

**Luzhou Laojiao Co., Ltd.**

**2025 Interim Report**



**【August 2025】**

## **Section I Important Statements, Contents and Definitions**

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

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

All the directors attended the board meeting to deliberate this report by themselves.

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

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

The Company has no interim dividend plan, either in the form of cash or stock.

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

## Contents

<b>Section I Important Statements, Contents and Definitions.....</b>	<b>2</b>
<b>Section II Company Profile and Key Financial Results.....</b>	<b>6</b>
<b>Section III Management Discussion and Analysis.....</b>	<b>10</b>
<b>Section IV Environmental, Social and Governance Information.....</b>	<b>36</b>
<b>Section V Significant Events.....</b>	<b>42</b>
<b>Section VI Changes in Shares and Information about Shareholders.....</b>	<b>49</b>
<b>Section VII Information about Bond.....</b>	<b>57</b>
<b>Section VIII Financial Report.....</b>	<b>60</b>
<b>Section IX Other Reported Information.....</b>	<b>210</b>

## **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); and
2. 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 (if any)	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		

### 2. Contact us

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

### 3. Other Information

#### 3.1. Contact Information of the Company

Whether any change occurred to the registered address, office address and their zip codes, website address, email address and other contact information of the Company in the reporting period.

☐ Applicable ☒ N/A

No change occurred to the said information in the reporting period, which can be found in the 2024 Annual Report.

### 3.2. Information disclosure and place where the interim report is kept

Whether any change occurred to the information disclosure and place where the interim report is kept.

☐ Applicable ☒ N/A

No change occurred to the website of the stock exchange, media and other websites designated by the Company for information disclosure, as well as to the place where the disclosed documents are kept in the reporting period. The said information can be found in the 2024 Annual Report.

### 3.3. Other information

Whether any change occurred to other information in the reporting period.

☐ Applicable ☒ N/A

## 4. Key accounting data and financial indicators

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

☐ Yes ☒ No

	H1 2025	H1 2024	Change
Operating revenues (CNY)	16,453,732,904.65	16,904,885,169.38	-2.67%
Net profits attributable to shareholders of the Company (CNY)	7,662,907,812.98	8,027,538,165.31	-4.54%
Net profits attributable to shareholders of the Company before non-recurring gains and losses (CNY)	7,650,004,468.05	7,994,110,731.24	-4.30%
Net cash flows from operating activities (CNY)	6,064,470,030.15	8,225,060,212.57	-26.27%
Basic earnings per share (CNY/share)	5.21	5.46	-4.58%
Diluted earnings per share (CNY/share)	5.21	5.46	-4.58%
Weighted average ROE	15.42%	17.61%	-2.19%
	June 30, 2025	December 31, 2024	Change
Total assets (CNY)	70,190,246,185.31	68,334,595,564.58	2.72%
Net assets attributable to shareholders of the Company (CNY)	46,540,550,472.36	47,388,500,553.46	-1.79%

## 5. Differences in accounting data under domestic and overseas accounting standards

### 5.1. 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.

### 5.2. 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.

## 6. Non-recurring gains and losses

☒ Applicable ☐ N/A

Unit: CNY

Item	Amount	Note
Profit or loss from disposal of non-current assets (including the write-off portion of the impairment provision)	106,501.12	See "Section X Note 5.47" for details.
Government grants accounted for, in the profit or loss for the current period (except for the government grants closely related to the business of the Company and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	24,391,252.80	See "Section X Note 5.43" for details.
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)	24,740,658.64	See "Section X Note 5.44 and 5.45" for details.
Other non-operating income and expenditure except above-mentioned items	-31,970,083.39	See "Section X Note 5.48 and 5.49" for details.
Less: Corporate income tax	4,374,431.76	
Minority interests (after tax)	-9,447.52	



Total	12,903,344.93
-------	---------------

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

☐ Applicable ☒ N/A

No such cases for the reporting period.

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

☐ Applicable ☒ N/A

No such cases for the reporting period.

## Section III Management Discussion and Analysis

### 1. Business scope in the reporting period

The Company 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. Its primary products include baijiu series such as "National Cellar 1573" and "Luzhou Laojiao", and its main comprehensive performance indicators rank high in the baijiu industry.

In recent years, the baijiu industry has entered a period of consumption structure transformation, differentiation, and deep adjustments in existing competition. Baijiu companies need to strategically grasp the pulse of consumption iteration and industrial transformation, building differentiated competitive advantages through proactive transformation. By innovating in categories, transforming channels, and reshaping value, they aim to open new pathways for the high-quality development of the baijiu industry.

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

The Company holds three food business licenses, and its production model is self-production. The Company's main business is the research and development, production and sales of baijiu series such as "National Cellar 1573" and "Luzhou Laojiao".

During the reporting period, the Company focused on the development theme of "Building Momentum for Breakthroughs, Advancing Stable Growth through Intensive Cultivation; Seizing Opportunities to Drive Development through Reform and Innovation". It shifted its marketing focus toward "precise reach" and "customer operation", striving to achieve long-term business value returns and the sustainable development of the Company. For H1 2025, operating revenue amounted to CNY 16.454 billion, down 2.67% year on year; and the net profit attributable to the shareholders of the listed company reached CNY 7.663 billion, down 4.54% year on year.

#### A. Major work that has been done in the reporting period

##### a. Deepening the execution of marketing strategies, with significant results in market expansion

**Market expansion made significant headway with deeper penetration.** The "Hundred Cities Program" was implemented in depth, the "East China Strategy 2.0" continued to advance, and cross-industry cooperation in "Special Channels" was further deepened. The "Store Infrastructure" special initiative was officially launched, with market expansion continuing to deepen. **Digital marketing was upgraded across the entire chain.** The "Five Codes in One" product was rolled out nationwide. The dealer portal system went live, and a marketing service platform was established and put into

operation, further refining channel management and elevating it to a new level. **Consumer operation continued to be optimized.** Leveraging themed marketing campaigns and premium experiential events, the Company achieved scenario-based engagement to activate users. It also built a new media communication matrix to expand brand exposure through content marketing and interactive activities. Additionally, the Company established a consumer digital authentication system to grow the Company's consumer data assets, providing strong support for precision marketing.

b. Deepening the brand culture and opening up a new chapter in the revival as a famous baijiu brand **The cultural connotations continued to be enriched.** The Philosophy of Symbiosis—The Corporate Culture Guidelines of Luzhou Laojiao was officially published. The Company was recognized as a National Demonstration Base for Productive Protection of Intangible Cultural Heritage for 2023–2025. The Luzhou Laojiao Archive Documents 1771-1983 was included in the China Documentary Heritage Catalogue. Luzhou Laojiao became the only baijiu company to receive all “three national distinctions”: Major Historical and Cultural Site Protected at the National Level, National Intangible Cultural Heritage, and China Documentary Heritage. **Branding highlights emerged.** Signature cultural IP events, such as the Baijiu Seal-off Ceremony and the Luzhou Laojiao Bottled Vintage series, continued to engage audiences, while partnerships with popular sporting events, including the ITTF World Cup and the Australian Open, further strengthened the brand's global presence. Luzhou Laojiao was ranked in Brand Finance Global 500 2025 and selected as one of the “First Batch of China Famous Consumer Products: Corporate Brands”.

c. Consolidating quality control foundations and further improving production efficiency

**The capacity guarantee gained new momentum.** Distilling efficiency continued to be optimized and upgraded, with the Luzhou Laojiao Technical Upgrade Project of Intelligent Brewing ongoing. The leaven making MES system of the Huangyi Brewery Eco-Park became operational, marking continuous breakthroughs in intelligent brewing processes. **Quality control was solid and effective.** The pass rate for external audits in areas such as quality, food safety, environment, and measurement management systems all reached 100%. The Company participated in drafting and revising 16 national, industry, and local standards and received honors such as “Famous Product of Sichuan”, “Consistently Qualified Product in the National Quality Inspection”, and “National Enterprise Committed to Product and Service Quality Integrity”. **Supply chain management was precise and efficient.** The rates of packaging material availability and product fulfillment have continued to improve, and the supply chain data application system was continuously optimized. The data analysis and application scenarios of the supply chain system were further refined.

d. Focusing on integrating sci-tech innovation resources, and building a thriving research ecosystem

**Sci-tech platform capabilities were enhanced.** The Huangyi Laboratory was CNAS-certified, providing high-standard support for the Company's technological innovation. **Scientific popularization was further strengthened.** The Luzhou Laojiao Sci-tech Museum was built and opened, creating the industry's first comprehensive exhibition complex of technological innovation in the baijiu industry. Specialized training continued to enhance the capabilities of research talent, further leveraging the role of technological innovation in safeguarding quality, endorsing the brand, and empowering sales. **Scientific and technological innovation yielded fruitful achievements.**

The Company led and participated in the formulation and revision of seven national, industry, association, and local standards, filed 91 patent applications, and received 36 patent grants. The Company was awarded the First Prize for Technological Progress by the China National Light Industry Council.

e. Strengthening the foundation through refined management, with headquarters capabilities steadily enhanced

**Corporate governance has been continuously solidified.** The Company has further deepened its strategic decision-making mechanisms centered on the Party Committee, Board of Directors, the Executive Management Meeting, the Joint Meeting for Marketing, and the Production and Operations Scheduling Meeting. It has established and improved information disclosure mechanisms that are digitalized, workflow-standardized, and form-based. The Company was awarded the “Tianma Award for Investor Relations Management of Chinese Listed Companies” and recognized for “Best Practices in Investor Relations Management” by the China Association for Public Companies. **Risk prevention and control continued to be strengthened.** The Company carried out supervision and inspection of key production and operational tasks, strictly controlled legal risks, and steadily advanced intellectual property protection, receiving Sichuan’s first registered intellectual property certificate for baijiu-related data. **The “Two Paradises” have reached new heights.** The Company recruited 194 professionals through campus and social recruitment, and actively carried out training and certification of evaluation officers to ensure the quality and efficiency of talent recruitment. Additionally, the Company successfully held the International Workers’ Day Commendation Conference and the Second “Everyone Advocates Corporate Culture” Invitational, marking new heights for Luzhou Laojiao’s “Employee Paradise” and “Talent Paradise”.

f. Fulfilling social responsibilities and fostering a green ecosystem

**Pairing assistance was carried out to promote rural revitalization.** The Company actively promoted industry, consumption, and talent assistance projects in Hongyuan County, Gulin County, and Xuyong County to assist in the revitalization of these regions. **Social welfare was continuously advanced.** The Company continuously carried out donation projects for education, such as “Little Schoolbag, Big Love” and “Pillars Project”. It also donated a total of CNY 20 million to support the earthquake-affected areas in Xizang and the landslide-affected areas in Yibin Junlian County. These efforts have truly demonstrated the commitment of Luzhou Laojiao as a state-owned enterprise. **Green, low carbon and sustainable development was promoted.** The Company actively developed carbon assets, continuously promoted energy-saving and consumption-reducing measures, and launched its ESG system development project. The Company also compiled and published the 2024 ESG Report in both Chinese and English, and its MSCI ESG rating ranked among the best in the industry.

B. Priorities in the second half of the year

a. The Company will strengthen market penetration. As demand increases in counties and some towns and villages, with rising brand awareness among the younger generation of consumers, the Company will develop a medium- to long-term strategy for further market cultivation. Efforts will be

made to systematically advance consumer cultivation in markets below the county level, deepening the penetration of branded baijiu into lower-tier channels.

b. The Company will continue to drive product innovation. In response to current demands for lower alcohol content, health, smoothness, and diversification, the Company will proactively innovate and speed up the development and promotion of new drinking methods, such as the development of the National Cellar 1573 (28% ABV) for market introduction.

c. The Company will continue to solidify the core foundation. In response to the trend of consumption diversification, the Company will channel resources toward mid- to high-end mainstream products, actively plan for the high-growth plain bottle baijiu segment, and launch new Luzhou Laojiao Erqu Baijiu to further consolidate its position in the mass market.

d. The Company will continue to promote channel transformation. The Company will fully implement its AI-powered digital marketing strategy to further enhance cost-effectiveness. By building its own e-commerce platform and deepening collaborations with mainstream e-commerce and instant retail platforms, the Company will actively build an integrated online and offline omnichannel marketing network, enhancing its direct reach to terminals and consumers.

#### Brand operation

The Company has always insisted on the strategy of "dual brands, three product series, and major single products": The National Cellar 1573 series has been one of the three high-end baijiu products in China; Luzhou Laojiao's brand rejuvenation plan saw remarkable results, and the product series showed a momentum of sound development; innovative products such as Health and Chinese-style fruit baijiu continued to be cultivated, and have become the driving force for the Company's young, fashionable, healthy and international development.

