
(1) Provision						
3.Decrease in current period	622,940.07					622,940.07
(1) Disposal or retirement	622,940.07					622,940.07
4.Closing Balance						
IV. Book Value						
1.Closing 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
2.Opening Book Value	6,443,634,723.08	643,379,944.68	682,600,704.15	11,560,194.60	832,011,705.16	8,613,187,271.67

7.12.2. Fixed assets leased out through operating lease

Unit: CNY

Item	Closing book value
Buildings and constructions	21,825,621.87
Equipment	15,224,667.58
Total	37,050,289.45

7.12.3. Fixed assets without certification of right

Unit: CNY

Item	Book value	Reason for not having the certification of right
Buildings of the Company	18,632,488.31	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	216,373,516.94	In procedure
Buildings of the subsidiary-brewing company	4,642,895,976.37	In procedure
Total	4,877,901,981.62	

7.12.4. Disposal of fixed assets

Unit: CNY

Item	Closing Balance	Opening Balance
Disposal and retirement of assets	169,711.43	36,193.79
Total	169,711.43	36,193.79

7.13. Construction in progress

Unit: CNY

Item	Closing Balance	Opening Balance
Construction in progress	807,233,988.90	1,718,468,880.53
Total	807,233,988.90	1,718,468,880.53

7.13.1. 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	6,367,929.36		6,367,929.36	1,132,704,191.02		1,132,704,191.02
Technical renovation project of Luzhou Laojiao intelligent brewing (I)	506,382,371.57		506,382,371.57	217,839,823.49		217,839,823.49
Technical renovation of Luzhou Laojiao Intelligent packaging center (II)				141,773,898.97		141,773,898.97
Project of Luzhou Laojiao's Flexible Intelligent Filling Pilot Line	60,955,418.59		60,955,418.59	92,773,969.99		92,773,969.99
Construction Project of Luzhou Laojiao's Strong Aroma Baijiu Experience Marketing Centre	22,407,884.55		22,407,884.55	1,194,002.45		1,194,002.45
Technical Reform Project of Luzhou Laojiao's Brewing Base				574,755.15		574,755.15
The expansion and renovation project of the office area of	22,751,740.43		22,751,740.43	3,083,641.38		3,083,641.38

Luzhou Laojiao Marketing Network Command Center-Staff Home						
Other projects	188,368,644.40		188,368,644.40	128,524,598.08		128,524,598.08
Total	807,233,988.90		807,233,988.90	1,718,468,880.53		1,718,468,880.53

7.13.2. 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
Technical renovation of Luzhou Laojiao Intelligent packaging center	1,886,176.00	1,132,704.19	67,102,915.93	1,158,477.01	34,962,161.10	6,367,929.36	84.86%	90.00%	185,876.75			Other
Technical renovation project of Luzhou Laojiao intelligent brewing (I)	4,782,509.00	217,839.82	288,542,548.08			506,382,371.57	23.19%	30.00%				Other
Technical renovation of Luzhou Laojiao Intelligent	188,000.00	141,773.89	6,679,184.04	147,996.32	456,758.48		89.22%	89.00%				Other

packaging center (II)												
Total	6,856,685.00	1,492,317.913.48	362,324.648.05	1,306,473.341.02	35,418,919.58	512,750,300.93			185,876.75			

7.13.3. Impairment test of construction in progress

Applicable N/A

7.14. Right-of-use assets

7.14.1. Details of right-of-use assets

Unit: CNY

Item	Land use right	Buildings and constructions	Total
I. Original cost			
1. Opening Balance	30,788,322.41	10,375,681.84	41,164,004.25
2. Increase in current period		16,067,587.66	16,067,587.66
(1) Increase in leases		14,797,048.30	14,797,048.30
(2) Changes of exchange rates		1,270,539.36	1,270,539.36
3. Decrease in current period		1,117.72	1,117.72
(1) Lease expiration		1,117.72	1,117.72
(2) Adjustment for change of lease term			
4. Closing Balance	30,788,322.41	26,442,151.78	57,230,474.19
II. Accumulated amortization			
1. Opening Balance	10,273,916.78	7,629,132.24	17,903,049.02
2. Increase in current period	3,424,638.93	6,648,572.01	10,073,210.94
(1) Provision	3,424,638.93	6,270,013.69	9,694,652.62
(2) Changes of exchange rates		378,558.32	378,558.32
3. Decrease in current period			
(1) Disposal			
4. Closing Balance	13,698,555.71	14,277,704.25	27,976,259.96
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	17,089,766.70	12,164,447.53	29,254,214.23
2. Opening Book Value	20,514,405.63	2,746,549.60	23,260,955.23

7.14.2. Impairment test of right-of-use assets

Applicable N/A

7.15. Intangible assets

7.15.1. Details of intangible assets

Unit: CNY

Item	Land use right	Patent right	No-patent right technology	Computer software	Trademark right	Total
I. Original cost						
1. Opening Balance	3,654,960,826.00	1,700,050.44		89,700,887.41	2,118,716.09	3,748,480,479.94
2. Increase in current period	88,436,461.64			51,027,847.91		139,464,309.55
(1) Acquired	49,169,900.00			511,051.20		49,680,951.20
(2) Internal developed						
(3) Business combination						
(4) Transferred from construction in progress	2,552,237.14			50,513,394.55		53,065,631.69
(5) Transferred from fixed assets	36,714,324.50					36,714,324.50
(6) Changes of exchange rates				3,402.16		3,402.16
3. Decrease in current period	3,525,786.03			535,287.53		4,061,073.56
(1) Disposal	210,879.00			321,623.93		532,502.93
(2) Transferred to investment property	3,200,587.50					3,200,587.50
(3) Transferred to fixed assets	114,319.53			213,663.60		327,983.13
4. Closing Balance	3,739,871,501.61	1,700,050.44		140,193,447.79	2,118,716.09	3,883,883,715.93
II. Accumulated amortization						
1. Opening Balance	309,168,468.63	960,614.13		38,581,851.65	1,895,754.45	350,606,688.86
2. Increase in current period	107,631,762.91	130,005.05		9,383,291.81	900.16	117,145,959.93
(1) Provision	82,596,230.06	130,005.05		9,383,291.81	900.16	92,110,427.08
(2) Transferred from fixed assets	25,035,532.85					25,035,532.85

3. Decrease in current period	1,499,111.21			268,617.84		1,767,729.05
(1) Disposal	210,879.00			195,654.55		406,533.55
(2) Transferred to investment property	1,186,866.84					1,186,866.84
(3) Transferred to fixed assets	101,365.37			72,963.29		174,328.66
4. Closing Balance	415,301,120.33	1,090,619.18		47,696,525.62	1,896,654.61	465,984,919.74
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	3,324,570,381.28	609,431.26		92,496,922.17	222,061.48	3,417,898,796.19
2. Opening Book Value	3,345,792,357.37	739,436.31		51,119,035.76	222,961.64	3,397,873,791.08

There is no proportion of intangible assets formed by internal development to the balance of intangible assets at the period-end.

7.15.2. Land use right without certification of right

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

7.16. Long-term deferred expense

Unit: CNY

Item	Opening Balance	Increase	Amortization	Other decrease	Closing Balance
Improvement expense of rented fixed assets	960,005.91	1,500,141.28	715,835.64	-11,960.48	1,756,272.03
Total	960,005.91	1,500,141.28	715,835.64	-11,960.48 ¹	1,756,272.03

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

7.17. Deferred tax assets/ deferred tax liabilities

7.17.1. Deferred tax assets before offset

Unit: CNY

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

Provision for asset impairment	124,771,509.82	31,075,237.73	127,079,101.68	31,572,482.83
Unrealized profits from internal transactions	742,790,841.94	185,697,710.49	1,533,438,058.70	383,359,514.67
Impact from salary	493,996,524.17	121,948,421.27	466,715,045.27	115,258,381.83
Impact from deferred earnings	86,672,726.83	21,668,181.71	27,772,083.74	6,943,020.94
Impact from fixed assets depreciation	1,598,536.52	405,851.10	889,943.60	233,853.09
Recognition costs of restricted shares for equity incentive in the vesting period	120,257,855.98	29,526,566.27	460,239,659.25	112,958,934.99
Impact from fair value changes of other equity instrument investment	115,507,633.77	28,876,908.44	90,722,543.67	22,680,635.92
Impact of income tax from fair value changes of held-for-trading financial assets	17,238,148.79	4,309,537.19		
Impact of income tax from initial recognition of lease liabilities	3,258,868.36	676,678.84	8,994,376.39	1,422,793.65
Total	1,706,092,646.18	424,185,093.04	2,715,850,812.30	674,429,617.92

7.17.2. 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	248,998,239.50	62,249,559.84	219,911,911.71	54,977,977.92
Fair value changes of held-for-trading financial assets	11,520,444.76	2,880,111.17	26,992,098.76	6,748,024.69
Impact from the policy of one-time pre-tax deduction of fixed assets	379,464,834.32	92,542,193.36	330,643,563.72	80,965,673.53
Impact of income tax from initial recognition of right-of-use assets	3,342,874.50	703,850.51	345,267.49	81,352.08
Total	643,326,393.08	158,375,714.88	577,892,841.68	142,773,028.22

7.17.3. Details of unrecognized deferred tax assets

Unit: CNY

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

Deductible losses	272,750,289.72	253,464,624.61
Asset impairment provision	2,156.34	1,505.26
Employee benefits payable	15,915,368.47	13,557,753.92
Total	288,667,814.53	267,023,883.79

7.17.4. Deductible losses from unrecognized deferred tax assets will due on the following years

Unit: CNY

Year	Closing Amount	Opening Amount	Notes
2024		14,491,365.44	
2025	15,884,395.00	15,884,395.00	
2026	8,417,566.87	8,417,566.87	
2027	41,945,012.30	33,125,772.28	
2028	170,459,479.62	181,545,525.02	
2029	36,043,835.93		
Total	272,750,289.72	253,464,624.61	

7.18. 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	235,101,375.05		235,101,375.05	186,654,437.03		186,654,437.03
Prepayment for long-term assets	172,245,993.10		172,245,993.10 ¹	172,245,993.10		172,245,993.10
Total	407,347,368.15		407,347,368.15	358,900,430.13		358,900,430.13

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.