#### 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	15,465,210,242.79	1,948,035,410.61	87.40%	-3.99%	10.83%	-1.69%
Emerging channel operation model	931,961,646.75	153,545,380.71	83.52%	27.55%	0.08%	4.52%

## 2. Distributors

Unit: Number

Region	Number of distributors at the end of the reporting period	Increased number during the reporting period	Decreased number during the reporting period	YoY change of number of distributors (%)	Reason for any significant change
Domestic	1703	88	86	-3.73	
Overseas	88	10	7	-4.35	

## 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

Total sales to top five customers (CNY)	11,923,072,076.23
Total sales to top five customers as % of the total sales	72.47%
Total sales to related parties among top five customers as % of the total sales	0.00%

The Company had no accounts receivable from the top five distributors at the end of the period.

## 5. Information on top five distributors

No.	Customer	Sales amount (CNY)	As % of the total sales for the reporting period
1	Customer A	8,018,665,872.75	48.73%
2	Customer B	2,153,565,807.24	13.09%
3	Customer C	961,954,131.41	5.85%
4	Customer D	438,732,925.20	2.67%
5	Customer E	350,153,339.63	2.13%
Total	--	11,923,072,076.23	72.47%

Store sales terminals accounted for more than 10%

☐ Applicable ☒ N/A

Online direct sales

☒ Applicable ☐ N/A

For the main sales models of the Company, please refer to the contents under the heading "Distribution models" in "1. Business scope in the reporting period" of Section III. For the sales of the Company's main products, please refer to the contents under the heading "Business segment, products or

geographical segments contributing over 10% of the operating revenues or profits" in "3. Analysis of main business" of Section III. The Company's main products are sold online. Its main cooperation platforms include JD.com and Tmall.

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

☐ Applicable ☒ N/A

Purchase model and purchase content

Unit: CNY

Purchase model	Purchase content	Amount of main purchase content
Organic raw grains are purchased through cooperative model and supplied by organic raw grain bases; other raw grains and packaging materials are purchased through bid invitation	Raw materials	2,110,925,642.44
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	109,689,408.19
Purchase through bid invitation	Low-value consumables	16,227,657.74

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	H1 2025		H1 2024		YoY Change
		Amount	As % of cost of sales	Amount	As % of cost of sales	
Baijiu	Raw materials	1,637,912,557.83	77.94%	1,488,095,661.17	77.87%	10.07%
Baijiu	Labor costs	153,965,706.69	7.33%	134,431,299.24	7.03%	14.53%
Baijiu	Manufacturing overhead	309,702,526.80	14.74%	288,580,625.24	15.10%	7.32%

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	21,240.05	24,119.09	30,123.55	24.14	13.33	-6.96	
Other baijiu	23,919.68	24,798.63	9,476.93	-11.53	-6.89	55.28	The closing inventory decreased compared with the opening inventory, but the inventory increased year on year due to a lower inventory base in the same period of last year.

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

Unit: Ton

Finished baijiu	Semi-finished baijiu (including base baijiu)
39,600.48	459,209.63

## 3. Capacity

Unit: Ton

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

## 2. 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, 20 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.

## 3. Analysis of main business

### Overview

See contents under the heading “1. Business scope in the reporting period” above.

### Year-on-year changes in key financial data

Unit: CNY

	H1 2025	H1 2024	YoY Change	Reason for any significant change
Operating revenues	16,453,732,904.65	16,904,885,169.38	-2.67%	
Cost of sales	2,124,120,485.84	1,932,074,493.16	9.94%	
Selling and distribution expenses	1,518,512,182.04	1,630,293,023.67	-6.86%	
General and administrative expenses	428,272,440.13	504,694,175.31	-15.14%	
Finance expenses	-263,955,897.52	-124,274,752.55		Mainly due to the decreased bond interest expenses and the reclassification of note discount expenses in the current period
Corporate income tax	2,726,585,021.21	2,870,561,488.56	-5.02%	
R&D investments	101,192,495.12	90,633,563.25	11.65%	
Net cash flows from operating activities	6,064,470,030.15	8,225,060,212.57	-26.27%	
Net cash flows from investing activities	-628,134,413.89	1,108,797,050.00		Mainly due to the decrease in the recovery of matured

				investments
Net cash flows from financing activities	-3,648,612,906.78	762,591,987.93		Mainly due to the interim dividend payout and the repayment of principals of corporate bonds with interest
Net increase in cash and cash equivalents	1,785,830,695.34	10,102,021,240.69	-82.32%	

Significant changes to the profit structure or sources of the Company in the reporting period

☐ Applicable ☒ N/A

No such changes in the reporting period.

#### Breakdown of operating revenues

Unit: CNY

	H1 2025		H1 2024		YoY Change
	Amount	As % of operating revenues	Amount	As % of operating revenues	
Total	16,453,732,904.65	100%	16,904,885,169.38	100%	-2.67%
By business segment					
Baijiu	16,397,171,889.54	99.66%	16,838,591,355.98	99.61%	-2.62%
Other revenues	56,561,015.11	0.34%	66,293,813.40	0.39%	-14.68%
By product					
Mid- and high-end baijiu	15,047,590,728.37	91.45%	15,213,367,295.49	89.99%	-1.09%
Other baijiu	1,349,581,161.17	8.20%	1,625,224,060.49	9.61%	-16.96%
Other revenues	56,561,015.11	0.34%	66,293,813.40	0.40%	-14.68%
By geographical segment					
Domestic	16,350,903,115.95	99.38%	16,811,257,242.24	99.45%	-2.74%
Overseas	102,829,788.70	0.62%	93,627,927.14	0.55%	9.83%

Business segment, products or geographical segments 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	16,397,171,889.54	2,101,580,791.32	87.18%	-2.62%	9.97%	-1.47%
By product						
Mid- and high-end baijiu	15,047,590,728.37	1,350,313,678.65	91.03%	-1.09%	14.65%	-1.23%
Other baijiu	1,349,581,161.17	751,267,112.67	44.33%	-16.96%	2.44%	-10.55%

By geographical segment						
Domestic	16,350,903,115.95	2,108,882,906.84	87.10%	-2.74%	9.91%	-1.49%

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 period is calculated based on adjusted statistical standards at the end of the reporting period

☐ Applicable ☒ N/A

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.

#### A. Breakdown of selling and distribution expenses

Unit: CNY

Selling and distribution expenses	H1 2025	H1 2024	YoY Change	Reason for any significant change
Advertising expenses	614,445,634.53	771,086,934.79	-20.31%	
Sales promotion expenses	518,115,123.16	465,935,051.00	11.20%	
Warehousing and logistics expenses	102,069,423.35	81,048,424.07	25.94%	
Labor costs	214,753,358.10	212,055,575.40	1.27%	
Other	69,128,642.90	100,167,038.41	-30.99%	Mainly due to the lower conference and other expenses

#### B. Breakdown of advertising expenses

Unit: CNY

Advertising	Expenses
Online advertising (exclusive of TV advertising)	91,698,224.18
Offline advertising	108,949,222.74
TV advertising	169,506,871.15
Other (inclusive of branding ideas, exhibitions & showcases, advertising materials, activity planning, etc.)	244,291,316.46

## 4. Analysis of non-core business

☐ Applicable ☒ N/A

## 5. Assets and liabilities

### 5.1. Significant change of asset items

Unit: CNY

	June 30, 2025		December 31, 2024		Change in percentage	Explanation about any material change
	Amount	As % of total assets	Amount	As % of total assets		
Cash and cash equivalents	35,451,080,327.05	50.51%	33,578,396,831.33	49.14%	1.37%	
Accounts receivable	16,077,566.15	0.02%	11,022,302.31	0.02%	0.00%	
Inventories	13,784,525,369.11	19.64%	13,392,794,475.96	19.60%	0.04%	
Investment property	48,802,205.54	0.07%	50,246,694.16	0.07%	0.00%	
Long-term equity investments	2,836,552,287.45	4.04%	2,801,252,317.93	4.10%	-0.06%	
Fixed assets	8,815,147,343.06	12.56%	9,131,776,915.51	13.36%	-0.80%	
Construction in progress	1,165,735,552.56	1.66%	807,233,988.90	1.18%	0.48%	
Right-of-use assets	24,433,390.10	0.03%	29,254,214.23	0.04%	-0.01%	
Contract liabilities	3,529,323,175.67	5.03%	3,978,131,528.88	5.82%	-0.79%	
Long-term loans	2,728,700,000.00	3.89%	6,279,900,000.00	9.19%	-5.30%	Mainly due to the reclassification as non-current liabilities due within one year
Lease liabilities	21,014,302.06	0.03%	24,528,519.13	0.04%	-0.01%	

### 5.2. Main assets overseas

☐ Applicable ☒ N/A

### 5.3. 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-	1,694,282.2	23,005,153.			500,000,000	606,726,531		1,610,560.9

trading financial assets (exclusive of derivative financial assets)	95.97	12			.00	.85		17.24
4. Investments in other equity instruments	407,194,706.55	31,143,649.40	182,059,451.67					438,338,355.95
6. Accounts receivable financing	1,801,947,455.78						-389,958,142.92	1,411,989,312.86
Subtotal of financial assets	3,903,424,458.30	54,148,802.52	182,059,451.67		500,000,000.00	606,726,531.85	-389,958,142.92	3,460,888,586.05
Total	3,903,424,458.30	54,148,802.52	182,059,451.67		500,000,000.00	606,726,531.85	-389,958,142.92	3,460,888,586.05
Financial liability	0.00							0.00

Information about other changes

N/A

Whether measurement attribution of main assets changes significantly in the reporting period

☐ Yes ☒ No**5.4. Restricted asset rights as of the end of this reporting period**

Unit: CNY

Item	Closing Balance	Reason
Bank deposits	285,923,801.57	Accrued interest on bank deposits
Other cash and cash equivalents	10,000,000.00	Bank guarantees
Other cash and cash equivalents	1,657,815.68	Security deposits at e-commerce platforms
<b>Total</b>	<b>297,581,617.25</b>	

**6. Investment****6.1. Total investment**☒ Applicable ☐ N/A

Investment made in the reporting period (CNY)	Investment made in the same period of last year (CNY)	YoY change
1,133,338,880.63	921,132,282.20	23.04%

## 6.2. Significant equity investment made in the reporting period

☐ Applicable ☒ N/A

## 6.3. Significant ongoing non-equity investment in the reporting period

☒ Applicable ☐ N/A

Unit: CNY

Item	Investment form	Whether it is a fixed asset investment	Industry of the investment project	Amount of input in the reporting period	Accumulated actual input amount by the end of the reporting period	Capital source	Project progress	Projected income	Accumulated actual income by the end of the reporting period	Reasons for not meeting the schedule and projected income	Date of disclosure (if any)	Disclosure index (if any)
Luzhou Laojiao Technical Upgrade Project of Intelligent Brewing (Phase I)	Self-built	Yes	Baijiu	313,266,002.61	1,390,664,557.50	Self-financing	43.75%	0.00	0.00	N/A	July 13, 2022	Announcement on the Implementation of Luzhou Laojiao Technical Upgrade Project of Intelligent Brewing (Phase I) by Subsidiary
Total	--	--	--	313,266,002.61	1,390,664,557.50	--	--	0.00	0.00	--	--	--

## 6.4. Financial assets investment

### 6.4.1. 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	GTHT	12,719,156.76	Fair value measurement	219,640,994.03		212,928,105.74			3,297,559.16	225,647,262.50	Investments in other equity instruments	Own fund
Domestic and foreign stock	002246	SNC	1,030,000.00	Fair value measurement	15,870,083.24		21,829,174.09			62,542.20	22,859,174.09	Investments in other equity instruments	Own fund
Domestic and foreign stock	01983	LZBANK	51,120,000.00	Fair value measurement	78,356,318.99		47,412,622.67			5,207,040.00	98,532,622.67	Investments in other equity instruments	Own fund
Domestic and foreign stock	01880	CTG Duty-Free	542,285,380.80	Fair value measurement	60,069,399.64		-93,157,309.24			1,282,673.77	58,041,386.04	Investments in other equity instruments	Own fund
Total			607,154,537.56	--	373,936,795.90	0.00	189,012,593.26	0.00	0.00	9,849,815.13	405,080,445.30	--	--

### 6.4.2. Derivative investment

☐ Applicable ☒ N/A

No such cases in the reporting period



## 6.5. Use of funds raised

☒ Applicable ☐ N/A

### 6.5.1. 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) / (1)	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
2020	Public offering of corporate bond	March 17, 2020	150,000	149,400	6,048.76	142,492.98	95.38%	0	0	0.00%	15,050.22	Deposited in special account for raised funds	0
Total	--	--	150,000	149,400	6,048.76	142,492.98	95.38%	0	0	0.00%	15,050.22	--	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.													