7.19. 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	181,100,955.95	181,100,955.95	Fixed deposit interest	Provision for fixed deposit interest on an accrual basis	48,222,882.52	48,222,882.52	Fixed deposit interest	Provision for fixed deposit interest on an accrual basis
Cash and cash equivalent	18,000,003.44	18,000,003.44	Litigation freeze	Frozen fund by the court				

s								
Cash and cash equivalents	10,000,000.00	10,000,000.00	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	1,627,857.48	1,627,857.48	Margin	E-commerce platform margin	772,930.90	772,930.90	Margin	E-commerce platform margin
Total	210,728,816.87	210,728,816.87			58,995,813.42	58,995,813.42		

7.20. Held-for-trading financial liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Held-for-trading financial liabilities		9,763.87
Including:		
Foreign exchange forward transaction		9,763.87
Including:		
Total		9,763.87

7.21. Accounts payable

7.21.1. Presentation of accounts payable

Unit: CNY

Category	Closing Balance	Opening Balance
Engineering equipment expense	854,220,902.47	1,494,451,313.86
Materials and service expense	990,276,304.31	862,772,419.35
Total	1,844,497,206.78	2,357,223,733.21

7.21.2. Significant accounts payable whose aging is longer than 1 year

Unit: CNY

Category	Closing Balance	Reason for not payment or carrying forward
China Construction First Group Corporation Limited	372,990,522.07	Project payment within the contract settlement period
China Second Metallurgy Group Co., Ltd.	161,255,355.43	Project payment within the contract settlement period
KSEC Intelligent Technology Co., Ltd.	119,148,909.07	Project payment within the contract settlement period
Shanghai Defeng Advertising Communication Co., Ltd.	40,000,000.00	Outstanding advertising expenses
Luzhou Branch of Zhongqi Construction Group Huamao Co., Ltd.	21,826,780.23	Project payment within the contract settlement period
China Credit Investment Construction Group Co., Ltd.	7,635,000.00	Project payment within the contract settlement period
Total	722,856,566.80	

7.22. Other payables

Unit: CNY

Item	Closing Balance	Opening Balance
Dividend payable	29,668,290.20	29,684,819.82
Other payables	843,927,138.88	1,121,036,342.71
Total	873,595,429.08	1,150,721,162.53

7.22.1. Dividend payable

Unit: CNY

Item	Closing Balance	Opening Balance
Dividend payable to minority shareholders of the Company's subsidiary	29,668,290.20 ¹	29,684,819.82
Total	29,668,290.20	29,684,819.82

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

7.22.2. Other payables

7.22.2.1. Categories by nature

Unit: CNY

Item	Closing Balance	Opening Balance
Security deposit	447,066,962.39	471,170,274.78
Intercourse funds	28,522,739.40	26,994,900.06
Repurchase obligations of restricted shares	345,699,443.89	616,743,610.59
Others	22,637,993.20	6,127,557.28
Total	843,927,138.88	1,121,036,342.71

7.22.2.2. Significant other payables whose aging are longer than 1 year

Unit: CNY

Item	Closing Balance	Reason for not payment or carrying forward
Security deposits from suppliers	31,720,147.50	Within the contract performance period
Security deposits from dealers	24,829,046.77	Within the contract performance period
Total	56,549,194.27	

7.23. Contract liabilities

Unit: CNY

Category	Closing Balance	Opening Balance
Within 1 year	3,960,810,214.93	2,648,369,042.14
1-2 years	11,557,251.98	11,257,914.75

2-3 years	1,918,201.08	1,537,289.68
Over 3 years	3,845,860.89	11,812,843.73
Total	3,978,131,528.88	2,672,977,090.30

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*.

Note: The carrying amount of contract liabilities at the period-end increased by CNY 1,305,154,438.58 compared with that at the period-begin, accounting for 48.83%, which was mainly due to the increase in advances on sales

The total amount of the top five companies in contract liabilities was CNY 1,999,064,056.48, accounting for 50.25%.

7.24. Employee benefits payable

7.24.1. 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	495,138,782.21	1,177,343,466.57	1,148,445,189.11	524,037,059.67
2. Post-employment benefits- defined contribution plans	28,718,957.67	168,820,385.42	167,995,633.77	29,543,709.32
3. Termination benefits	8,971.53		8,971.53	
Total	523,866,711.41	1,346,163,851.99	1,316,449,794.41	553,580,768.99

7.24.2. 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	441,221,793.71	972,418,249.12	939,482,951.09	474,157,091.74
2. Employees' welfare		20,489,403.79	20,489,403.79	
3. Social insurance premiums	10,323,076.28	73,287,351.70	77,322,704.98	6,287,723.00
Including: Medical insurance premium	8,947,557.56	70,147,578.32	74,992,527.41	4,102,608.47
Work-related injury insurance	1,375,518.72	3,139,773.38	2,330,177.57	2,185,114.53
4. Housing funds	5,572,651.95	81,201,217.62	79,795,659.68	6,978,209.89
5. Labor union expenditures and employee education funds	38,021,260.27	29,947,244.34	31,354,469.57	36,614,035.04

Total	495,138,782.21	1,177,343,466.57	1,148,445,189.11	524,037,059.67
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7.24.3. 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	21,964,091.48	103,679,476.27	105,609,361.85	20,034,205.90
2. Unemployment insurance premium	331,799.76	3,916,975.15	3,983,678.09	265,096.82
3. Enterprise annuity	6,423,066.43	61,223,934.00	58,402,593.83	9,244,406.60
Total	28,718,957.67	168,820,385.42	167,995,633.77	29,543,709.32

7.25. Taxes payable

Unit: CNY

Item	Closing Balance	Opening Balance
Value-added tax	712,774,935.04	462,528,000.24
Consumption tax	1,446,813,372.13	1,255,405,887.03
Enterprise income tax	798,281,280.17	998,666,442.52
Individual income tax	11,091,390.13	7,810,885.88
Urban maintenance and construction tax	147,158,156.11	119,493,139.70
Education surcharge	63,919,687.59	51,286,192.79
Local education surcharge	43,486,324.21	34,299,228.87
Stamp duty	9,583,849.31	9,347,536.01
Land use tax	437,618.74	437,618.74
Others	401,983.65	352,601.22
Total	3,233,948,597.08	2,939,627,533.00

7.26. Non-current liabilities due within one year

Unit: CNY

Item	Closing Balance	Opening Balance
Long-term loans due within one year	1,720,200,000.00	25,000,000.00
Bonds payable due within one year	1,499,788,498.36	
Lease liabilities due within one year	9,688,349.02	5,114,015.89
Interest of long-term loans due within one year	5,383,276.22	7,379,478.99
Interest of bonds payable due within one year	41,568,493.14	41,424,657.53
Total	3,276,628,616.74	78,918,152.41

7.27. Other current liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Output VAT to be transferred	516,729,820.48	347,485,071.57
Total	516,729,820.48	347,485,071.57

7.28. Long-term loans

7.28.1. Long-term loans

Unit: CNY

Item	Closing Balance	Opening Balance
Credit loans	8,000,100,000.00	10,025,300,000.00
Less: Long-term loans due within one year	-1,720,200,000.00	-25,000,000.00
Total	6,279,900,000.00	10,000,300,000.00

Other statements, including interest rate range:

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.

7.29. Bonds payable

7.29.1. Bonds payable

Unit: CNY

Item	Closing Balance	Opening Balance
Corporate bonds in 2020 (Phase I)		1,498,716,737.02
Total		1,498,716,737.02

7.29.2. Increase/decrease of bonds payable (excluding other financial instrument classified as financial liabilities such as preferred shares and perpetual bonds)

Unit: CNY

Bond name	Par value	Coupon rate	Issuing date	Duration	Issuing amount	Opening Balance	Issued in the current period	Withdrawal of interest by par value	Amortization of premium and depreciation	Repayment in the reporting period	Reclassification	Closing Balance	Default or not
Corporate bonds in 2020 (Phase I)	1,500,000,000.00	3.50%	March 16, 2020	5 years	1,494,000,000.00	1,498,716,737.02		52,500,000.00	1,071,761.34		1,499,788,498.36		Not
Total	—	—	—	—	1,494,000,000.00	1,498,716,737.02		52,500,000.00	1,071,761.34		1,499,788,498.36 ¹		—

Note: 1 The outstanding bonds of the Company at the period-begin/Corporate bonds in 2020 (Phase I) will mature in 2025, which shall be reclassified and presented as non-current liabilities due within one year accordingly. The Company paid off the principal and interest of the Corporate bonds in 2020 (Phase I) as schedule on March 17, 2025.