### 6.5.2. Fund raised for committed projects

☒ Applicable ☐ N/A

Unit: CNY 10,000

Financing project	Date of securities listing	Committed investment projects and	Project nature	Whether the project has been	Total amount of funds raised for	Adjusted investment total amount (1)	Investment amount in the reporting	Accumulated input by the end of	Investment progress by the end of	Date of the projects reach the	Realized benefits during the	Cumulative realized benefits by	Whether the expected benefi	Whether the feasibility of the
-------------------	----------------------------	-----------------------------------	----------------	------------------------------	----------------------------------	--------------------------------------	------------------------------------	---------------------------------	-----------------------------------	--------------------------------	------------------------------	---------------------------------	-----------------------------	--------------------------------

		direction of over-raised funds		changed (including partial change)	committed investment		ing period	the reporting period (2)	reporting period (3) = (2)/(1)	working condition for their intended use	reporting period	the end of the reporting period	ts have been achieved	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			4,301.98	356,974.25		June 30, 2021	N/A	N/A	Yes	No
2020 Public Offering of Corporate Bond for Qualified Investors	March 17, 2020	Project of Intelligent Upgrading and Building of the Information Management System	Operation and management	No	398,400	398,400	1,746.78	21,577.03	99.29%	N/A	N/A	N/A	No	No
2020 Public Offering of Corporate Bond for Qualified Investors	March 17, 2020	Project of Acquiring Sealing Equipment for the Cellar of Huan-gyi Brewing Base	Production and construction	No			0	12,043.3		June 30, 2021	N/A	N/A	Yes	No
2020 Public Offering	March 17, 2020	Project of Acquiring	Production and	No			0	4,980.25		June 30, 2021	N/A	N/A	Yes	No

ng of Corpo rate Bond for Qualifi ed Invest ors		ing Acces sory Equip ment for Leave n Makin g for Huan gyi Brewi ng Base	constr uction											
Subtotal of committed investment projects				--	398,400 <sup>1</sup>	398,400	6,048.76	395,574.83	--	--			--	--
Use of over-raised funds														
None														
Total				--	398,400	398,400	6,048.76	395,574.83	--	--	0	0	--	--
Explain project by project the situation and reason for not reaching plan progress or expected benefits (including reason for inputting "N/A" for "Whether the expected benefits have been achieved")	N/A													
Significant changes of project feasibility	N/A													
Amount, purpose and progress of over-raised funds	N/A													
Unauthorized change of the purpose of raised funds or illegal occupation of raised funds	N/A													
Change of implementation	N/A													

site of investment projects	
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 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. 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 June 30, 2025, the Company had replaced advance investments of self-pooled funds of CNY 653,444,758.68 using the raised funds.
Idle raised funds used for temporary supplementary liquidity	N/A
Amount and reason for surplus of funds raised	N/A
Purpose and whereabouts of unused funds raised	The idle raised funds are deposited in the special account No. 9550880046723000135 for raised funds in the Chengdu Branch of China Guangfa Bank Co., Ltd., the special account No. 517517460013000000860 for raised funds in the Luzhou Branch of Bank of Communications Co., Ltd., and the special account No. 631395395 for raised funds in the Chengdu Branch of China Minsheng Banking Corp., Ltd.
Problems and other situation when raised funds are used and disclosed	N/A

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

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

Note 3: As of June 30, 2025, the Project of Intelligent Upgrading and Building of the Information Management System was in the process.

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

### 6.5.3. Re-purposed funds raised

☐ Applicable ☒ N/A

No such cases in the reporting period

## 7. Sale of major assets and equity interests

### 7.1. Sale of major assets

☐ Applicable ☒ N/A

No such cases in the reporting period.

### 7.2. Sale of major equity interests

☐ Applicable ☒ N/A

## 8. 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	12,950,724,743.96	7,415,629,635.09	15,862,810,394.75	6,708,257,108.28	4,939,746,679.16

Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ N/A

Notes for major holding companies and joint stock companies

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

## 9. Structured entities controlled by the Company

☐ Applicable ☒ N/A

## 10. Risks facing the Company and countermeasures

A. Risk of recovery in the consumer market falling short of expectations: Domestic effective demand remains insufficient, with low per capita consumption levels. The foundation for economic recovery is still in need of further strengthening. In response, the Company will leverage its development advantages accumulated over years of exploration to actively address market adjustments, fully seize market opportunities, expand its market share, and drive high-quality development.

B. Risk of industry competition and transformation: Currently, China's baijiu industry is in a new round of adjustment, characterized by a shift from volume growth to quality enhancement, and is accelerating the transition from "stock competition" to "value creation". To adapt, the Company will ride the wave of these changes, seize opportunities, and drive transformation and innovation in market expansion, management, technology upgrades, AI-powered digital applications, and the creation of consumer scenarios. This will help build a more positive and sustainable corporate development ecosystem, further strengthening the Company's development resilience.

## 11. 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.

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

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

☒ Yes ☐ No

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

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

The Company has formulated the "136" strategic plan for the 14th Five-Year Plan based on the development idea of "giving play to advantages, tackling areas of weaknesses, improving quality, building strength, and seeking rejuvenation". Specifically, "1" refers to one development goal, namely, firmly insisting on the goal of regaining the "Top 3" ranking among the Chinese baijiu industry; "3" refers to three major development principles, namely, insisting on brand leadership and fully enhancing the value of Chinese famous baijiu brands, insisting on taking quality as foundation and sparing no efforts to build a core production area of world famous baijiu, and insisting on taking culture as the foundation and striving to build a pilgrimage site for Chinese baijiu culture; "6" refers to "Six-in-One" Luzhou Laojiao, namely, building a strong-brand Luzhou Laojiao, a quality Luzhou Laojiao, a cultural Luzhou Laojiao, an innovative Luzhou Laojiao, a digital and intelligent Luzhou Laojiao, and a harmonious Luzhou Laojiao. Since the 14th Five-Year Plan period, the Company has firmly implemented the "136" development strategy, won key battles such as expanding production capacity, upgrading brands, and strengthening teams, and has entered a stage of high-quality development. The National Cellar 1573 brand achieved comprehensive coverage in the domestic market and was fully expanding in overseas markets; the Luzhou Laojiao brand built a strong basis in the granary market, and has gained a stable and penetrating presence in the opportunity market, with much good news of the revival of famous baijiu; the breakthrough project of expanding key sales areas has been deeply promoted, market consumption has been further activated, and market share has been further increased. In terms of digital marketing and brand building, channel development and public relations empowerment, online expansion and offline integration, and overseas layout and domestic boosting, a clearer and more

effective path has been created with the characteristics of Luzhou Laojiao, which has made contributions to the healthy and rapid development of the Company. During the 14th Five-Year Plan period, the compound growth rate of the Company's net profit attributable to the parent company reached 22.38%. For the first half of 2025, operating revenue amounted to CNY 16.454 billion; and the net profit attributable to the parent company reached CNY 7.663 billion. Moving forward, the Company will continue to implement the development theme of "proceeding with confidence, overcoming challenges, innovating, and collaborating", and strive for a comprehensive victory in the key battle of the 14th Five-Year Plan, with a focus on the overall working idea of "aiming at one objective, focusing on three cores, and promoting six improvements".

### **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 226 invention patents and 393 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 general meetings of shareholders, the Board of Directors, 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 general meetings of shareholders and the Board of Directors, 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 of the Company fully perform their duties within their scope of responsibilities, the Company has actively promoted the purchase of liability insurances for directors. Meanwhile, the Company has become the first listed company in the industry to sign a liability insurance agreement for directors 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, X, 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. The Company held an online presentation of the 2024 annual results on May 16, 2025. Mr. Liu Miao, chairman of the board, Mr. Chen You'an, Mr. Lyu Xianpei, Mr. Li Guowang and Mr. Li Liangchen, non-executive directors, Ms. Xie Hong, CFO, and Mr. Li Yong, deputy general manager and secretary of the board, attended the presentation and answered the questions of 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. On April 28, 2025, the Company disclosed 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 (tax inclusive). Since its listing, the Company has paid out a cumulative cash dividend amount of CNY 52.059 billion, 12.96 times the amount of equity refinancing, with a dividend payout ratio of 61.58%, 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 the future, the Company will formulate reasonable profit distribution policies while ensuring normal operation and long-term development, and effectively allow investors to share the fruits of the Company's growth and development.

#### **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 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 million. Following the aforesaid shareholding increase in the Company, Laojiao Group has initiated a new round of share purchases, intending to invest CNY 150 million to 300 million over a six-month period starting March 14, 2025, to further increase its holdings in the Company. As of June 14, 2025, Laojiao Group had purchased 2,133,750 additional shares in this round, representing 0.14% of the Company's total share capital, with a total amount of approximately CNY 270 million. Subsequently, Laojiao Group will continue to increase its holdings as planned.

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 Environmental, Social and Governance Information

### 1. Changes in directors, supervisors, and senior management

☒ Applicable ☐ N/A

Name	Title	Type	Date	Reason
Qian Xu	Director	Resignation	May 29, 2025	Personal reasons
Yang Ping	Supervisor	Resignation	June 27, 2025	Reform of the Board of Supervisors
Li Guangjie	Supervisor	Resignation	June 27, 2025	Reform of the Board of Supervisors
Li Lunyu	Supervisor	Resignation	June 27, 2025	Reform of the Board of Supervisors
Zhou Lei	Supervisor	Resignation	June 27, 2025	Reform of the Board of Supervisors
Zhang Li	Supervisor	Resignation	June 27, 2025	Reform of the Board of Supervisors

### 2. Profit distribution and converting capital reserves into share capital for the reporting period

☐ Applicable ☒ N/A

The Company has no interim dividend plan, either in the form of cash or stock.

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

☒ Applicable ☐ N/A

#### 3.1. 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 awardees, the grant price was CNY 89.466 per share and the listing date was September 28, 2022.

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

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

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

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

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

Q. On February 22, 2024, the Company disclosed the Reminder Announcement on Unlocked Shares in the First Unlocking Period of the 2021 Restricted Share Incentive Plan Being Allowed for Public Trading.

As such, the unlocked restricted shares in the first unlocking period of the 2021 Restricted Share Incentive Plan were allowed for public trading on February 22, 2024.

R. On June 4, 2024, the Proposal on the Repurchase and Retirement of Certain Restricted Shares was 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.

### 3.2. Implementation of employee stock ownership plans

☐ Applicable ☒ N/A

### 3.3. Other incentive measures for employees

☐ Applicable ☒ N/A

## 4. Environmental information disclosure

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

☒ Yes ☐ No

Number of companies included in the list of companies that are required by law to disclose environmental information		1
No.	Company	Index to the report on required environmental information
1	Luzhou Laojiao Co., Ltd.	Enterprise Required Environmental Information Disclosure System (Sichuan) ( <a href="https://103.203.219.138:8082/eps/index/enterprise-more?code=91510500204706718H&amp;uniqueCode=9935f5c0df9bbd14&amp;date=2024&amp;type=true&amp;isSearch=true">https://103.203.219.138:8082/eps/index/enterprise-more?code=91510500204706718H&amp;uniqueCode=9935f5c0df9bbd14&amp;date=2024&amp;type=true&amp;isSearch=true</a> )

## 5. Social responsibility

Luzhou Laojiao has consistently focused on consolidating and expanding the achievements of poverty alleviation and effectively linking them with rural revitalization. The Company has placed support for the revitalization of the assisted regions at the core of its work. Following the principle of “what the locality needs is what the enterprise can provide”, the Company has developed and launched several targeted, beneficial, and long-term key projects in Hongyuan County, Gulin County, and Xuyong County, focusing on six areas, including industrial assistance, consumption assistance, and talent assistance. The Company has solidly advanced the work of rural revitalization, with a total investment of CNY 8.763 million in the first half of 2025.

First, the Company focused on industrial self-sufficiency and injected vitality into development. In line



with the requirements for essential support and the needs of county-level industrial development, the Company funded the expansion and digitalization of the livestock trading market in Hongyuan County, working together with the county to develop it into a highly practical and digitally advanced demonstration market. Additionally, more than 9,000 chicks were distributed to farmers in Xiangtian Village of Gulin County and Baiyang Village of Xuyong County, stimulating household-based economic activity, strengthening village collective economies, and helping farmers increase income. Second, the Company strengthened consumption assistance to expand income channels. With “consumption assistance” as a key approach, the Company carried out comprehensive industrial assistance. It purchased over CNY 1.2 million worth of specialty agricultural products such as yak jerky and yak milk powder from Hongyuan County, creating a sustainable development model that benefits village collectives and local residents through the Company’s support. Third, the Company strengthened talent cultivation to build growth momentum. The Company invested CNY 100,000 to organize an “E-Commerce Talent Training Program for Essential Assistance” at the Hongyuan County Party Committee School. The training addressed the pain points of local specialty industries and provided comprehensive training from senior experts to 40 participants, helping them make breakthroughs in e-commerce practice. Promoting stable employment in underdeveloped counties was prioritized, with multiple measures to provide jobs for unemployed youth and support individuals with entrepreneurial intentions to start their own businesses, helping to alleviate local employment challenges. Fourth, organizational collaboration was deepened to build consensus for development. The Company organized a joint party-building activity between its grassroots Party branches and the Guntang Village Party Branch in Hongyuan County. Through seminars, visits, and other activities, they encouraged Party members and cadres to shoulder their responsibilities. The Company also donated CNY 20,000 to equip Guntang Village’s Party branch activity room with desks, chairs, and other facilities. This aimed to create a multifunctional Party-building space for education, cultural display, and interactive exchange, thereby reinforcing the image of the Party organization as a “red fortress”. Fifth, public welfare initiatives were expanded to deliver heartfelt care. The Company invested CNY 150,000 to carry out New Year care activities in supported villages, donating blankets, cooking oil, and other essential goods to help residents address practical difficulties and boost their confidence in development. At Maiwa Primary School in Hongyuan County, the Company also donated sports equipment, including basketballs and badminton sets, providing local students with broader opportunities for physical exercise and supporting their physical well-being and healthy growth. Sixth, professional advantages were leveraged to provide matrixed support. The Company proactively leveraged its core responsibilities and business to provide matrixed assistance. It undertook the testing and inspection for Jinchuan Snow Pear Brandy, offering professional advice for the deep processing of agricultural products from Jinchuan County, from laboratory testing to industrialization.

Luzhou Laojiao will continue to uphold the political and social responsibilities inherent to a state-owned enterprise. In the second half of the year, the Company will focus on the central task, serve the broader development agenda, and play its role. It will carry out social welfare activities with more practical measures, better methods, and greater care. These efforts aim to make new and greater contributions to the development of public welfare and charity, as well as the solid promotion of comprehensive rural revitalization.

## Section V Significant Events

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

☒ Applicable ☐ N/A

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

### 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. Engagement and disengagement of CPAs firm

Are the interim financial statements audited?

☐ Yes ☒ No

The interim financial statements are not audited.

### 5. Explanation of the board of directors and the board of supervisors regarding the "Non-standard audit opinion" for the reporting period

☐ Applicable ☒ N/A

### 6. Explanations of the board of directors regarding the "Non-standard audit opinion" of Last Year

☐ Applicable ☒ N/A

### 7. Bankruptcy and reorganization

☐ Applicable ☒ N/A

No such cases in the reporting period.

### 8. Litigation

Material litigation and arbitration

☒ Applicable ☐ N/A

Profile of litigation	Amount involved in	Whether it forms an	Progress in litigation	Trial results and impacts of	Execution of judgment of	Date of disclosure	Disclosure index
-----------------------	--------------------	---------------------	------------------------	------------------------------	--------------------------	--------------------	------------------

(arbitration)	the case (CNY 10,000)	estimate liability	(arbitration)	litigation (arbitration)	litigation (arbitration)		
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	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>

#### Other litigation

☒ 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
Other litigations that do not meet the standard of a material litigation which is required to be disclosed	1,042	No	Pending	No significant impact	Pending		

## 9. Punishments and rectifications

☐ Applicable ☒ N/A

No such cases in the reporting period.

## **10. Credit conditions of the Company as well as its controlling shareholder and actual controller**

☐ Applicable ☒ N/A

## **11. Significant related party transactions**

### **11.1. Related party transactions arising from routine operation**

☐ Applicable ☒ N/A

No such cases in the reporting period.

### **11.2. Related party transactions regarding purchase or sales of assets or equity interests**

☐ Applicable ☒ N/A

No such cases in the reporting period.

### **11.3. Related party transactions arising from joint investments in external parties**

☐ Applicable ☒ N/A

No such cases in the reporting period.

### **11.4. Credits and liabilities with related parties**

☐ Applicable ☒ N/A

No such cases in the reporting period.

### **11.5. 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.

## **11.6. 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.

## **11.7. Other significant related party transactions**

☐ Applicable ☒ N/A

No such cases in the reporting period.

## **12. Significant contracts and their execution**

### **12.1. Trusteeship, contracting and leasing**

#### **12.1.1. Trusteeship**

☐ Applicable ☒ N/A

No such cases in the reporting period.

#### **12.1.2. Contracting**

☐ Applicable ☒ N/A

No such cases in the reporting period.

#### **12.1.3. Leasing**

☐ Applicable ☒ N/A

No such cases in the reporting period.

### **12.2. Major guarantees**

☐ Applicable ☒ N/A

No such cases in the reporting period.

### 12.3. Entrusted assets management

☒ Applicable ☐ N/A

Unit: CNY 10,000

Type	Fund source for entrusted assets management	Amount of entrusted assets management	Undue balance	Overdue outstanding amount	Impairment provisions for the overdue outstanding amount
Wealth management product of securities company	Own funds	50,000	160,000	0	0
Total		50,000	160,000	0	0

Particulars of high risk wealth management products with a significant single amount, low security, poor liquidity or no principal protection

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

### 12.4. Other significant contracts

☐ Applicable ☒ N/A

No such cases in the reporting period.

## 13. Other significant events

☒ Applicable ☐ N/A

A. The Company disclosed in October 2014 and January 2015 respectively the contract disputes involving three savings deposits of CNY 500 million in total with banks including ABC Changsha Yingxin Branch and ICBC Nanyang Zhongzhou Branch. As of the end of the reporting period, the deposit dispute case with ICBC Nanyang Zhongzhou Branch has been concluded, the deposit dispute case with ABC Changsha Yingxin Branch is currently in the court enforcement process, and the Company had recovered a total amount of CNY 376 million for the three disputes.

B. 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).

## 14. 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 VI Changes in Shares and Information about Shareholders

### 1. Changes in shares

#### 1.1 Changes in shares

Unit: Share

	Before		Changes in this period (+, -)					After	
	Number	Proportion	Issuance of new shares	Bonus shares	Capitalization of capital reserves	Other	Subtotal	Number	Proportion
I. Restricted shares	4,649,959	0.32%				-1,863,339	-1,863,339	2,786,620	0.19%
1. Shares held by the state									
2. Shares held by state-owned corporations									
3. Shares held by other domestic investors	4,649,959	0.32%				-1,863,339	-1,863,339	2,786,620	0.19%
Of which: shares held by domestic corporations									
Share s held by domestic individuals	4,649,959	0.32%				-1,863,339	-1,863,339	2,786,620	0.19%
4. Shares held by foreign corporations									
Of which:									

shares held by foreign corporations									
Shares held by foreign individuals									
II. Non-restricted shares	1,467,301,544	99.68%				1,863,339	1,863,339	1,469,164,883	99.81%
1.CNY common shares	1,467,301,544	99.68%				1,863,339	1,863,339	1,469,164,883	99.81%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Other									
III. Total shares	1,471,951,503	100.00%						1,471,951,503	100.00%

## Reasons for the change in shares

☒ Applicable ☐ N/A

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

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

## Approval of share changes

☒ Applicable ☐ N/A

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

2,022,530 restricted shares of 434 awardees that satisfied the unlocking conditions for the second unlocking period of the 2021 Restricted Share Incentive Plan were allowed for public trading on February 17 and 24, 2025, respectively.

Transfer of share ownership

☐ Applicable ☒ N/A

Implementation progress of shares repurchases

☐ Applicable ☒ N/A

Implementation progress of share buyback reduction through call auction trading

☐ 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	Decrease in restricted shares during the reporting period	Increase 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	4,329,853	2,059,599		2,270,254	Restricted shares under the 2021 Restricted Share Incentive Plan	In accordance with the relevant unlocking provisions of the 2021 Restricted Share Incentive Plan
Locked shares of senior management	320,106		196,260	516,366	Locked shares of senior management converted	In accordance with the relevant unlocking provisions of

					from unlocked restricted shares under the 2021 Restricted Share Incentive Plan	the 2021 Restricted Share Incentive Plan
Total	4,649,959	2,059,599	196,260	2,786,620	--	--

## 2. Issuance and listing of securities

☐ Applicable ☒ N/A

## 3. Total number of shareholders and their shareholdings

Unit: Share

Total number of common shareholders at the end of the reporting period		208,133		Total number of preferred shareholders with resumed voting rights by the end of the reporting period (if any) (see Note 8)			0	
Shareholdings of shareholders with a shareholding percentage over 5% or the top 10 shareholders (exclusive of shares lent in refinancing)								
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held by the end of the reporting period	Increase/decrease during the reporting period	Number of holding restricted shares	Number of holding non-restricted shares	Pledged, marked or frozen shares	
							Status of shares	Number of shares
Luzhou Laojiao Group Co., Ltd.	State-owned corporation	26.03%	383,222,139.00	2,133,750.00	0	383,222,139.00	N/A	0
Luzhou XingLu Investment Group Co., Ltd.	State-owned corporation	24.86%	365,971,142.00	0	0	365,971,142.00	N/A	0
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund	Other	3.50%	51,466,392.00	630,623.00	0	51,466,392	N/A	0
China Securities Finance Corporation Limited	Other	2.30%	33,842,059.00	0	0	33,842,059.00	N/A	0

Hong Kong Securities Clearing Company Limited	Outbound corporation	2.22%	32,699,498.00	-3,214,148.00	0	32,699,498.00	N/A	0
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	Other	2.02%	29,679,112.00	7,429,112.00	0	29,679,112.00	N/A	0
Central Huijin Asset Management Co., Ltd.	State-owned corporation	0.92%	13,539,862.00	0	0	13,539,862.00	N/A	0
Industrial and Commercial Bank of China Co., Ltd.- Huatai-Pinebridge CSI 300 Exchange-Traded Fund	Other	0.89%	13,128,005.00	366,870.00	0	13,128,005.00	N/A	0
China Construction Bank Corporation – Penghua Wine & Liquor Exchange-Traded Fund	Other	0.83%	12,217,823.00	2,210,103.00	0	12,217,823.00	N/A	0
Bank of China Co., Ltd. – E Fund High Quality Selected Mixed Securities Investment Fund	Other	0.74%	10,829,050.00	2,878,950.00	0	10,829,050.00	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-	1. Luzhou Laojiao Group Co., Ltd. and Luzhou XingLu Investment Group Co., Ltd. are both state-owned							

concert	holding companies under the jurisdiction of SASAC of Luzhou. The two companies have signed the agreement of persons acting in concert. For details, please refer to the announcement of the Company on May 23, 2024 - Announcement on the Renewed Agreement of Persons Acting in Concert Signed by Shareholders (Announcement No. 2024-22).  2. During the reporting period, Luzhou Laojiao Group Co., Ltd. increased its holdings in the Company by 2,133,750 shares through call auction trading. By the end of the reporting period, Luzhou Laojiao Group Co., Ltd. and Golden Rudder collectively held 384,362,339 shares in the Company, representing 26.11% of the total share capital of the Company.  3. In addition, whether there is an association between the remaining shareholders or they belong to persons acting in concert is unknown.		
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 11)	N/A		
Shareholdings of the top 10 non-restricted shareholders (exclusive of shares lent in refinancing and locked shares of senior management)			
Name of shareholder	Number of non-restricted shares held by the end of the reporting period	Type of shares	
		Type	Number
Luzhou Laojiao Group Co., Ltd.	383,222,139.00	CNY common shares	383,222,139.00
Luzhou XingLu Investment Group Co., Ltd.	365,971,142.00	CNY common shares	365,971,142.00
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund	51,466,392.00	CNY common shares	51,466,392.00
China Securities Finance Corporation Limited	33,842,059.00	CNY common shares	33,842,059.00
Hong Kong Securities Clearing Company Limited	32,699,498.00	CNY common shares	32,699,498.00
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	29,679,112.00	CNY common shares	29,679,112.00
Central Huijin Asset Management Co., Ltd.	13,539,862.00	CNY common shares	13,539,862.00
Industrial and Commercial Bank of China Co., Ltd.- Huatai-Pinebridge CSI 300 Exchange-Traded Fund	13,128,005.00	CNY common shares	13,128,005.00
China Construction Bank Corporation – Penghua Wine & Liquor Exchange-Traded Fund	12,217,823.00	CNY common shares	12,217,823.00
Bank of China Co., Ltd. – E Fund High Quality Selected Mixed Securities Investment	10,829,050.00	CNY common shares	10,829,050.00

Fund			
The statement of association or acting-in-concert between the top 10 shareholders of unrestricted shares and between the top 10 shareholders of unrestricted shares and top 10 shareholders	See the upper part of this table		
Top 10 common shareholders participating in securities margin trading (if any) (see note 4)	None		

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☐ Yes ☒ No

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

#### 4. Changes in shares held by directors, supervisors, and senior management

☐ Applicable ☒ N/A

No changes occurred to shares held by directors, supervisors and senior management in the reporting period. See the 2024 Annual Report for more details.

#### 5. Change of controlling shareholder or actual controller

Change of the controlling shareholder during the reporting period

☐ Applicable ☒ N/A

No such cases in the reporting period.

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.

## 6. Preferred shares

☐ Applicable ☒ N/A

No preferred stock in the Company during the reporting period.



## Section VII Information about Bond

☒ Applicable ☐ N/A

### 1. Enterprise bonds

☐ Applicable ☒ N/A

No such cases in the reporting period.