7.30. Lease liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Lease payment	38,789,939.06	32,472,149.33
Less: unrecognized financing cost	-4,573,070.91	-5,001,728.97
Less: lease liabilities due within one year	-9,688,349.02	-5,114,015.89
Total	24,528,519.13	22,356,404.47

7.31. Deferred income

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance	Reason
Government grants	27,772,083.74	71,041,000.00	12,140,356.91	86,672,726.83	Reception of financial allocation
Total	27,772,083.74	71,041,000.00	12,140,356.91	86,672,726.83	--

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		59,619,000.00	993,650.00	58,625,350.00	Related to assets
Digital upgrade project of supply chain management for Luzhou Laojiao Intelligent Packing Center		8,862,000.00	147,700.00	8,714,300.00	Related to assets
New mode application project of digital workshop for solid state baijiu production	3,495,363.94		1,553,495.10	1,941,868.84	Related to assets
Construction project of liquor room of Luzhou Laojiao brewing technical renovation	6,042,857.20		2,685,714.29	3,357,142.91	Related to assets
Luzhou Laojiao automatic baijiu production line technical renovation project	785,934.06		349,304.03	436,630.03	Related to assets
Boiler reconstruction project of Luohan Brewing Base of Luzhou Laojiao	5,057,142.86		1,264,285.71	3,792,857.15	Related to assets
Brewing wastewater treatment project	7,714,285.68		3,428,571.43	4,285,714.25	Related to assets
Improvement and technical renovation project of Luzhou Laojiao production supporting	4,676,500.00	2,560,000.00	1,717,636.35	5,518,863.65	Related to assets
Total	27,772,083.74	71,041,000.00	12,140,356.91	86,672,726.83	

7.32. Share capital

Unit: CNY

	Opening Balance	Increases/decreases in the current period (+, -)					Closing Balance
		Issuance of new shares	Bonds share	Conversion of reserves funds into shares	Others	Subtotal	
Total number of shares	1,471,987,769.00				-36,266.00	-36,266.00 ¹	1,471,951,503.00

Note: 1 In 2024, among the incentive recipients of the Company's 2021 Restricted Share Incentive Plan (Draft), five incentive recipients 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 36,266 restricted shares that have been granted to the above-mentioned incentive recipients but have not yet been released from restrictions will be repurchased and canceled by the Company.

Other statements:

7.33. Capital reserves

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Share premium (capital premium)	4,205,307,212.40	425,852,005.91	3,325,954.86	4,627,833,263.45
Other capital reserves	980,174,310.82	183,607,998.19	425,852,005.91	737,930,303.10
Total	5,185,481,523.22	609,460,004.10	429,177,960.77	5,365,763,566.55

Other statements, including increase/decrease and reasons thereof:

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

Note 2: The increase in other capital reserve 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.

7.34. 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	616,743,610.59		271,044,166.70	345,699,443.89
Total	616,743,610.59		271,044,166.70	345,699,443.89

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

The treasury shares reduced by CNY 271,044,166.70 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.

7.35. 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 attribute to parent company after tax	
I. Other comprehensive income that will not be reclassified into profit and loss	96,948,563.88	3,388,621.68		91,051.49		3,297,570.19	100,246,134.07
Other comprehensive income that will not be reclassified into profit and loss under equity method	106,537,866	162,693.33		91,051.49		71,641.84	178,179.70
Fair value changes of other equity instrument investment	96,842,026.02	3,225,928.35				3,225,928.35	100,067,954.37
II. Other comprehensive income that will be reclassified into profit and loss	33,818,094.37	18,473,305.49				17,807,075.68	666,229.81
Including: Other comprehensive income that will be reclassified	36,784,191.34	16,992,055.15				16,992,055.15	19,792,136.19

d into profit and loss under equity method								
Difference from conversion of financial statements in foreign currency	2,966,096.97	1,481,250.34				815,020.53	666,229.81	3,781,117.50
Total	63,130,469.51	21,861,927.17		91,051.49		21,104,645.87	666,229.81	84,235,115.38

7.36. Surplus reserves

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Statutory surplus reserves	1,471,987,769.00		36,266.00	1,471,951,503.00
Total	1,471,987,769.00		36,266.00	1,471,951,503.00

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

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.

7.37. Undistributed profits

Unit: CNY

Item	Current Period	Previous Period
Undistributed profit before adjustment at the end of the last year	33,815,566,574.75	26,772,197,213.98
Undistributed profit after adjustment at the beginning of year	33,815,566,574.75	26,772,197,213.98
Plus: Net profit attributable to owners of the parent company for the current period	13,472,986,476.01	13,246,394,700.59
Less: Provision of statutory surplus reserves	-36,266.00	92,669.00
Ordinary share dividends payable	7,948,382,058.83	6,219,148,324.03
Plus: Other transfer in	91,051.49	16,215,653.21
Undistributed profits at the end of the period	39,340,298,309.42	33,815,566,574.75

7.38. Operating revenue and cost of sales

Unit: CNY

Item	Current Period		Previous Period	
	Revenue	Cost of sales	Revenue	Cost of sales

Primary business	30,742,480,590.43	3,719,472,050.52	29,832,432,932.59	3,354,136,725.57
Other business	453,767,617.90	168,644,133.41	400,868,455.67	183,014,677.58
Total	31,196,248,208.33	3,888,116,183.93	30,233,301,388.26	3,537,151,403.15

Whether the lower of the Company's total profit, net profit, net profit after deduction of non-recurring gains and losses for the most recent fiscal year 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	27,585,319,704.62	2,248,007,003.01	27,585,319,704.62	2,248,007,003.01
Other baijiu	3,467,333,632.93	1,596,410,927.94	3,467,333,632.93	1,596,410,927.94
Other revenue	143,594,870.78	43,698,252.98	143,594,870.78	43,698,252.98
By operating segment				
Including:				
Domestic	31,010,093,741.29	3,862,718,079.68	31,010,093,741.29	3,862,718,079.68
Outbound	186,154,467.04	25,398,104.25	186,154,467.04	25,398,104.25
Market or customer type				
Including:				
Contract type				
Including:				
Recognize revenue at point in time	31,091,711,234.37	3,850,612,763.96	31,091,711,234.37	3,850,612,763.96
Recognize revenue by time period	104,536,973.96	37,503,419.97	104,536,973.96	37,503,419.97
By commodity transfer time				
Including:				
By contract term				
Including:				
By sales				

channel				
Including:				
Total	31,196,248,208.33	3,888,116,183.93	31,196,248,208.33	3,888,116,183.93

Other statements

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 3,978,131,528.88 at the period-end, among which CNY 3,978,131,528.88 was expected to be recognized in 2025.

7.39. Business taxes and surcharges

Unit: CNY

Item	Current Period	Previous Period
Consumption tax	3,758,818,690.82	3,240,865,419.12
Urban maintenance and construction tax	493,311,257.37	441,952,895.02
Educational surcharge	214,918,037.88	189,596,044.62
Property tax	77,927,281.84	72,159,092.39
Land use tax	34,031,578.65	34,404,828.33
Stamp duty	31,293,251.08	27,591,982.98
Local education surcharge	143,278,691.91	126,397,571.29
Others	176,791.63	158,516.93
Total	4,753,755,581.18	4,133,126,350.68

7.40. General and administrative expenses

Unit: CNY

Item	Current Period	Previous Period
Employee compensation	477,879,760.77	438,391,560.79
Depreciation and amortization	106,444,738.22	119,690,409.04
Share-based payment expense	100,696,953.42	206,559,351.04
Service expense and others	415,758,512.15	374,839,356.36
Total	1,100,779,964.56	1,139,480,677.23

7.41. Selling and distribution expenses

Unit: CNY

Item	Current Period	Previous Period
Advertising promotion expense	1,548,153,847.96	1,614,086,963.33
Promotion expense	1,109,741,814.61	1,479,620,839.26
Employee compensation	387,418,851.76	297,757,314.24
Storage and logistics costs	162,568,387.89	198,741,925.26
Share-based payment expense	48,618,883.85	98,732,302.98

Others	281,880,829.92	285,486,181.85
Total	3,538,382,615.99	3,974,425,526.92

7.42. Research and development expenses

Unit: CNY

Item	Current Period	Previous Period
Comprehensive research and development expenses	260,975,311.10	225,955,797.33
Total	260,975,311.10	225,955,797.33

7.43. Financial expenses

Unit: CNY

Item	Current Period	Previous Period
Interest expenses	304,312,417.15 ¹	488,003,010.93
Less: Interest income	-797,923,434.30	-864,006,165.58
Losses from currency exchange	-3,165,346.43	-2,201,671.82
Handling charges	7,119,485.05	6,292,845.93
Amortization of unrecognized financing costs	1,135,819.21	759,774.13
Total	-488,521,059.32	-371,152,206.41

Note: 1 The interest expenses decreased by 37.64% year-on-year, mainly due to the reclassification and presentation of bill discounting expenses as investment income.