### 2. Corporate bonds

☒ Applicable ☐ N/A

#### 2.1. Basic information about the corporate bond

Unit: CNY 10,000

Name	Abbr.	Code	Issue date	Value date	Due date	Bond balance	Interest rate	Way of redemption	Place of trading
2020 Public Offering of Corporate Bond for Qualified Investors (Phase I)	20 Lao Jiao 01	149062.SZ	16 March 2020	17 March 2020	17 March 2025	150,000	3.50%	In terms of the bonds of this phase, interests will be paid by year and the principal will be repaid in lump sum at maturity. The interests will be paid once every year and the interests for the last installment will be paid together with the	Shenzhen Stock Exchange

								principal.	
Appropriate arrangement of the investors (if any)	The bonds are applicable to eligible investors who have qualified securities accounts with Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., are permitted to engage in the subscription and transfer of corporate bonds in accordance with the Management Measures for the Issue and Transaction Management of Corporate Bonds, Management Measures for the Suitability of Securities and Futures Investors, Management Measures of Shenzhen Stock Exchange for the Suitability of Securities Market Investors, and relevant laws and regulations, and have the corresponding risk identification and bearing capacity (excluding those prohibited by laws and regulations)								
Trading systems applicable	Tradable by way of bidding, offering, inquiry and agreement								
Risk of termination of listing and trading (if any) and countermeasures	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. Changes in credit ratings in the reporting period

☐ Applicable ☒ N/A

## 2.4. 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. 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	June 30, 2025	December 31, 2024	Change
Current ratio	2.56	3.56	-28.09%
Debt/asset ratio	33.49%	30.48%	3.01%
Quick ratio	1.88	2.60	-27.69%
	H1 2025	H1 2024	Change
Net profits before non-recurring gains and losses	765,000.45	799,411.07	-4.30%
EBITDA/debt ratio	136.00%	92.02%	43.98%
Interest cover (times)	113.29	41.93	170.19%
EBITDA-to-interest cover (times)	118.65	43.38	173.51%

## Section VIII Financial Report

### 1. Auditor's report

Are these interim financial statements audited by an independent auditor?

☐ Yes ☒ No

The interim financial statements are not audited by an independent auditor.

### 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 June 30, 2025

Unit: CNY

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
<b>Current assets:</b>		
Cash and cash equivalents	35,451,080,327.05	33,578,396,831.33
Settlement reserves		
Lending funds		
Held-for-trading financial assets	1,610,560,917.24	1,694,282,295.97
Derivative financial assets		
Notes receivables		
Accounts receivable	16,077,566.15	11,022,302.31
Accounts receivable financing	1,411,989,312.86	1,801,947,455.78
Prepayment	228,470,687.43	123,870,282.65
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve		
Other receivables	42,044,835.12	13,053,645.00
Including: Interests receivable		
Dividends receivable	32,879,641.22	
Buying back the sale of financial assets		
Inventories	13,784,525,369.11	13,392,794,475.96
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	44,247,521.17	241,081,908.89
<b>Total current assets</b>	<b>52,588,996,536.13</b>	<b>50,856,449,197.89</b>
<b>Non-current assets:</b>		
Disbursement of loans and advances		
Investments in debt obligations		

Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	2,836,552,287.45	2,801,252,317.93
Investments in other equity instruments	438,338,355.95	407,194,706.55
Other non-current financial assets		
Investment property	48,802,205.54	50,246,694.16
Fixed assets	8,815,147,343.06	9,131,776,915.51
Construction in progress	1,165,735,552.56	807,233,988.90
Productive biological assets		
Oil and gas assets		
Use right assets	24,433,390.10	29,254,214.23
Intangible assets	3,452,040,130.07	3,417,898,796.19
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term deferred expenses	1,322,375.90	1,756,272.03
Deferred tax assets	229,979,417.63	424,185,093.04
Other non-current assets	588,898,590.92	407,347,368.15
<b>Total non-current assets</b>	<b>17,601,249,649.18</b>	<b>17,478,146,366.69</b>
<b>Total assets</b>	<b>70,190,246,185.31</b>	<b>68,334,595,564.58</b>
<b>Current liabilities:</b>		
Short-term loans		
Borrowings from the central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	1,414,396,921.39	1,844,497,206.78
Advance from customer	5,419,308.10	
Contract liabilities	3,529,323,175.67	3,978,131,528.88
Financial assets sold for repurchase		
Deposits from customers and inter-bank		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee benefits payable	443,931,205.42	553,580,768.99
Taxes payable	2,014,142,202.18	3,233,948,597.08
Other payable	7,377,857,167.86	873,595,429.08
Including: Interests payable		
Dividends payable	6,788,869,591.98	29,668,290.20
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one	5,274,717,368.79	3,276,628,616.74

year		
Other current liabilities	458,655,396.27	516,729,820.48
<b>Total current liabilities</b>	<b>20,518,442,745.68</b>	<b>14,277,111,968.03</b>
<b>Non-current liabilities:</b>		
Insurance contract reserves		
Long-term loans	2,728,700,000.00	6,279,900,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	21,014,302.06	24,528,519.13
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	82,445,141.55	86,672,726.83
Deferred tax liabilities	159,027,020.27	158,375,714.88
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>2,991,186,463.88</b>	<b>6,549,476,960.84</b>
<b>Total liabilities</b>	<b>23,509,629,209.56</b>	<b>20,826,588,928.87</b>
<b>Owners' equity</b>		
Share capital	1,471,951,503.00	1,471,951,503.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	5,407,442,311.41	5,365,763,566.55
Less: treasury stock	167,794,796.51	345,699,443.89
Other comprehensive income	111,904,482.40	84,235,115.38
Special reserves		
Surplus reserves	1,471,951,503.00	1,471,951,503.00
General risk reserve		
Undistributed profits	38,245,095,469.06	39,340,298,309.42
Total equity attributable to owners of the parent company	46,540,550,472.36	47,388,500,553.46
Non-controlling interests	140,066,503.39	119,506,082.25
<b>Total owners' equity</b>	<b>46,680,616,975.75</b>	<b>47,508,006,635.71</b>
<b>Total liabilities and owners' equity</b>	<b>70,190,246,185.31</b>	<b>68,334,595,564.58</b>

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Song Ying

## Balance sheet of parent company

As at June 30, 2025

Unit: CNY

Item	Balance as at June 30, 2025	Balance as at January 1, 2025
<b>Current assets:</b>		
Cash and cash equivalents	33,424,508,197.88	26,651,132,665.66
Held-for-trading financial assets	1,610,560,917.24	1,694,282,295.97

Derivative financial assets		
Notes receivables		
Accounts receivable	63,278.92	14,701.83
Accounts receivable financing		
Prepayment	14,622,548.97	12,888,111.51
Other receivables	12,362,790,450.59	14,619,833,493.32
Including: Interests receivable		
Dividends receivable	32,879,641.22	
Inventories	1,195,509.25	898,380.40
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	11,137,299.40	172,283,759.93
<b>Total current assets</b>	<b>47,424,878,202.25</b>	<b>43,151,333,408.62</b>
<b>Non-current assets:</b>		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	6,788,166,538.86	6,735,926,560.88
Investments in other equity instruments	438,034,434.32	406,890,784.92
Other non-current financial assets		
Investment property	48,802,205.54	50,246,694.16
Fixed assets	835,833,921.54	866,342,467.75
Construction in progress	209,250,208.80	174,069,734.13
Productive biological assets		
Oil and gas assets		
Use right assets	29,596.10	118,384.41
Intangible assets	837,368,752.09	770,645,637.66
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term deferred expenses	102,077.37	341,637.85
Deferred tax assets	101,695,396.21	124,327,561.74
Other non-current assets	394,639,276.12	215,109,132.46
<b>Total non-current assets</b>	<b>9,653,922,406.95</b>	<b>9,344,018,595.96</b>
<b>Total assets</b>	<b>57,078,800,609.20</b>	<b>52,495,352,004.58</b>
<b>Current liabilities:</b>		
Short-term loans		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	23,980,178.04	36,143,495.43
Advance from customer	3,481,290.65	
Contract liabilities	410,132.74	3,354,639.36

Employee benefits payable	135,166,898.27	175,075,638.37
Taxes payable	169,724,244.57	94,520,857.23
Other payables	16,668,741,953.09	2,980,878,449.35
Including: Interests payable		
Dividends payable	6,759,201,301.78	
Liabilities held for sale		
Non-current liabilities due within one year	5,265,195,221.38	3,266,940,267.72
Other current liabilities	53,317.26	436,103.12
<b>Total current liabilities</b>	<b>22,266,753,236.00</b>	<b>6,557,349,450.58</b>
<b>Non-current liabilities:</b>		
Long-term loans	2,728,700,000.00	6,279,900,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	7,828,100.00	8,714,300.00
Deferred tax liabilities	90,168,317.20	82,430,689.59
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>2,826,696,417.20</b>	<b>6,371,044,989.59</b>
<b>Total liabilities</b>	<b>25,093,449,653.20</b>	<b>12,928,394,440.17</b>
<b>Owners' equity</b>		
Share capital	1,471,951,503.00	1,471,951,503.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	5,403,387,906.51	5,361,333,958.25
Less: treasury stock	167,794,796.51	345,699,443.89
Other comprehensive income	109,165,623.55	80,803,192.66
Special reserves		
Surplus reserves	1,471,951,503.00	1,471,951,503.00
Undistributed profits	23,696,689,216.45	31,526,616,851.39
<b>Total owners' equity</b>	<b>31,985,350,956.00</b>	<b>39,566,957,564.41</b>
<b>Total liabilities and owners' equity</b>	<b>57,078,800,609.20</b>	<b>52,495,352,004.58</b>

## Consolidated income statement

Unit: CNY

Item	H1 2025	H1 2024
<b>1. Total operating revenue</b>	16,453,732,904.65	16,904,885,169.38
Including: Operating revenue	16,453,732,904.65	16,904,885,169.38
Interest income		



Earned premium		
Fee and commission income		
<b>2. Total operating costs</b>	6,073,189,397.91	6,061,192,676.41
Including: Cost of sales	2,124,120,485.84	1,932,074,493.16
Interest expense		
Handling charges and commission expenses		
Refunded premiums		
Net payments for insurance claims		
Net provision for insurance policy reserve		
Bond insurance expense		
Reinsurance Expenses		
Taxes and surcharges	2,182,376,054.10	2,043,377,033.97
Selling and distribution expenses	1,518,512,182.04	1,630,293,023.67
General and administrative expenses	428,272,440.13	504,694,175.31
Research and Development expenses	83,864,133.32	75,028,702.85
Financial expenses	-263,955,897.52	-124,274,752.55
Including: Interest expenses	91,887,410.97	266,707,454.54
Interest income	357,946,373.68	391,537,705.76
Plus: Other income	27,222,431.63	21,379,290.54
Investment income ("-" for losses)	11,388,867.58	15,422,563.74
Including: income from investment in associates and joint ventures	54,787,007.14	14,536,085.02
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)	23,005,153.12	33,256,967.84
Credit impairment losses ("-" for losses)	-51,195.97	1,109,313.81
Impairment losses("-" for losses)		
Gains from disposal of assets("-" for losses)	106,501.12	1,058,795.10
<b>3. Operating profits ("-" for losses)</b>	10,442,215,264.22	10,915,919,424.00
Plus: non-operating income	7,221,769.50	8,564,749.87
Less: non-operating expenses	39,191,852.89	7,663,658.92
<b>4. Total profits before tax ("-" for total losses)</b>	10,410,245,180.83	10,916,820,514.95

Less: income tax expenses	2,726,585,021.21	2,870,561,488.56
<b>5. Net profit ("-" for net loss)</b>	<b>7,683,660,159.62</b>	<b>8,046,259,026.39</b>
5.1 By operating continuity		
5.1.1 Net profit from continuing operation ("-" for net loss)	7,683,660,159.62	8,046,259,026.39
5.1.2 Net profit from discontinued operation ("-" for net loss)		
5.2 By ownership		
1) Attributable to shareholders of the parent company ("-" for net loss)	7,662,907,812.98	8,027,538,165.31
2) Attributable to non-controlling interests ("-" for net loss)	20,752,346.64	18,720,861.08
<b>6. Net of tax from other comprehensive income</b>	<b>27,103,027.62</b>	<b>-34,442,245.50</b>
Net of tax from other comprehensive income to the owner of the parent company	27,670,156.53	-34,652,321.08
6.1 Other comprehensive income that cannot be reclassified into the profit and loss:	24,665,797.66	-50,739,026.64
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	1,308,060.60	-98,594.78
3) Changes in fair value of investments in other equity instruments	23,357,737.06	-50,640,431.86
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	3,004,358.87	16,086,705.56
1) Share in other comprehensive income that will be classified into profit and loss under equity method	3,697,422.74	15,828,975.10
2) Changes in fair value of investments in other debt obligations		
3) Other comprehensive income arising from the reclassification of financial assets		
4) Provision 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	-693,063.87	257,730.46
7) Others		
Net of tax from other comprehensive income to non-controlling interests	-567,128.91	210,075.58
<b>7. Total comprehensive income</b>	<b>7,710,763,187.24</b>	<b>8,011,816,780.89</b>
Total comprehensive income attributable to owners of the parent company	7,690,577,969.51	7,992,885,844.23

Total comprehensive income attributable to non-controlling interests	20,185,217.73	18,930,936.66
<b>8. Earnings per share</b>		
(1) Basic earnings per share	5.21	5.46
(2) Diluted earnings per share	5.21	5.46

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	H1 2025	H1 2024
<b>1. Operating revenue</b>	6,761,860,378.40	5,698,158,853.96
Less: Cost of sales	5,349,358,286.51	4,408,209,268.20
Taxes and surcharges	28,088,121.60	36,744,352.82
Selling and distribution expenses		
General and administrative expenses	367,767,926.75	432,679,079.77
Research and Development expenses	36,613,514.33	18,486,265.53
Financial expenses	-253,357,166.74	-223,823,444.31
Including: Interest expenses	91,402,233.60	169,177,810.84
Interest income	346,058,343.12	393,493,177.13
Plus: Other income	5,139,818.51	7,114,640.09
Investment income ("-" for losses)	45,382,369.07	3,222,104.81
Including: income from investment in associates and joint ventures	51,892,249.87	2,318,263.38
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)	23,005,153.12	33,246,473.03
Credit impairment losses ("-" for losses)	38,546.18	326,812.56
Asset impairment losses ("-" for losses)		
Gains from disposal of assets("-" for losses)	19,262.03	1,177,473.44
<b>2. Operating profits ("-" for losses)</b>	1,306,974,844.86	1,070,950,835.88
Plus: non-operating income	9,521,138.73	5,240,384.69
Less: non-operating expenses	27,000,000.00	6,645,726.27
<b>3. Total profits before tax ("-" for total losses)</b>	1,289,495,983.59	1,069,545,494.30

Less: income tax expenses	361,312,965.19	312,060,472.19
<b>4. Net profit ("-" for net loss)</b>	<b>928,183,018.40</b>	<b>757,485,022.11</b>
4.1 Net profit from continuing operation ("-" for net loss)	928,183,018.40	757,485,022.11
4.2 Net profit from discontinued operation ("-" for net loss)		
<b>5. Net of tax from other comprehensive income</b>	<b>28,363,220.40</b>	<b>-34,910,051.54</b>
5.1 Other comprehensive income that cannot be reclassified into the profit and loss:	24,665,797.66	-50,739,026.64
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	1,308,060.60	-98,594.78
3) Changes in fair value of investments in other equity instruments	23,357,737.06	-50,640,431.86
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	3,697,422.74	15,828,975.10
1) Share in other comprehensive income that will be classified into profit and loss under equity method	3,697,422.74	15,828,975.10
2) Changes in fair value of investments in other debt obligations		
3) Other comprehensive income arising from the reclassification of financial assets		
4) Provision for credit impairments in investments in other debt obligations		
5) Reserve for cash-flow hedge		
6) Balance arising from the translation of foreign currency financial statements		
7) Others		
<b>6. Total comprehensive income</b>	<b>956,546,238.80</b>	<b>722,574,970.57</b>
<b>7. Earnings per share</b>		
(1) Basic earnings per share	0.62	0.50
(2) Diluted earnings per share	0.62	0.50

## Consolidated statement of cash flows

Unit: CNY

Item	H1 2025	H1 2024
<b>1. Cash flows from operating activities</b>		

Cash received from sale of goods and rendering of services	17,950,257,292.73	20,162,157,471.33
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	5,221,168.92	1,262,805.77
Cash received from other operating activities	358,212,166.92	454,611,350.11
<b>Subtotal of cash inflows from operating activities</b>	<b>18,313,690,628.57</b>	<b>20,618,031,627.21</b>
Cash paid for goods purchased and services received	2,720,685,968.23	2,513,884,361.19
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	807,262,937.39	834,143,117.90
Cash paid for taxes and surcharges	7,401,832,684.30	7,651,967,240.46
Cash paid for other operating activities	1,319,439,008.50	1,392,976,695.09
<b>Subtotal of cash outflows from operating activities</b>	<b>12,249,220,598.42</b>	<b>12,392,971,414.64</b>
<b>Net cash flows from operating activities</b>	<b>6,064,470,030.15</b>	<b>8,225,060,212.57</b>
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	608,462,037.37	2,090,367,314.89
Cash received from returns on	31,271.10	23,970,473.40

investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	291,388.41	10,363,496.03
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
<b>Subtotal of cash inflows from investing activities</b>	608,784,696.88	2,124,701,284.32
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	736,919,110.77	344,186,871.61
Cash paid for investments	500,000,000.00	671,700,000.00
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		17,362.71
<b>Subtotal of cash outflows from investing activities</b>	1,236,919,110.77	1,015,904,234.32
<b>Net cash flows from investing activities</b>	-628,134,413.89	1,108,797,050.00
<b>3. Cash flows from financing activities</b>		
Cash received from investors		79,496.11
Including: cash received by subsidiaries from investments by minority shareholders		79,496.11
Cash received from borrowings		2,000,000,000.00
Cash received from other financing activities		
<b>Subtotal of cash inflows from financing activities</b>		2,000,079,496.11
Cash paid for debt repayments	1,510,500,000.00	1,010,300,000.00
Cash paid for distribution of dividends and profits or payment of interest	2,134,326,492.66	216,195,804.05
Including: dividends and profits paid to minority shareholders by subsidiaries		29,684,819.82
Cash paid for other financing activities	3,786,414.12	10,991,704.13
<b>Subtotal of cash outflows from financing activities</b>	3,648,612,906.78	1,237,487,508.18
<b>Net cash flows from financing activities</b>	-3,648,612,906.78	762,591,987.93
<b>4. Effect of fluctuation in exchange rate on cash and cash equivalents</b>	-1,892,014.14	5,571,990.19
<b>5. Net increase in cash and cash equivalents</b>	1,785,830,695.34	10,102,021,240.69
Plus: balance of cash and cash equivalents at the beginning of the period	33,367,668,014.46	25,893,029,277.86
<b>6. Balance of cash and cash equivalents at the end of the</b>	35,153,498,709.80	35,995,050,518.55

period		
--------	--	--

### Cash flow statements of parent company

Unit: CNY

Item	H1 2025	H1 2024
<b>1. Cash flows from operating activities</b>		
Cash received from sale of goods and rendering of services	7,640,989,932.07	6,440,549,216.51
Refunds of taxes and surcharges		
Cash received from other operating activities	8,791,877,412.13	3,842,158,617.85
Subtotal of cash inflows from operating activities	16,432,867,344.20	10,282,707,834.36
Cash paid for goods purchased and services received	5,049,122,339.07	4,095,821,295.38
Cash paid to and on behalf of employees	258,437,591.21	256,233,333.40
Cash paid for taxes and surcharges	417,998,907.85	457,806,064.04
Cash paid for other operating activities	195,551,453.67	149,211,369.48
Subtotal of cash outflows from operating activities	5,921,110,291.80	4,959,072,062.30
Net cash flows from operating activities	10,511,757,052.40	5,323,635,772.06
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments	608,462,037.37	2,090,367,314.89
Cash received from returns on investments	31,271.10	23,970,473.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	72,786.91	10,363,496.03
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	608,566,095.38	2,124,701,284.32
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	299,172,584.54	19,773,238.28
Cash paid for investments	500,000,000.00	660,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	799,172,584.54	679,773,238.28
Net cash flows from investing	-190,606,489.16	1,444,928,046.04

<b>activities</b>		
<b>3. Cash flows from financing activities</b>		
Cash received from investors		
Cash received from loans		2,000,000,000.00
Cash received from other financing activities		
<b>Subtotal of cash inflows from financing activities</b>		2,000,000,000.00
Cash paid for debt repayments	1,510,500,000.00	1,010,300,000.00
Cash paid for distribution of dividends and profits or payment of interest	2,134,326,492.66	186,510,984.23
Cash paid for other financing activities	2,180,000.00	1,848,915.81
<b>Subtotal of cash outflows from financing activities</b>	3,647,006,492.66	1,198,659,900.04
<b>Net cash flows from financing activities</b>	-3,647,006,492.66	801,340,099.96
<b>4. Effect of fluctuation in exchange rate on cash and cash equivalents</b>	-122,323.51	124,251.99
<b>5. Net increase in cash and cash equivalents</b>	6,674,021,747.07	7,570,028,170.05
Plus: balance of cash and cash equivalents at the beginning of the period	26,476,599,296.11	24,225,475,946.42
<b>6. Balance of cash and cash equivalents at the end of the period</b>	33,150,621,043.18	31,795,504,116.47

## Consolidated statement of changes in owners' equity

For the six months ended June 30, 2025

Unit: CNY

Item	H1 2025														
	Equity attributable to owners of the parent company													Non-contr olling interests	Total owne rs' equit y
	Shar e capit al	Other equity instruments			Capit al reser ve	Less : Trea sury stoc k	Othe r Com preh ensiv e Inco me	Spec ial reser ve	Surpl us reser ve	Gene ral risk reser ve	Undi strib uted profit	Othe r	Subt otal		
Prefe rred stoc k		Perp etual bond	Othe r												
1. Balance as at December 31 of last year	1,471,951,503.00				5,365,763,566.55	345,699,443.89	84,235,115.38		1,471,951,503.00		39,340,298,309.42		47,388,500,553.46	119,506,082.25	47,508,006,635.71
Plus: adjustments for changes in															



accounting policies															
Adjustments for correction of accounting errors in prior year															
Others															
2. Balance as at January 1 of the current year	1,471,951,503.00				5,365,763,566.55	345,699,443.89	84,235,115.38		1,471,951,503.00		39,340,298,309.42		47,388,500,553.46	119,506,082.25	47,508,006,635.71
3. Increases/decreases in the current period ("—" for decrease)					41,678,744.86	-177,904,647.38	27,669,367.02				-1,095,202,840.36		-847,950,081.10	20,560,421.14	-827,389,659.96
(1) Total comprehensive income							27,670,156.53				7,662,907,812.98		7,690,577,969.51	20,185,217.73	7,710,763,187.24
(2) Capital contributed or reduced by owners					41,649,948.11	-177,904,647.38							219,554,595.49	375,203.41	219,929,798.90
Capital contributions by owners						-161,643,508.32							161,643,508.32		161,643,508.32
Capital contributions by other															

[illegible]

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							-789.51				789.51				
Others															
(5) Special reserves															
Withdrawal for the period															
Use for the period															
(6) Other					28,79								28,79		28,79

s					6.75								6.75		6.75
4. Balance as at December 31 of the current year	1,471,951,503.00				5,407,442,311.41	167,794,796.51	111,904,482.40		1,471,951,503.00		38,245,095,469.06		46,540,550,472.36	140,066,503.39	46,680,616,975.75

## For the six months ended June 30, 2024

Unit: CNY

Item	H1 2024														
	Equity attributable to owners of the parent company													Non-contr ollin g inter ests	Total owne rs' equit y
	Shar e capit al	Other equity instruments			Capit al reser ve	Less : Trea sury stoc k	Othe r Com preh ensiv e Inco me	Spec ial reser ve	Surpl us reser ve	Gene ral risk reser ve	Undi strib uted profit	Othe r	Subt otal		
		Prefe rred stoc k	Perp etual bond	Othe r											
1. Bala nce as at Dece mber 31 of last year	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
Plus: adjus tment s for chan ges in acco untin g polici es															
Adjus tment s for corre ction of acco untin g error s in prior year															
Other s															
2. Bala nce as at Janu ary 1 of the curre nt year	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

3.Increases/decreases in the current period (“.” for decreases)					100,107,773.11	-257,292,487.50	-34,652,321.08				78,804,212.71		401,552,152.24	15,100,943.59	416,653,095.83
(1) Total comprehensive income							-34,652,321.08				8,027,538,165.31		7,992,885,844.23	18,930,936.66	8,011,816,780.89
(2) Capital contributed or reduced by owners					100,107,773.11	-257,292,487.50							357,400,260.61	-3,829,993.07	353,570,267.54
Capital contributions by owners					410,989,045.60	-233,103,448.24							644,092,493.84	79,604.28	644,172,098.12
Capital contributions by other equity instruments holders															
Amounts of share-based payments recognized in owners' equity					-310,881,272.49	-24,189,039.26							-286,692,233.23	977,902.65	-285,714,330.58
Others														-4,887,500.00	-4,887,500.00
(3) Profit distribution											-7,948,733.		-7,948,733.		-7,948,733.

n											952.6 0		952.6 0		952.6 0
Withd rawal of surpl us reser ves															
Withd rawal of gener al risk reser ve															
Profit distri buted to owne rs (or share holde rs)											- 7,948 ,733, 952.6 0		- 7,948 ,733, 952.6 0		- 7,948 ,733, 952.6 0
Other s															
(4) Intern al carry- forwa rd of owne rs' equit y															
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 earnings from changes in defined benefit plans															
Carry - forward of retained earnings from other comprehensive income															
Other s															
(5) Special reserves															
Withdrawal for the period															
Use for the period															
(6) Other s															
<b>4. Balance as at December 31 of the current year</b>	1,471,987,769.00				5,285,589,296.33	359,451,123.09	28,478,148.43		1,471,987,769.00		33,894,370,787.46		41,792,962,647.13	155,398,178.55	41,948,360,825.68