7.44. Other income

Unit: CNY

Source	Current Period	Previous Period
Government grants	41,225,885.28	51,950,003.11
Other refund (Individual income tax handling fee refund)	2,526,666.45	2,229,602.28
Total	43,752,551.73	54,179,605.39

7.45. Gain on changes in fair value

Unit: CNY

Source	Current Period	Previous Period
Held-for-trading financial assets	27,528,769.00	62,998,156.40
Held-for-trading financial liabilities	9,870.60	-9,694.10
Total	27,538,639.60	62,988,462.30

7.46. Investment income

Unit: CNY

Item	Current Period	Previous Period
Investment income from long-term equity investments under the equity method	106,578,492.71	66,927,156.69

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	46,953,767.52	2,391,009.80
Investment income from disposal of held-for-trading financial assets	-29,465,560.31	5,290,247.46
Dividend income gained during the period of holding other equity instrument investment	14,976,454.55	11,268,626.39
Income from derecognition of financial assets measured at fair value with changes recorded in other comprehensive income	-158,251,822.92 ¹	
Investment income from early redemption of bonds		-1,055,251.33
Investment losses from foreign exchange forward transaction	-14,339.62	-97,207.03
Total	-9,892,859.80	84,724,581.98

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.	75,663,468.99	44,167,627.40
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	-1,657,275.64	-1,846,843.26
Sichuan Development Liquor Investment Co., Ltd.	-19,699.92	8,326.61
Sichuan Tongniang Baijiu Industry Technology Research Institute Co., Ltd.	-67,425.97	253,536.99
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	30,048,548.68	24,344,508.95
Sichuan Tianfu Granary Liquor Industry Co., Ltd.	2,610,876.57	
Total	106,578,492.71	66,927,156.69

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

Item	Current Period	Previous Period
North Chemical Industries Co., Ltd.	78,177.75	78,177.75
Guotai Haitong Securities Co., Ltd.	6,477,348.35	6,241,808.41
Luzhou Sanrenxuan Liquor Industry Co., Ltd.	2,500,000.00	500,000.00
Luzhou Bank Co., Ltd.	3,905,280.00	3,471,360.00
China Tourism Group Duty Free Corporation Limited	2,015,648.45	977,280.23
Total	14,976,454.55	11,268,626.39

7.47. Credit impairment loss

Unit: CNY

Item	Current Period	Previous Period
Bad debt loss of accounts receivable	711,115.91	-964,767.06

Bad debt loss of other receivables	921,121.70	1,897,008.76
Total	1,632,237.61	932,241.70

7.48. Gains from disposal of assets

Unit: CNY

Source	Current Period	Previous Period
Gains from disposal of fixed assets	1,058,750.22	35,447,138.00
Gains from disposal of intangible assets		8,980,400.30
Gains from disposal of investment property		
Gains from disposal of use right assets		266,700.07
Total	1,058,750.22	44,694,238.37

7.49. 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		3,920,498.91	
Compensation for default	19,994,603.60	29,859,330.01	19,994,603.60
Others	4,235,258.66	2,424,034.25	4,235,258.66
Total	24,229,862.26	36,203,863.17	24,229,862.26

7.50. Non-operating costs

Unit: CNY

Item	Current Period	Previous Period	The amount included in the extraordinary gains and losses of the current period
Donation	11,979,052.40	21,381,120.00	11,979,052.40
Losses from damage retirement of non-current assets	13,325,050.92	2,570,236.31	13,325,050.92
Others	475,870.15	48,127,919.52	475,870.15
Total	25,779,973.47	72,079,275.83	25,779,973.47

7.51. Income tax expense

7.51.1. Statement of income tax expense

Unit: CNY

Item	Current Period	Previous Period
Current period income tax	4,442,748,346.01	4,119,788,148.40
Deferred income tax	264,771,902.14	397,509,384.83
Total	4,707,520,248.15	4,517,297,533.23

7.51.2. Adjustment for accounting profit and income tax expense

Unit: CNY

Item	Current Period
Total profit	18,205,298,819.04
Income tax expenses determined by statutory/applicable tax rate	4,551,324,704.76
Impact from subsidiaries' different tax rates	-1,882,116.86
Impact from adjust for impact from income tax expense in previous period	87,848,397.53
Impact from non-taxable income	-21,188,705.92
Impact from non-deductible costs, expenses and losses	898,822.28
Impact from deductible temporary difference or losses due to unrecognized deferred tax asset in current period	11,590,906.04
Income tax impact of expected pre-tax deductible amounts of restricted shares in future periods that are less than the recognized cost and expenses	78,876,256.48
Impact from deductible temporary difference of unrecognized deferred income tax assets in prior period	
Impact from recognition of other taxable difference of unrecognized deferred income tax liabilities in prior period as deferred income tax liabilities in current period	51,983.83
Income tax expense	4,707,520,248.15

7.52. Other comprehensive income

Details in Note 7.35. Other comprehensive income.

7.53. Notes to the statement of cash flow**7.53.1. 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	3,465,620.33	1,484,623.48
Government grants	103,303,033.55	46,017,763.05
Interest income from bank deposit	667,147,733.48	831,459,358.12
Others	195,416,669.46	392,483,116.17
Total	969,333,056.82	1,271,444,860.82

Cash paid for other operating activities

Unit: CNY

Item	Current Period	Previous Period
Cash paid for expenses	2,204,134,745.45	2,466,131,087.54
Restricted court frozen funds paid	18,000,003.44	
Cash paid to E-commerce platform as security deposit	3,979,979.79	772,930.90
Total	2,226,114,728.68	2,466,904,018.44

7.53.2. 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	2,160,000,000.00	1,400,000,000.00
Total	2,160,000,000.00	1,400,000,000.00

Cash paid for other investing activities

Unit: CNY

Item	Current Period	Previous Period
Loss on forward exchange settlement	14,339.62	97,207.03
Total	14,339.62	97,207.03

Cash paid for significant investing activities

Unit: CNY

Item	Current Period	Previous Period
Cash paid for purchasing long-term assets	1,188,370,866.64	1,501,625,135.45
Cash paid for purchasing held-for-trading financial assets	2,460,000,000.00	1,700,000,000.00
Total	3,648,370,866.64	3,201,625,135.45

7.53.3. 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	3,025,890.81	
Net losses from put-back of bonds		1,055,251.33
Cash paid for rent of right-of-use assets	8,138,594.92	6,547,996.56
Total	20,239,162.26	7,603,247.89

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)	10,032,679,478.99	2,000,000,000.00	250,575,794.36	4,277,771,997.13		8,005,483,276.22
Bonds	1,540,141,394		53,715,596.95	52,500,000.00		1,541,356,991

payable (including bonds payable due within one year)	.55					.50
Lease liabilities (including lease liabilities due within one year)	27,470,420.36		14,879,042.71	8,132,594.92		34,216,868.15
Other payables (Repurchase obligations of restricted shares)	616,743,610.5 9			3,010,350.11	268,033,816.5 9	345,699,443.8 9
Total	12,217,034,90 4.49	2,000,000,000 .00	319,170,434.0 2	4,341,414,942 .16	268,033,816.5 9	9,926,756,579 .76

7.54. Supplementary information to statement of cash flow

7.54.1. 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	13,497,778,570.89	13,288,660,023.21
Plus: Provision for asset impairment	-1,632,237.61	-932,241.70
Depreciation of fixed asset, oil and gas assets and productive biological assets	680,834,155.15	587,432,455.60
Depreciation of right-of-use assets	9,694,652.62	9,851,802.53
Amortization of intangible assets	92,110,427.08	79,694,038.52
Amortization of long-term deferred expense	715,835.64	498,487.93
Losses from disposal of fixed assets, intangible assets and other long-term assets (Gains use “-”)	-1,058,750.22	-44,694,238.37
Losses from retirement of fixed assets (Gains use “-”)	13,325,050.92	-1,350,262.60
Losses from change in fair value (Gains use “-”)	-27,538,639.60	-62,988,462.30
Financial expenses (Gains use “-”)	302,282,889.93	323,773,618.88
Losses on investments (Gains use “-”)	-148,358,963.12	-84,724,581.98
Decrease in deferred income tax assets (Increase uses “-”)	250,244,524.88	351,976,919.74
Increase in deferred income tax liabilities (Decrease uses “-”)	15,602,686.66	45,532,465.09
Decrease in inventories (Increase use “-”)	-1,770,750,528.50	-1,781,301,572.61
Decrease in operating receivables (Increase use “-”)	4,167,999,841.68	-1,506,903,239.71

Increase in operating payables (Decrease use “-”)	2,100,518,847.25	-556,160,276.77
Others		
Net cash flows from operating activities	19,181,768,363.65	10,648,364,935.46
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	33,367,668,014.46 ¹	25,893,029,277.86
Less: Opening balance of cash	25,893,029,277.86	17,729,006,591.87
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net change in cash and cash equivalents	7,474,638,736.60	8,164,022,685.99

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 753,480,000.00 and CNY 799,668,426.34, 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.

7.54.2. Composition of cash and cash equivalent

Unit: CNY

Item	Opening Balance	Closing Balance
1. Cash	33,367,668,014.46	25,893,029,277.86
Including: Cash on hand	27,640.75	24,059.24
Unrestricted bank deposit	33,325,611,589.29	25,868,408,012.31
Other unrestricted cash and cash equivalents	42,028,784.42	24,597,206.31
3. Closing balance of cash and cash equivalents	33,367,668,014.46	25,893,029,277.86

7.54.3. Monetary funds not classified as cash and cash equivalents

Unit: CNY

Item	Current Period	Previous Period	Reason
Bank deposit	181,100,955.95	48,222,882.52	Provision for fixed deposit interest on an accrual basis
Other monetary funds	18,000,003.44		Frozen fund by the court
Other monetary funds	10,000,000.00	10,000,000.00	Bank cash deposits for L/G
Other monetary funds	1,627,857.48	772,930.90	Restricted cash deposit in E-commerce platforms
Total	210,728,816.87	58,995,813.42	

7.54.4. Relationship between cash and cash equivalents in the balance sheet and cash in the statement of cash flow

Item	Closing Balance	Opening Balance
Cash and cash equivalents in the balance sheet	33,578,396,831.33	25,952,025,091.28
Including: Cash on hand	27,640.75	24,059.24
Bank deposit	33,506,712,545.24	25,916,630,894.83
Other cash and cash equivalents	71,656,645.34	35,370,137.21
Less: Other restricted cash and cash equivalents (amount not included in cash)	29,631,860.89	10,772,930.90
Including: Restricted cash deposits for L/G	10,000,000.00	10,000,000.00
Third-party platform funds	1,627,857.48	772,930.90
Restricted frozen funds	18,000,003.44	
Less: Interest receivable	181,100,955.95	48,222,882.52
Cash in the statement of cash flow	33,367,668,014.46	25,893,029,277.86

7.55. Notes to items of the statements of changes in owners' equity

Notes to the name of "Other" of closing balance at the end of the previous year adjusted and the amount adjusted:

N/A

7.56. Foreign currency transactions

7.56.1. Foreign currency transactions

Unit: CNY

Item	Closing Balance in Foreign Currency	Exchange Rate	Closing Balance in CNY
Cash at Bank and on Hand			125,945,823.00
Including: USD	15,772,833.75	7.1884	113,381,438.13
EUR	328.11	7.5257	2,469.26
HKD	13,563,547.15	0.92604	12,560,387.20
AUD	339.12	4.507	1,528.41
Accounts Receivable			4,294,258.79
Including: USD			
EUR			
HKD	4,637,228.19	0.92604	4,294,258.79
Long-term Loans			
Including: USD			
EUR			
HKD			
Other Receivables			6,032,279.87
Including: USD	18,697.65	7.1884	134,406.19
HKD	6,368,918.92	0.92604	5,897,873.68
Accounts Payable			567,662.64

Including: USD	0.50	7.1884	3.59
HKD	612,996.25	0.92604	567,659.05
Other Payables			23,342,169.44
Including: USD	14,862.33	7.1884	106,836.37
HKD	25,091,068.50	0.92604	23,235,333.07
Prepayments			939,697.59
Including: USD	5,291.50	7.1884	38,037.42
HKD	973,673.03	0.92604	901,660.17
Non-current liabilities due within one year			4,185,537.56
Including: USD	67,410.06	7.1884	484,570.48
HKD	3,996,552.07	0.92604	3,700,967.08
Lease liabilities			5,019,797.03
Including: USD	77,832.23	7.1884	559,489.20
HKD	4,816,539.06	0.92604	4,460,307.83

7.56.2. 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

7.57. Lease

7.57.1. 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	2024	2023
Short-term lease expenses recognized as current profit or loss in the current period using the simplified approach	8,276,228.61	9,494,225.98
Total cash outflows related to leases	16,408,823.53	16,042,222.54

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

N/A

7.57.2. 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.	11,134,073.64	
Total	11,134,073.64	

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

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

Applicable N/A

7.58. Others

N/A

8. Research and Development Expenditure

Unit: CNY

Item	Current Period	Previous Period
Material consumption	41,829,620.38	45,375,170.08
Research and development and technical services	70,364,674.63	69,745,731.02
Share payment expense	12,843,885.44	25,097,365.62
Other indirect costs	135,937,130.65	85,737,530.61
Total	260,975,311.10	225,955,797.33
Of which: Expensed research and development expenditure	260,975,311.10	225,955,797.33

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:

Luzhou Laojiao Whitail Liquor Industry Co., Ltd., a subsidiary of the Company, was liquidated and de-registered in June 2024. And it has thus been excluded from the consolidated financial statements of the Company.

9.6. Other

No

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 Brewing Co., Ltd.	487,582,236.00	Luzhou	Luzhou	Baijiu manufacture and sales	100.00%		Investment
Luzhou Red Sorghum Modern Agricultural Development Co., Ltd.	10,000,000.00	Luzhou	Luzhou	Agricultural product planting and sales		60.00%	Business combination under common control
Luzhou Laojiao Sales Co., Ltd.	100,000,000.00	Luzhou	Luzhou	Baijiu sales	100.00%		Investment
Luzhou Laojiao Nostalgic Liquor Marketing Co., Ltd.	5,000,000.00	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Luzhou Laojiao Selected Supply Chain Management Co., Ltd.	10,000,000.00	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd.	10,000,000.00	Qinzhou	Qinzhou	Red wine production and sales		100.00%	Investment
Luzhou Dingli Liquor Industry Co., Ltd.	5,000,000.00	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Luzhou Laojiao Qiankun Chateau Custom Liquor Sales Co., Ltd. ²	5,000,000.00	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Luzhou Laojiao New Liquor Industry Co., Ltd.	5,000,000.00	Luzhou	Luzhou	Baijiu sales		100.00%	Investment
Luzhou	3,000,000.00	Luzhou	Luzhou	Liquor		100.00%	Investment

Laojiao I & E Co., Ltd.	0			import and export trade			
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	120,000,000.00	Luzhou	Luzhou	Baijiu sales		75.00%	Investment
Luzhou Laojiao Fruit Wine Industry Co., Ltd.	50,000,000.00	Luzhou	Luzhou	Fruit wine sales		41.00%	Investment
Mingjiang Co., Ltd. (USD)	6,000,000.00	America	America	Baijiu sales		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 sales	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 sales	90.00%		Investment
Luzhou Laojiao Whitail Liquor Industry Co., Ltd. ¹	10,000,000.00	Luzhou	Luzhou	Liquor sales		35.00%	Investment
Luzhou Laojiao Health Liquor Industry Co., Ltd.	10,000,000.00	Luzhou	Luzhou	Health care liquor manufacture and sales	100.00%		Business combination under common control
Luzhou Laojiao Health Sales Co., Ltd.	5,000,000.00	Luzhou	Luzhou	Health care liquor sales		100.00%	Business combination under common control
Luzhou Laojiao New Retail	50,000,000.00	Luzhou	Luzhou	Baijiu sales	40.00%	60.00%	Investment

Co., Ltd.							
Luzhou Laojiao Technology Innovation Co., Ltd.	500,000,000.00	Chengdu	Chengdu	Technology development and service	40.00%	60.00%	Investment

Note: 1 Luzhou Laojiao Whitail Liquor Industry Co., Ltd. was liquidated and canceled in June 2024.

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

Basis of holding half or less voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:

Although the Company holds less than 51% of the equity in Luzhou Laojiao Fruit Wine Industry Co., Ltd. and Luzhou Laojiao Whitail Liquor Industry Co., Ltd., of the five members of the board of directors of each of these companies, three members are appointed by the Company, which represents a majority, and the Company exercises substantive control over these companies. Therefore, they are 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%	29,668,290.20	29,668,290.20	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.	471,136,426.86		471,136,426.86	223,760,937.71		223,760,937.71	569,377,544.62		569,377,544.62	322,002,055.47		322,002,055.47

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	1,540,208,	118,673,1	118,673,1	1,022,042.	1,012,725,	118,739,2	118,739,2	-

Laojiao Boda Liquor Industry Marketing Co., Ltd.	491.81	60.82	60.82	22	794.94	79.29	79.29	54,348,215.68
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10.1.4. Significant restrictions on using the assets and liquidating the liabilities of the Company

N/A

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

N/A

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

N/A

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

N/A

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	93,869,804,524.81	80,257,215,749.71
Non-current assets	6,470,872,129.58	8,633,260,818.24
Total assets	100,340,676,654.39	88,890,476,567.95
Current liabilities	55,278,203,069.28	47,013,859,718.97
Non-current liabilities	21,499,772,518.55	19,074,441,893.35
Total liabilities	76,777,975,587.83	66,088,301,612.32
Non-controlling shareholder interest	16,018,731.95	17,277,841.64
Shareholder interest attributable to parent company	23,546,682,334.61	22,784,897,113.99
Share of net assets calculated based on shareholding proportion	2,447,340,296.67	2,368,163,636.40
Adjusted		
--Goodwill		
--Unrealized profits of internal transactions		
--Others	167,466,735.90	167,466,735.90
Book value of equity investments in associate companies	2,614,807,032.57	2,535,630,372.30
Fair value of equity investments in associate companies that have public quote	2,267,226,806.64	2,117,169,677.44
Operating revenue	3,919,594,533.79	3,180,917,154.72
Net profit	726,724,518.60	424,951,566.18
Net profit from discontinued operation		
Other comprehensive income	165,051,592.33	20,272,992.78
Total comprehensive income	893,035,220.62	445,224,558.96
Dividends from associate companies this year	13,641,557.20	8,184,934.32

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	186,445,285.36	172,624,461.20
Total following items calculated on the basis of shareholding proportion		
--Net profit	2,120,824.16	2,436,674.07
-- Total comprehensive income	2,120,824.16	2,436,674.07

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	27,772,083.74	71,041,000.00		12,140,356.91		86,672,726.83	Related to assets
Total	27,772,083.74	71,041,000.00		12,140,356.91		86,672,726.83	

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	41,225,885.28	51,950,003.11
Non-operating revenue		
Total	41,225,885.28	51,950,003.11

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 V and notes to the Consolidated Financial Statement.

Risks related to these financial instruments, and risk management policies the Company has adopted to reduce these risks are described as follows. The Company management manages and monitors the risk exposure to ensure the above risks are controlled in a limited scope.

The Company adopts sensitivity analysis technology to analyze the possible impact of reasonable and possible changes of risk variables on current profits/losses or shareholders' equity. As any risk variable rarely changes in isolation, and the correlation between variables will have a significant effect on the final impact amount of the change of a risk variable, the following content is based on the assumption that the change of each variable is independent.

Risk management objective: The Company strikes an appropriate balance between risk and return, and strives to minimize the negative impact of risk on the Company's operating performance and maximize the interests of shareholders and other equity investors.

Risk management policy: The Board of Directors shall be responsible for planning and establishing a risk management framework, formulating risk management policies and related guidelines, and supervising the implementation of risk management measures. The Risk Management Committee shall carry out risk management through close collaboration (including the identification, evaluation and avoidance of relevant risks) with other business units of the Company in accordance with the policies approved by the Board of Directors. The internal audit department shall conduct regular audits on risk management controls and procedures and report the results to the Audit Committee.