## Statement of changes in owners' equity of parent company

For the six months ended June 30, 2025

Unit: CNY

Item	H1 2025											
	Share capital	Other equity instruments			Capital reserv	Less: Treasu	Other Compr	Specia l reserv	Surplu s reserv	Undistr ibuted	Other	Total owners
		Preferr	Perpet	Other								

		ed stock	ual bond		e	ry stock	ve Incom e	e	e	profit		' equity
<b>1. Balance as at December 31 of last year</b>	1,471,951,503.00				5,361,333,958.25	345,699,443.89	80,803,192.66		1,471,951,503.00	31,526,616.851.39		39,566,957.564.41
Plus: adjustments for changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
<b>2. Balance as at January 1 of the current year</b>	1,471,951,503.00				5,361,333,958.25	345,699,443.89	80,803,192.66		1,471,951,503.00	31,526,616.851.39		39,566,957.564.41
<b>3. Increases/decreases in the current period ("—" for decreases)</b>					42,053,948.26	-177,904,647.38	28,362,430.89			-7,829,927,634.94		-7,581,606,608.41
(1) Other comprehensive income							28,363,220.40			928,183,018.40		956,546,238.80
(2) Capital contributed or reduced by owners					42,025,151.51	-177,904,647.38						219,929,798.89
Capital contributions by owners						-161,643,508.32						161,643,508.32
Capital contributions by other equity instruments holders												
<b>Amount</b>					42,025,	-						58,286,



s of share-based payments recognized in owners' equity					151.51	16,261,139.06						290.57
Others												
(3) Profit distribution										- 8,758,111,442.85		- 8,758,111,442.85
Withdrawal of surplus reserves												
Profit distributed to owners (or shareholders)										- 8,758,111,442.85		- 8,758,111,442.85
Others												
(4) Internal carry-forward of owners' equity							-789.51			789.51		
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							-789.51			789.51		

comprehensive income												
Others												
(5) Special reserves												
Withdrawal for the period												
Use for the period												
(6) Others					28,796.75							28,796.75
<b>4. Balance as at December 31 of the current year</b>	1,471,951,503.00				5,403,387,906.51	167,794,796.51	109,165,623.55		1,471,951,503.00	23,696,689,216.45		31,985,350,956.00

## For the six months ended June 30, 2024

Unit: CNY

Item	H1 2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other Comprehensive Income	Special reserve	Surpluses reserve	Undistributed profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual bond	Other								
<b>1. Balance as at December 31 of last year</b>	1,471,987,769.00				5,179,307,881.60	616,743,610.59	60,513,567.32		1,471,987,769.00	28,176,372,596.42		35,743,425,972.75
Plus: adjustments for changes in accounting policies												
Adjustments for correction of accounting errors in prior year												
Others												
<b>2. Balance as at January 1 of the current year</b>	1,471,987,769.00				5,179,307,881.60	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)					101,085,675.76	-257,292,487.50	-34,910,051.54			-7,191,248,930.49	-6,867,780,818.77
(1) Other comprehensive income							-34,910,051.54			757,485,022.11	722,574,970.57
(2) Capital contributed or reduced by owners					101,085,675.76	-257,292,487.50					358,378,163.26
Capital contributions by owners					410,989,045.60	-233,103,448.24					644,092,493.84
Capital contributions by other equity instrument holders											
Amounts of share-based payments recognized in owners' equity					-309,903,369.84	-24,189,039.26					-285,714,330.58
Others											
(3) Profit distribution										-7,948,733,952.60	-7,948,733,952.60
Withdrawal of surplus reserves											
Profit distributed to owners (or shareholders)										-7,948,733,952.60	-7,948,733,952.60
Others											
(4) Internal carry-forward of owners' equity											
Conversion of											

capital reserve s into paid-in capital												
Conver sion of surplus reserve s into paid-in capital												
Surplus reserve s offsetti ng losses												
Carry- forward of retaine d earning s from change s in defined benefit plans												
Carry- forward of retaine d earning s from other compre hensive income												
Others												
(5) Special reserve s												
Withdra wal for the period												
Use for the period												
(6) Others												
<b>4. Balanc e as at Decem ber 31 of the current year</b>	1,471,9 87,769. 00				5,280,3 93,557. 36	359,45 1,123.0 9	25,603, 515.78		1,471,9 87,769. 00	20,985, 123,66 5.93		28,875, 645,15 3.98

### 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 was completed; in September 2022, the Company granted 342,334 shares of the Restricted Share Incentive Plan for the second time; in September 2022, with seven awardees no longer eligible, the Company decided to repurchase and retire the 62,310 restricted shares of them that had been granted to the aforesaid awardees but remained in lockup; in December 2022, the Company granted 92,669 shares of the Restricted Share Incentive Plan for the third time.

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

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

From January to June 2025, Laojiao Group increased its holdings in the Company by 2,133,750 shares through call auction trading, representing 0.14% of the Company's total share capital. As of June 30, 2025, Laojiao Group, its wholly-owned subsidiary Sichuan Golden Rudder Investment Co., Ltd., and XingLu Group, held 383,222,139 shares, 1,140,200 shares, and 365,971,142 shares in the Company,

respectively, representing shareholding percentages of 26.03%, 0.08%, and 24.86%, respectively; and Laojiao Group held a total of 50.98% of the Company's voting rights.

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

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

### **3.3 Business nature of the Company and main business activity**

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

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

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

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

The controlling shareholder 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 August 28, 2025.

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

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

The Company has prepared its financial statements on a going concern basis, and the preparation is based on actual transactions and events in compliance with Accounting Standards for Business Enterprises and relevant guidance and explanation (hereinafter referred to as the “ASBE”) issued by Ministry of Finance, and Rules on Company Information Disclosure and Preparation of Publicly Issued Securities No.15- General Rules on Financial Reporting Rules (2023 Revision) issued by CSRC.

### **4.2. Going concern**

The Company’s business activities have adequate financial support. Based on the current information obtained by the Company, comprehensively considering factors such as macro-policy risk, market operation risk, current or long-term profitability, debt repayment ability of the Company, as well as its resource of financial support, the Company believes that it is reasonable to prepare the financial statements on a going concern basis and there are no events or situations resulting in significant

doubts over going concern for at least 12 months.

## 5. Significant accounting policies and accounting estimates

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

### 5.1 The declaration about compliance with ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the financial position and the Company's results of operations, changes in shareholders' equity and cash flows. In addition, in all material respects, the financial statements of the Company comply with disclosure requirements of the financial statements and their notes in accordance with Rules on Company Information Disclosure and Preparation of Publicly Issued Securities No.15- General Rules on Financial Reporting Rules revised by CSRC in 2023.

### 5.2 Accounting period

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

### 5.3 Business Cycle

The Company's business cycle is 12 months.

### 5.4 Functional currency

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

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

☒Applicable ☐ N/A

Item	Materiality standard
Material receivables withdrawal of bad debt provision separately accrued Material bad debt provision recovered or reversed in accounts receivable Significant write-off of accounts receivable Significant prepayments aging over one year, accounts payable, contract liabilities and other payables	The carrying balance at the end of the Reporting Period $\geq$ CNY 5 million
Material construction in progress	Single project under construction with a budget exceeding CNY 150 million and a total amount accounted for the current period exceeding CNY 50 million
Material overseas operating entity	The overseas operating entities' external revenue



	accounts for $\geq 3\%$ of the consolidated operating revenue, and the total profit accounts for $\geq 0.5\%$ of the consolidated total profit
Material non-wholly-owned subsidiary	The revenue of non-wholly-owned subsidiaries accounts for $\geq 3\%$ of the consolidated operating revenue, and the total profit accounts for $\geq 0.5\%$ of the consolidated total profit
Significant associated enterprise	The book value of long-term equity investments in associated enterprises accounts for $\geq 3\%$ of the total assets in the consolidated financial statements

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

### (1) Business combination under common control

Assets and liabilities obtained by the Company from the combine through business combination under common control shall be measured at the book value as stated in the consolidated financial statements of ultimate controlling party at the combination date. The share of the book value of the merged party's owner's equity in the consolidated financial statements is taken as the initial investment cost of long-term equity investments in individual financial statements. The capital reserve (stock premium or capital premium) is adjusted according to the difference between the book value of net asset acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the capital reserve (stock premium or capital premium) is insufficient to offset, the retained earnings shall be adjusted.

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

Assets paid, liabilities incurred or assumed and the equity securities issued as consideration for combination shall be measured based on fair value on the acquisition date, the difference between fair value and its book value shall be included in current profit and loss. The Company shall recognize the difference of the combination costs in excess of the fair value of the net identifiable asset acquired from the acquiree through combination as goodwill. After the review, if the combination costs are still short of the fair value of the net identifiable asset acquired from the acquiree through combination, include the difference in the current profit and loss.

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

## 5.7 Criteria for judging control and preparation of consolidated financial statements

### (1) Consolidated Financial Statement Scope

The scope of the Company's consolidated financial statements is based on control, and all subsidiaries

controlled are included in the consolidation scope of the consolidated financial statements.

## (2) Consolidation procedures

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared by the parent company with other relevant information. When preparing consolidated financial statements, the Company considers the 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 combination shall be deemed to adjust in the current state when the ultimate controlling party starts to control them. For the equity investment before obtaining control of the investee, the recognized relevant profit or loss and other comprehensive income and other changes in net assets between the later of acquisition date of previous equity and the date on which both the investor and the investee are under common control and the combination date shall respectively be written down the beginning retained earnings or current profits and losses during the period of comparative information.

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

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

## ② Disposal of subsidiaries and business

### General treatments

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

In case of loss of control over the investee due to partial disposal of the equity investment or other reasons, the Company shall re-measure the remaining equity investment at its fair value at the date of loss of control. The amount of the consideration obtained from the disposal of the equity and the fair

value of the remaining equity, minus the net asset shares calculated continuously from the acquisition date based on the previous shareholding proportion and the goodwill, the difference shall be included in the investment income of the period when the control is lost. Other comprehensive income related to the former subsidiary's equity investment 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 that through multiple transactions by steps, the terms, conditions and economic impact of the disposal transaction shall be considered. When one or more of the following conditions may indicate that multiple transactions should be treated as a package of transactions for accounting treatment:

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

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

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

#### ③ Purchase of non-controlling interests

The difference between the increase in the cost of long-term equity investment resulting from acquisition of non-controlling shareholders and the share of net assets of the subsidiary calculated continuously from the acquisition date or combination date based on newly acquired shareholding proportion shall be adjusted to equity (share) premium of capital reserves in the consolidated balance

sheet. If the capital reserve is insufficient, any excess shall be adjusted against retained earnings.

#### ④ Partial disposals of equity investment in subsidiaries without loss of control

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

### **5.8 Classification of joint venture arrangements and the accounting treatment method of common operation**

#### (1) Classification of joint venture arrangements

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

- ① The legal form of the joint arrangement indicates that the parties that have joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.
- ② The terms of the joint arrangement specify that the parties that have joint control have the rights to the assets, and the obligations for the liabilities, relating to the arrangement.
- ③ Other facts and circumstances indicate that the parties that have joint control have rights to the assets, and the obligations for the liabilities, relating to the arrangement. The parties that have joint control have rights to substantially all of the output of the arrangement, and the arrangement depends on the parties that have joint control on a continuous basis for settling the liabilities of the arrangement.

#### (2) Accounting by parties of a joint operator

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

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

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

## **5.9 Cash and cash equivalents**

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

## **5.10 Foreign currency transactions and translation of foreign currency statements**

### **(1) Foreign currency transactions**

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

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

## (2) Translation of foreign currency statements

Assets and liabilities in the balance sheets shall be translated at the spot exchange rates on balance sheet date. Shareholders' equity items, except for the item of "undistributed profits", are translated at the spot exchange rates on the dates when the transactions occur. Revenue and expense items in the income statement are translated at the spot exchange rates on the dates when the transactions occur or at the exchange rate determined in a systematic and reasonable method and similar to the spot exchange rate on the day when the transactions occur. Differences arising from the above translations of foreign currency financial statements are separately listed under other comprehensive income in the consolidated balance sheet. If the overseas business is partly disposed of, the foreign currency financial statements exchange difference shall be calculated in proportion to the percentage of disposal and transferred to gain or loss on disposal for the current period.

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

## 5.11 Financial Instruments

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

### (1) Classification, recognition and measurement of financial assets

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

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

#### ① Financial assets measured at amortized cost

The business model in which the Company manages financial assets measured at amortized cost aims to receive contract cash flow. Furthermore, the characteristics of the contract cash flow of such financial assets are consistent with basic borrowing and lending arrangements, which means that cash flow generated on a specific date serves only as payment for principal and interests based on the amount of

unpaid principal. The Company adopts the effective interest method for such financial 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 have been transferred to the transferee; 3)The financial asset has been transferred, and although the enterprise neither transfers nor retains almost all the risks and remunerations in respect of the ownership of the financial asset, it has abandoned its control over the asset.

If the enterprise neither transfers nor retains almost all the risks and remunerations in respect of the ownership of the financial asset and does not abandon its control over the asset, the involved financial

asset shall be recognized according to the level of continuous involvement of the transferred financial asset and the relevant liabilities shall be recognized accordingly. The level of continuous involvement of the transferred financial asset refers to the level of risk faced by the enterprise due to changes in the value of the financial asset.