The Company has formulated risk management policies to identify and analyze the risks it faces, clarifying specific risks and covering many aspects such as credit risk, liquidity risk and market risk management. On a regular basis, the Company evaluates the specific marketing environment and various changes in the Company's business operations to determine whether any risk management policy and system should be updated. The Company diversifies the risks to financial instruments

through appropriately diversified investments and business portfolios, and reduces the risk of concentration in any single industry, specific geographic area or specific counterparty by formulating appropriate risk management policies.

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, 2024, the balance of the top five customers of the Company's accounts receivable amounted to CNY 10,987,000, accounting for 94.70% 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, 2024, 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	1,844,497,206.78	1,844,497,206.78	1,844,497,206.78			
Other payable	843,927,138.88	843,927,138.88	843,927,138.88			
Non-current liabilities	3,276,628,616.74	3,276,628,616.74	3,276,628,616.74			

Item	Closing Balance					
	Book value	Contract amount not discounted	Within 1 year	1-2 years	2-3 years	Over 3 years
due within one year						
Long-term loans	6,279,900,000.00	6,279,900,000.00		4,040,500,000.00	2,239,400,000.00	
Lease liabilities	24,528,519.13	26,472,170.43		10,401,588.63	5,679,181.80	10,391,400.00
Total	12,269,481,481.53	12,271,425,132.83	5,965,052,962.40	4,050,901,588.63	2,245,079,181.80	10,391,400.00

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, 2024, 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	Derecognized or not	Basis for derecognition
-----------------	--	---------------------------------	---------------------	-------------------------

		assets		
Endorsement of notes	Outstanding bank acceptance bills in accounts receivable financing	307,684,810.36	Yes	Almost all its risks and rewards have been transferred
Discount of notes	Outstanding bank acceptance bills in accounts receivable financing	7,186,680,891.00	Yes	Almost all its risks and rewards have been transferred
Total		7,494,365,701.36		

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	307,684,810.36	
Outstanding bank acceptance bills in accounts receivable financing	Discount of notes	7,186,680,891.00	-26,199,158.05
Total		7,494,365,701.36	-26,199,158.05

12.2.3. Continued involvement in the transfer of assets 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			1,694,282,295.97	1,694,282,295.97
1.1.1 Financial assets measured at fair value with their changes included into current profits/losses			1,694,282,295.97	1,694,282,295.97
1.1.1.4 Wealth management products			1,694,282,295.97	1,694,282,295.97

1.3 Investments in other equity instruments	373,936,795.90		33,257,910.65	407,194,706.55
1.6 Accounts receivable financing			1,801,947,455.78	1,801,947,455.78
Total assets continuously measured at fair value	373,936,795.90		3,529,487,662.40	3,903,424,458.30
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 continuously and discontinuously within Level 2 of the fair value hierarchy

None

13.4. Valuation technique adopted and nature and amount determination of important parameters for continuously and discontinuously within Level 3 of the fair value hierarchy

Trading financial assets are wealth management products of the collective asset management plan and are measured at fair value based on the amount calculated on the basis of the net unit value of the underlying assets as published on the official website of the asset manager.

Accounts receivable financing: As the timing and price of bills discounted may not be reliably estimated due to the short maturity of the bills all being less than one year and the endorsement of the negotiable bills being valued at book value, the Company measures the bills receivable at their book value as a reasonable estimate of fair value.

Other equity instrument investment: Due to no significant changes in business environment, business condition and financial situation of invested companies, the Company shall measure the fair value according to the lower one between investment cost and the share of net assets enjoyed by invested companies on the base date as the reasonable estimation.

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	25.89%	50.83%

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: ①On May 27, 2021, Laojiao Group and XingLu Investment Group, the second biggest shareholder, renewed the concerted action agreement which is valid as of June 1, 2021 and ends on May 31, 2024. The agreement: when the parties in deal with the Company's business development and make decisions by shareholders meeting and board of directors according to the company law and other relevant laws and regulations and the articles of association, the parties should adopt the consistent actions. During the effective period of this agreement, before any party submits proposals involving the major issues of the Company's business development to the shareholders meeting or exercise the voting rights at the shareholders meeting and the board of directors, the internal coordination for relevant proposals and voting events shall be conducted by persons acting in concert. If there are different opinions, it will be subject to Laojiao Group's opinion. Before the expiration date of the above-mentioned agreement this year, Laojiao Group and XingLu Investment Group renewed the concerted action agreement again on May 23, 2024. The validity period of this agreement is from June 1, 2024 to May 31, 2027, and the relevant

contents are consistent with the aforementioned agreement. ②From December 2023 to June 2024, Laojiao Group increased its holdings of the Company's shares by 1,140,200 shares through its wholly-owned subsidiary, Sichuan Golden Rudder Investment Co., Ltd., 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: No. 9, Nanguang Road, Longmatan District, Luzhou City, China; 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.

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.

Information on other joint ventures or associates that have related party transactions with the Company in the current period or in the previous period and result in balance:

There are no other joint ventures or associates that have related party transactions with the Company in the current period or in the previous period and result in balance.

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
SC Global Wine Corporation Limited	Other related party
Sichuan Not Single Cultural and Creative Development Co., Ltd.	Other related party
Sichuan Brewing 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.	94,637,427.08			49,434,313.56
Luzhou XingLu Investment Group Co., Ltd.	Property service, advertising service, etc.	29,091,328.49			28,275,528.70

and its subsidiaries					
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Conference fees, travel service fee, etc.	10,275,324.41			7,840,147.72
Subtotal of receipt of services		134,004,079.98			85,549,989.98
Purchase of goods:					
Laojiao Group and its other subsidiaries, joint ventures and associates	Raw materials, water, power, etc.	322,867,238.48			193,980,923.60
Luzhou XingLu Investment Group Co., Ltd. and its subsidiaries	Gas, water	14,699,091.83			14,191,020.92
Sichuan Meihe Winery Industry Co.,Ltd.	Other wine				20,160.00
Subtotal of purchase of goods		337,566,330.31			208,192,104.52
Total		471,570,410.29			293,742,094.50

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 Cultural Tourism Development Co., Ltd.	Liquor, etc.	102,225,092.84	80,916,407.69
Laojiao Group and its subsidiaries	Liquor, etc.	36,151,086.06	41,823,418.45
Luzhou Sanrenxuan Liquor Industry Co., Ltd.	Liquor	37,943,774.39	28,674,936.80
Sichuan Tianfu Granary Liquor Industry Co., Ltd.	Liquor	9,273,012.30	
SC Global Wine Corporation Limited	Liquor	697,150.36	
Sichuan Jianxing Park Operation Management Co., Ltd.	Liquor	76,496.28	
Sichuan Sidu Chishui Red Culture Development Co., Ltd.	Liquor	7,764.66	
Sichuan Not Single Cultural and Creative Development Co., Ltd.	Liquor	6,326.76	
Sichuan Geyuan Equity Investment Fund Management Co., Ltd.	Liquor	1,150.32	

Sichuan Brewing Art E-business Co., Ltd.	Liquor		72,355,864.08
Luzhou Yucheng Trading Co., Ltd.	Liquor		3,787,740.88
Luzhou 2013 Liquor Marketing Co., Ltd.	Liquor		580.00
Total		186,381,853.97	227,558,947.90

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	3,347,760.00	2,140,080.00

The Company as lessee:

Unit: CNY

Name of lessor	Type of assets leased	Rental expenses of short-term lease simplified treated and low-value asset lease (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Paid rent		Income expense of lease liabilities undertaken		Increased use right assets	
		Amount in current period	Amount in previous period	Amount in current period	Amount in previous period	Amount in current period	Amount in previous period	Amount in current period	Amount in previous period	Amount in current period	Amount in previous period
Laojiao Group and its subsidiaries	House lease	3,364,818.53	2,480,516.20			3,364,818.53	2,480,516.20				

14.5.3. Key management compensation

Unit: CNY

Item	Amount in current period	Amount in previous period
Key management compensation	13,449,854.68	14,678,785.22

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, 2024, the bank deposit balances of the Company in Luzhou Bank Co., Ltd. and Luzhou Rural Commercial Bank Co., Ltd. were CNY 2,485,514,200 and CNY 600,010,000 respectively. In 2024, the interest income from bank deposits in Luzhou Bank Co., Ltd. and Luzhou Rural Commercial Bank Co., Ltd. were CNY82,059,900 and CNY 21,000,500 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.	9,180,164.89		3,522,751.07	
Prepayment	Luzhou XingLu Water (Group) Co., Ltd.	691,263.37		705,446.15	
Prepayment	Luzhou Public Transport Group Co., Ltd.	161,232.86		126,001.64	
Prepayment	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.			518,886.00	
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			

14.6.2. Payables

Unit: CNY

Item	Related party	Closing Balance	Opening Balance
Accounts payable	Sichuan Lianzhong Supply Chain Service Co., Ltd.	3,302,166.70	10,583,919.37
Accounts payable	Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.	3,738.20	
Accounts payable	Luzhou Yuanhai Lianzhong Supply Chain Co., Ltd.		109,200.00
Accounts payable	Luzhou Xinglu Property Management Co., Ltd.	342,099.50	
Contractual liabilities (tax inclusive)	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	30,406,394.92	13,933,613.22
Contractual liabilities (tax inclusive)	APTCC	709,197.66	
Contractual liabilities (tax inclusive)	Luzhou Sanrenxuan Liquor Industry Co., Ltd.	111,325.61	2,553,000.00
Contractual liabilities (tax inclusive)	Sichuan Jianxing Park Operation Management Co., Ltd.	1,374,481.80	
Contractual liabilities (tax inclusive)	Sichuan Lianzhong Supply Chain Service Co., Ltd.	110,091.79	2,508.09
Contractual liabilities (tax inclusive)	Luzhou Laojiao Innovation Industry Holdings Co., Ltd.	6,587,508.00	

Contractual liabilities (tax inclusive)	Shijiazhuang Chengtong Lianzhong Storage and Transportation Co., Ltd.	768.78	
Contractual liabilities (tax inclusive)	Luzhou Jiachuang Liquor Supply Chain Management Co., Ltd.		2,135.99
Contractual liabilities (tax inclusive)	Sichuan Tianfu Granary Liquor Industry Co., Ltd.	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	
Other payables	APTCC	150,000.00	
Other payables	Luzhou Laojiao Group Co., Ltd.	5,000.00	
Other payables	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	1,355,000.00	1,050,000.00
Other payables	Sichuan Jianxing Park Operation Management Co., Ltd.	100,000.00	
Other payables	Luzhou Laojiao Innovation Industry Holdings Co., Ltd.	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.	47,074,343.00	37,911,448.00
Other payables	Luzhou Yuanhai Lianzhong Supply Chain Co., Ltd.	50,000.00	50,000.00
Other payables	Luzhou Laojiao Property Service Co., Ltd.	30,020.58	
Other payables	Luzhou Sanrenxuan Liquor Industry Co., Ltd.	300,000.00	150,000.00
Other payables	Sichuan Tianfu Granary Liquor Industry Co., Ltd.	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
					2,869,174.00	430,406,337.82	36,266.00	5,361,017.14

Total					2,869,174. 00	430,406,3 37.82	36,266.00	5,361,017. 14
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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.

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 2024, the Company announced that 435 awardees met the lifting conditions in the first 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 2,734,640, accounting for 0.19% of the current total share capital of the Company.

In September 2024, the Company announced that 45 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 134,534, accounting for 0.01% of the current total share capital of the Company.

Note 2: In 2024, as five awardees no longer met the incentive conditions, the Company repurchased and canceled a total of 36,266 restricted shares that had been granted but not yet released from restrictions for these incentive recipients. As at the end of 2024, 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 deducted 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	1,642,758,677.41
Total costs of recognizing equity-settled share-based payments in the current period	185,352,031.51

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	23,192,308.80	
Sales staff	48,618,883.85	
Administrative staff	100,696,953.42	
R&D staff	12,843,885.44	
Total	185,352,031.51	

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. As of the period-end, the Company has recovered the above-mentioned saving deposits involving contract disputes with CNY 375,900,700.

2. Dispute over the *Specialized Subcontract for Construction Works*

China Second Metallurgy Group Co., Ltd. (hereinafter referred to as "China Second Metallurgy") was the EPC contractor for the technical renovation project of Luzhou Laojiao Intelligent Packaging Center. On October 11, 2021, Longpan Construction Engineering Group Co., Ltd. (hereinafter referred to as "Longpan Construction") entered into a *Specialized Subcontract for Construction Works* with China Second Metallurgy, under which China Second Metallurgy subcontracted the slope support works of the project to Longpan Construction. Due to a dispute over project payment settlement between China Second Metallurgy and Longpan Construction, Longpan Construction filed a lawsuit against China Second Metallurgy with the Jiangyang District People's Court of Luzhou, naming Luzhou Laojiao Brewing Co., Ltd., the project owner, as a co-defendant. On November 4, 2024, Longpan Construction applied to the Jiangyang District People's Court of Luzhou for the preservation of litigation-related assets. The court accordingly froze bank deposits of CNY 11,000,000 of the Brewing Company.

In another dispute over a construction subcontract involving natural persons Guan Jian and Cheng Yun as plaintiffs, and China Construction First Group Corporation Limited and Sichuan Zhonghuan Yineng Environmental Engineering Co., Ltd. as defendants, with Dujiangyan Qihao Seedling Planting Co., Ltd. and Sichuan Jumao Labor Service Co., Ltd. as third parties, Luzhou Laojiao Brewing Co., Ltd. and the Company were also named as co-defendants. The plaintiffs also applied to the Jiangyang District People's Court of Luzhou for the preservation of litigation-related assets. The court accordingly froze bank deposits of CNY 6,990,003.44 of the Brewing Company.

As of December 31, 2024, the Group was also involved in several lawsuits arising from daily operations with relatively small amounts in dispute. However, the Group believes that any liabilities arising from these minor lawsuits will not have a material adverse impact on the Group'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)	45.92
Profit distribution plan	Upon the resolution of the Board of Directors, the 2024 profit distribution plan was approved: Based on the current 1,471,951,503 shares, a cash dividend of CNY

	45.92 (tax included) will be distributed for every 10 existing shares held, representing a total cash dividend amount of CNY 6,759,201,301.78 (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. ¹
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Note: 1 The Company has implemented the interim dividend plan for 2024 on January 24, 2025, distributing a cash of CNY 13.58 (tax included) for every 10 existing shares held to all shareholders, totaling CNY 1,998,910,141.07 (tax included) distributed. If the above-mentioned plan is reviewed and approved by the shareholders' meeting, the total cumulative cash dividend of the Company in 2024 will be CNY 8,758,111,442.85 (tax included), accounting for approximately 65.00% of the net profit attributable to shareholders of the listed company in 2024.

17.3. Sales return

There are no important sales returning after balance sheet date.

17.4. Statement for other post balance sheet events

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

At the 8th meeting of the 11th Board of Directors held on January 21, 2025, the *Proposal on the Achievement of Lifting the Restriction Conditions in the First Restriction Period under the 2021 Restricted Share Incentive Plan Reserved Portion* was reviewed and approved. In accordance with the relevant provisions of the *2021 Restricted Share Incentive Plan (Draft)* and the *Performance Assessment Measures for the 2021 Restricted Share Incentive Plan*, the restriction conditions in the first 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 incentive recipients who met the conditions. Restricted shares eligible for release from restricted sale amounted to 37,069 shares, representing 0.0025% 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 17, 2025.

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

At the 8th meeting of the 11th Board of Directors held on January 21, 2025, the *Proposal on the Achievement of Lifting the Restriction Conditions in the Second Restriction Period under the 2021 Restricted Share Incentive Plan* was reviewed and approved. In accordance with the relevant provisions of the *2021 Restricted Share Incentive Plan (Draft)* and the *Performance Assessment Measures for the 2021 Restricted Share Incentive Plan*, the restriction conditions in the second restriction period under the 2021 Restricted Share Incentive Plan have been achieved. The Company agreed to proceed with the restriction lifting procedures for 434 awardees who met the conditions. Restricted shares eligible for release from restricted sale amounted to 2,022,530 shares, representing 0.1374% 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, 2025.

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

18.3.1 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 Beijing Weiheng (Chengdu) Law Firm on January 6, 2025 that "given that since the issuance of the previous legal opinion, a few recovery has been achieved through the criminal and civil execution, totalling CNY 376 million. At the same time, it is suggested that the total amount of bad debt provision for the three aforementioned places remain CNY 120 million", the Company has made a bad debt provision of CNY 120 million for savings deposit involved in contractual disputes as of the end of the period, and the amount of the bad debt provision may be adjusted in the future based on the litigation process and recovery.

18.3.2. Deliberating and approving the Proposal on the De-registration of Luzhou Laojiao Whitail Liquor Industry Co., Ltd.

On June 4, 2024, at the 40th meeting of the 10th Board of Directors, the *Proposal on the De-registration of Luzhou Laojiao Whitail Liquor Industry Co., Ltd.* was deliberated and approved. Luzhou Laojiao Whitail Liquor Industry Co., Ltd. ("Whitail Company") is a subsidiary of Luzhou Laojiao Electronic Commerce Co., Ltd., a subsidiary in which the Company holds 90% of the shares, and is mainly responsible for R&D and sales of innovative products such as whitail professional base liquor, twelve zodiac ready-to-drink liquor, baijiu aged in oak barrel, and Panda Xiaojiu, etc. According to the Company's strategic plan for the innovative baijiu business, the Company decided to transfer the relevant business of Whitail Company to Luzhou Laojiao New Liquor Industry Co., Ltd. Therefore, the Whitail Company was de-registered.

19. Notes to the main Items of the financial statements of parent company (all currency unit is CNY, except other 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)	15,421.83	
Total	15,421.83	0.00

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 impairment by the portfolio	15,421.83	100.00%	720.00	4.67%	14,701.83					
Including:										
Accounts receivable tested for impairment	15,421.83	100.00%	720.00	4.67%	14,701.83					

ent on the portfolio with characteristics of credit risk										
Total	15,421.83	100.00%	720.00	4.67%	14,701.83	0.00				

Provision for bad debt by the portfolio: CNY 720.00

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	14,400.03	720.00	5.00%
Including: within 1 year	14,400.03	720.00	5.00%
Other portfolio	1,021.80		
Total	15,421.83	720.00	

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				720.00
Total		720.00				720.00

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

There is 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	93.37%	720.00
Luzhou Pinchuang Technology Co., Ltd.	1,021.80		1,021.80	6.63%	
Total	15,421.83		15,421.83	100.00%	720.00

19.2. Other receivables

Unit: CNY

Item	Closing Balance	Opening Balance
Other receivables	14,619,833,493.32	14,844,650,322.98
Total	14,619,833,493.32	14,844,650,322.98

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	14,612,828,324.02	14,828,601,798.89
Intercourse funds and others	3,139,064.91	9,004,523.78
Saving deposits involving contract disputes ¹	124,099,253.17	127,564,873.50
Total	14,740,066,642.10	14,965,171,196.17

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 2024, CNY 3,465,620.33 of the saving deposits involving contract disputes was recovered. The closing balance of this account as at the date of the statement was CNY 124,099,253.17.

19.2.1.2. Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	14,615,795,158.37	14,837,508,542.67
1-2 years	92,550.56	
2-3 years		13,480.00
Over 3 years	124,178,933.17 ¹	127,649,173.50

3-4 years	6,880.00	11,500.00
4-5 years		22,800.00
Over 5 years	124,172,053.17	127,614,873.50
Total	14,740,066,642.10	14,965,171,196.17

Note: 1 Other receivables with significant single amount exceeding three years in age relates to savings deposit of CNY 124,099,253.17, which are yet to be recovered due to contractual 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	124,099,253.17	0.84%	120,000,000.00	96.70%	4,099,253.17	127,564,873.50	0.85%	120,000,000.00	94.07%	7,564,873.50
Including:										
Other receivables that are individually material and for which a separate provision for bad debts has been made	124,099,253.17	0.84%	120,000,000.00	96.70%	4,099,253.17	127,564,873.50	0.85%	120,000,000.00	94.07%	7,564,873.50
Provision for bad debt by the portfolio	14,615,967,388.93	99.16%	233,148.78	0.00%	14,615,734,240.15	14,837,606,322.67	99.15%	520,873.19	0.00%	14,837,085,449.48
Including:										
Other receivables tested for impairment on the portfolio with	14,615,967,388.93	99.16%	233,148.78	0.00%	14,615,734,240.15	14,837,606,322.67	99.15%	520,873.19	0.00%	14,837,085,449.48

characteristics of credit risk										
Total	14,740,066,642.10	100.00%	120,233,148.78	0.82%	14,619,833,493.32	14,965,171,196.17	100.00%	120,520,873.19	0.81%	14,844,650,322.98

Provision for bad debt by individual item: CNY 120,000,000.00

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	127,564,873.50	120,000,000.00	124,099,253.17	120,000,000.00	96.70%	Provision based on legal opinion
Total	127,564,873.50	120,000,000.00	124,099,253.17	120,000,000.00		

Provision for bad debt by the portfolio: CNY 233,148.78

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	3,139,064.91	233,148.78	7.43%
Within 1 year	2,966,834.35	148,341.72	5.00%
1-2 years	92,550.56	9,255.06	10.00%
2-3 years			
3-4 years	6,880.00	2,752.00	40.00%
4-5 years			
Over 5 years	72,800.00	72,800.00	100.00%
Other portfolio	14,612,828,324.02		
Total	14,615,967,388.93	233,148.78	

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, 2024	520,873.19		120,000,000.00	120,520,873.19
Balance of January 1, 2024 in the current period				
Allowance of the current period	148,208.29			148,208.29
Reversal of the current period	435,932.70			435,932.70
Balance of	233,148.78		120,000,000.00	120,233,148.78

December 31, 2024				
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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 96.70% for Stage 3, totalling 0.82%.

Changes of book balance with significant amount changed 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	120,520,873.19	148,208.29	435,932.70			120,233,148.78
Total	120,520,873.19	148,208.29	435,932.70			120,233,148.78

19.2.1.5. Other receivables written-off in the current period

There is 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
Luzhou Laojiao Brewing Co., Ltd.	Internal transactions	14,193,164,072.04	Within 1 year	96.29%	
Luzhou Laojiao Import and Export Trade Co., Ltd.	Internal transactions	200,691,342.66	Within 1 year	1.36%	
Luzhou Laojiao New Retail Co., Ltd.	Internal transactions	153,223,495.94	Within 1 year	1.04%	
Saving deposits involving contract disputes	Saving deposits involving contract disputes	124,099,253.17	Over 5 years	0.84%	120,000,000.00
Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd.	Internal transactions	51,505,116.46	Within 1 year	0.35%	
Total		14,722,683,280.27		99.88%	120,000,000.00

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

There were no other receivables presented in 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	3,952,848,501.33		3,952,848,501.33	3,790,179,449.26		3,790,179,449.26
Investment in associates and joint venture	2,785,645,158.35	2,567,098.80	2,783,078,059.55	2,707,254,604.74	2,567,098.80	2,704,687,505.94
Total	6,738,493,659.68	2,567,098.80	6,735,926,560.88	6,497,434,054.00	2,567,098.80	6,494,866,955.20

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.	293,787,635.54					44,190,259.97	337,977,895.51	
Luzhou Laojiao Brewing Co., Ltd.	3,291,776,616.90		76,085,443.86 ¹			27,653,610.21	3,395,515,670.97	
Luzhou Laojiao Health Liquor Industry Co., Ltd.	9,771,607.98					1,669,712.74	11,441,320.72	
Luzhou Laojiao Electronic Commerce Co., Ltd.	60,971,611.79					166,571.44	61,138,183.23	
Luzhou Pinchuang Technology Co., Ltd.	94,025,229.15					7,599,230.15	101,624,459.30	
Luzhou Laojiao International	12,730,832.19					2,010,530.63	14,741,362.82	

al Development (Hong Kong) Co., Ltd.									
Luzhou Laojiao New Retail Co., Ltd.	27,115,915.71						3,293,693.07	30,409,608.78	
Total	3,790,179,449.26		76,085,443.86				86,583,608.21²	3,952,848,501.33	

Note: 1 The long-term equity investment increased by CNY 76,085,443.86 due to that the Company made a physical capital increase in Luzhou Laojiao Brewing Co., Ltd. this year.

2 The increase in the current period are 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

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.	2,535,630.372.30	2,567,098.80			75,663,468.99	17,154,748.48		13,641,557.20			2,614,807.032.57	2,567,098.80
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	38,339,051.51				-1,657,333.41						36,681,718.10	
Sichuan Devel	5,897,980.85				-19,699.92						5,878,280.93	

opment Liquor Investment Co., Ltd.												
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	124,820,101.28				890,926.67						125,711,027.95	
Subtotal	2,704,687,505.94	2,567,098.80			74,877,362.33	17,154,748.48			13,641,557.20		2,783,078,059.55	2,567,098.80
Total	2,704,687,505.94	2,567,098.80			74,877,362.33	17,154,748.48			13,641,557.20		2,783,078,059.55	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	11,068,191,164.35	8,451,791,359.73	9,122,675,610.69	6,913,171,144.79
Other business	22,778,534.03	2,521,249.13	22,784,970.56	1,890,828.17
Total	11,090,969,698.38	8,454,312,608.86	9,145,460,581.25	6,915,061,972.96

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	10,975,542,666.80	8,405,571,255.47	10,975,542,666.80	8,405,571,255.47
Other baijiu	92,648,497.55	46,220,104.26	92,648,497.55	46,220,104.26

Other revenue	22,778,534.03	2,521,249.13	22,778,534.03	2,521,249.13
By operating segment				
Including:				
Domestic	11,090,969,698.38	8,454,312,608.86	11,090,969,698.38	8,454,312,608.86
Outbound				
Market or customer type				
Including:				
Contract type				
Including:				
Recognize revenue at point in time	11,068,976,487.63	8,451,809,714.55	11,068,976,487.63	8,451,809,714.55
Recognize revenue by time period	21,993,210.75	2,502,894.31	21,993,210.75	2,502,894.31
By commodity transfer time				
Including:				
By contract term				
Including:				
By sales channel				
Including:				
Total	11,090,969,698.38	8,454,312,608.86	11,090,969,698.38	8,454,312,608.86

Other statements

Note 1: 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 3,354,639.36 at the period-end, among which CNY 3,354,639.36 was expected to be recognized in 2025.

19.5. Investment income

Unit: CNY

Item	Current Period	Previous Period
Investment income from long-term	9,761,010,919.08	9,903,401,819.29

equity investments under cost method		
Investment income from long-term equity investments under equity method	74,877,362.33	43,134,582.17
Investment income gained during the period of holding held-for-trading financial assets	46,953,767.52	2,391,009.80
Investment income from disposal of held-for-trading financial assets	-29,465,560.31	4,868,720.17
Dividends income gained during the period of holding other equity instrument investment	14,976,454.55	11,268,626.39
Income from derecognition of financial assets measured at fair value with changes recorded in other comprehensive income ¹	-21,417,110.91	
Investment income gained from put-back and early redemption of bonds		-1,055,251.33
Total	9,846,935,832.26	9,964,009,506.49

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.

1. Investment income from long-term equity investments under the cost method

Item	Current Period	Previous Period
Luzhou Laojiao Sales Co., Ltd.	9,761,010,919.08	9,870,272,284.78
Luzhou Laojiao New Retail Co., Ltd.		21,928,367.88
Luzhou Baonuo Biotechnology Co., Ltd.		11,201,166.63
Total	9,761,010,919.08	9,903,401,819.29

2. Investment income from long-term equity investments under the equity method

Item	Current Period	Previous Period
Huaxi Securities Co., Ltd.	75,663,468.99	44,167,627.40
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	-1,657,333.41	-1,846,843.26
Sichuan Development Liquor Investment Co., Ltd.	-19,699.92	8,326.61
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	890,926.67	805,471.42
Total	74,877,362.33	43,134,582.17

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	1,058,750.22	
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)	41,225,885.28	
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)	54,342,655.46	
Reverse of bad debt provision of accounts receivable individually conducting impairment test	422,217.14	
Other non-operating income and expenditure except above-mentioned items	-1,550,111.21	
Less: Corporate income tax	20,932,166.54	
Minority interests (after tax)	1,095,423.83	
Total	73,471,806.52	--

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 common shareholders of the Company	30.44%	9.18	9.18
Net profits attributable to common shareholders of the Company before non-recurring gains and losses	30.27%	9.13	9.13

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