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

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

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

#### (4) Derecognition of financial liabilities

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

When a financial liability (or a part of it) is derecognized, the Company will include the difference between its carrying value and the consideration paid (including non-cash assets or liabilities borne that

are transferred out) into current profits/losses.

#### (5) Offsetting of financial assets and financial liabilities

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

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

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

#### (7) Equity instruments

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

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

#### (8) Impairment of financial instruments

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

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

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

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

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

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

## 5.12 Notes receivable

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

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

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

## 5.13 Accounts receivable

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

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

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

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

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

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

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

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

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 receivable financing

The accounts receivable financing of the Company refer to the notes receivables measured at fair value through other comprehensive income on the balance sheet date. For more details, see Note 5.11 Financial instruments.

#### 5.15 Other receivables

Determination method and accounting treatment of expected credit losses of other receivables

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

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

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

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

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

Other portfolio refers to the normal intercompany funds among the Company and businesses under common control, the recovery of which 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 receivable and accounting treatment method" for the detail on the Company's method of determining the expected credit loss of contract assets and accounting treatment method.

### 5.17 Inventory

#### (1) Classification of inventory

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

#### (2) Measurement method of acquiring and dispatching inventories

The standard cost is used for daily accounting of raw materials, and the difference of material cost should be carried forward on a monthly basis to adjust the standard cost into the actual cost; The goods in progress (including semi-finished goods) shall be accounted according to the actual cost, and the weighted average method shall be used when they are received and delivered. The actual cost of the inventory at the end of the month above shall be taken as the standard cost, and the delivery shall be priced according to the standard cost. At the end of the month, the standard cost of the inventory at the end of the month shall be adjusted into the actual cost through the cost-sharing difference.

#### (3) Determining criteria and method of provision for stock obsolescence

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

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

(4) Inventory system

The Company adopts perpetual inventory system.

(5) Packing materials and low-cost consumables are amortized in full at once.

### **5.18 Assets held for sale**

(1) Determining criteria for non-current assets held for sale or disposal groups

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

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

Due to one of the following reasons that the Company is unable to control, leading to the transactions not completed with non-related party within one year, and the Company still commits to selling non-current assets or disposal groups, it can continue to account for non-current assets or disposal groups as held-for-sale: the buyer or any other party accidentally 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-satisfies the hold for sale category condition within the first year for the new circumstances which caused it unable to complete the sale of the non-current assets or disposal group within one year.

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

① Initial measurement and subsequent measurement



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

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

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

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

## ② Accounting treatment of reversal of impairment loss

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

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

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

### ③ Recognition criteria and presentation of discontinued operations

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

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

## **5.19. Investments in debt obligations**

Not applicable.

## **5.20. Investments in other debt obligations**

Not applicable.

## **5.21. Long-term receivables**

For details, see “5.11 Financial Instruments” above.

## **5.22. Long-term equity investment**

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

Common control on an agreement with other participants refers to the Company share control with other participants on an arrangement according to relevant conventions, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. This arrangement belongs to joint venture. Where the joint venture arrangement is made by a separate entity and the Company is judged to have rights to the net assets of such a separate entity according to the relevant conventions. Such a separate entity shall be regarded as a joint venture and accounted by the equity method. If the Company is judged to be not entitled to the net assets of the separate entity according to relevant conventions, the separate entity shall be regarded as a joint venture and the Company shall recognize the items related to the shares of the joint venture and perform accounting

treatment in accordance with relevant accounting standards.

The term 'significant influence' refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies. The Company judges that it has a significant impact on the invested entity through one or more of the following situations and taking all the facts and circumstances into consideration:

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

## (2) Determination of the initial investment cost

### ① Long-term equity investment resulting from combination

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

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

### ② Long-term equity investment obtained by other means

For the long-term equity investments obtained by cash paid, the Company recognizes their fair value as the initial investment costs.

For the long-term equity investments acquired by the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued.

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

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

### (3) Subsequent measurement and recognition of profit and loss

#### ① Long-term equity investments measured under the cost method

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

#### ② Long-term equity investments measured under the equity method

For the long-term equity investment which has joint control or significant influence over the investee, the equity method is adopted for accounting. For long-term equity investments measured at the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, no adjustment will be made to the initial costs of the long-term equity investments; if the initial investment costs are lower than the investor's attributable share of the fair value of the investee's identifiable net assets, the difference shall be recognized in current profit and loss.

The Company shall, according to the shares of net profits and other comprehensive income realized by the investee that shall be enjoyed or borne by the Company, recognize the profit and loss on the investments and adjust the book value of the long-term equity investments. When recognizing the net profits and losses and other comprehensive income of the investee that the Company shall enjoy or bear, the Company shall make a recognition and calculation based on the net book profits and losses of

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

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

### **5.23. 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.

## 5.24. Fixed assets

### (1) Recognition of fixed assets

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

### (2) Depreciation of fixed assets

Category	Depreciation method	Estimated useful life (Year)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings and Constructions	Straight-line	10—45	5%	9.50%—2.11%

	method			
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.

## **5.25. Construction in progress**

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

expansion projects.

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

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

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

## **5. 26. Borrowing costs**

### **(1) Scope of borrowing costs and its capitalization conditions**

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

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

### **(2) Recognition of capitalized amounts**

The capitalized amount of borrowing expenses is calculated as follows: As for special loan borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special loan actually incurred in the current period less the interest income of the loans unused and deposited in bank or return on temporary investment should be recognized as the capitalization amount of borrowing costs. As for general loans used for acquiring and constructing or producing assets eligible for capitalization, the interest of general loans to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements in excess of special loans by the capitalization rate of used general loans. During the period of capitalization, the capitalized amount of interest of each accounting period shall not exceed the current actual interest of the relevant loans. Where there are discounts or premiums on loans, the amounts of interest for each accounting period should be adjusted taking account of amortizable discount or premium amounts for



the period by effective interest method. Auxiliary expenses incurred from special loans before the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be capitalized when they incur and charged to the costs of assets eligible for capitalization; those incurred after the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be recognized as costs according to the amounts incurred when they incur and charged to the current profit or loss.

### (3) Recognition of capitalization rate

- 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.

## 5.27. 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 the differences that should be capitalized during the credit period.

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

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

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

### ③ Impairment test

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

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

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

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

- ① It is technically feasible to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;
- ④ It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources.
- ⑤ The expenditure attributable to the intangible asset during its development phase can be measured reliably.

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

## **5.28. 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.

## **5.29. 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.

## **5.30. 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.

## 5.31. Employee benefits

### (1) Accounting treatment method of short-term benefits

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

### (2) Accounting treatment method of post-employment benefits

#### ① Defined contribution plan

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

#### ② Defined benefit plan

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

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

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

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

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

**(3) Accounting treatment method of termination benefits**

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

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

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

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

**5.32. Estimated liabilities****(1) Recognition criteria of estimated liabilities**

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

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

**(2) Measurement method of estimated liabilities**

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

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

The best estimate is processed as follows:

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

Where there is no continuous range (or range) of required expenditures, or where there is a continuous

range but the possibility of various outcomes within the range is different, if the contingencies involve a single item, the best estimate is determined according to the most likely amount; If the contingencies involve more than one item, the best estimate is calculated and determined according to various possible results and relevant probabilities.

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

### **5.33. Share-based payment**

#### **(1) The type of share-based payment**

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

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

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

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

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

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

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

vesting instruments.

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

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

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

### 5.34. Revenue

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

(1) Basic principles of revenue identification

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

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

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

The Company will evaluate the contract on the contract start date, identify each individual performance obligation contained in the contract, and judge whether each individual performance obligation will be performed within a certain period of time or at a certain point in time. If one of the following conditions is met, and the performance obligation is performed within a certain period of time, the Company will identify revenue within a period of time according to the performance progress: 1) The customers obtain and consume the economic profits while the Company performs the contract. 2) The customers can control the products under construction during the performance of the Company; 3) The products produced during the performance of the Company cannot be replaced, and the Company has the right to collect payment for the completed performance accumulated during the entire contract period. Otherwise, the Company will identify revenue when the customers obtain control rights of the relevant goods or services.

For the performance obligations performed within a certain period of time, the Company will apply the input-output method to identify the appropriate performance progress based on the nature of the goods and services. The input-output method is to identify the performance progress based on the value of the



goods that have been transferred to the customers. When the performance progress cannot be reasonably identified and the Company's incurred costs are expected to be compensated, the Company will identify the revenue according to the amount of the incurred costs until the performance progress can be reasonably identified.

## (2) The methods of revenue identification

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

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

N/A

## 5.35. Contract costs

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

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

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

### 5.36. Government grants

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

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

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

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

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

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

Accounting method:

① If it is used to compensate the Company's relevant expenses or losses in future periods, it should be recognized as deferred income and included into the current profit and loss or written off 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.

### 5.37. 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.

### 5.38. 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 residual value of the guarantee payable, 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.

### 5.39. 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.

### 5.40. Other significant accounting policies and accounting estimates

None.

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

#### 5.41.1. Changes in significant accounting policies

☐ Applicable ☒ N/A

#### 5.41.2. Changes in significant accounting estimates

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

### 5.42. Other information

## 6. Taxes

### 6.1. Major tax types and rates

Tax type	Tax base	Tax rate
----------	----------	----------

Value-added tax	Taxable sales income	13 %, 9%, 6%
Urban maintenance and construction tax	Taxable turnover tax	7%, 5%
Corporate income tax	Taxable income	25%, 15%, 16.5%, 9%, 0%
Consumption tax (based on price)	Baijiu tax price or ex-factory price	20%
Consumption tax (based on quantity)	Quantity of baijiu	CNY 1.00/kg
Education surcharge	Taxable turnover tax	3%
Local education surcharge	Taxable turnover tax	2%
Property tax	Original value of the property*70%; house rent	1.2%, 12%
Land use tax	Land area	CNY 1.2-20/m <sup>2</sup>
Others	According to national regulation	

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

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

## 6.2. Tax preferences

(1) According to Announcement of the Ministry of Finance, State Taxation Administration and National Development and Reform Commission on Continuing the Corporate Income Tax Policies Concerning the Western Development Strategy (No. 23 in 2020, Ministry of Finance), from 1 January 2021 to 31 December 2030, companies located in the western region whose primary business is listed in the Catalogue of Encouraged Industries in the Western Region, and the primary business income accounting for over 60% of the total enterprise income. These companies shall be subject to the corporate income tax at a reduced rate of 15%. The Company's holding subsidiary, Luzhou Pinchuang Technology Co., Ltd., whose primary business income meets the requirements of scope and standard of the Catalogue of Encouraged Industries in the Western Region, is 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 Revision of Interim Measures of Accelerating the Development in Headquarters Economy of China-Malaysia Qinzhou Industrial Park, till 31 December 2025, the enterprises in the Qinzhou Industrial Park that enjoy 15% of tax rate of Western Development with the half reduction in the tax period of preferential policies shall enjoy the local share of corporate income tax exemption (namely 40% of corporate income tax was exempted, and the proportion adjusted by the state shall be executed according to new proportion); Guangxi Luzhou Laojiao Imported Liquor Industry Co., Ltd., the wholly-owned subsidiary of the Company, pays corporate income tax at the rate of 9% according to the tax preference policies.

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

## 7. Notes to the main items of the consolidated financial statements (All currency unit is CNY, unless otherwise stated)

### 7.1. Cash and cash equivalents

Unit: CNY

Item	Closing Balance	Opening Balance
Cash	27,220.19	27,640.75
Bank deposit	35,415,830,084.93	33,506,712,545.24
Other cash and cash equivalents	35,223,021.93	71,656,645.34
Total	35,451,080,327.05	33,578,396,831.33
Including: Total deposit outbound	96,273,803.25	104,980,028.96

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 2,776,318.70, bank guarantee deposits of CNY 10,000,000.00 for the subsidiary, Luzhou Laojiao Sales Co., Ltd., and the closing balance of funds in self-owned accounts on third-party platforms for subsidiaries such as Luzhou Laojiao New Retail Co., Ltd., Luzhou Laojiao New Liquor Industry Co., Ltd. and Luzhou Laojiao Nostalgic Liquor Marketing Co., Ltd., in the amount of CNY 22,446,703.23.

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	1,610,560,917.24	1,694,282,295.97
Including:		
Wealth management products	1,610,560,917.24	1,694,282,295.97
Including:		
Total	1,610,560,917.24	1,694,282,295.97

## 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)	16,916,369.57	11,602,423.49
1-2 years	7,794.51	
Total	16,924,164.08	11,602,423.49

### 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	
Including:										
Accounts receivable tested for impairment by the portfolio	16,924,164.08	100.00%	846,597.93	5.00%	16,077,566.15	11,602,423.49	100.00%	580,121.18	5.00%	11,022,302.31
Including:										
Account	16,924,	100.00	846,597	5.00%	16,077,	11,602,	100.00	580,121	5.00%	11,022,

s receiva ble tested for impairm ent on the portfolio with charact eristics of credit risk	164.08	%	.93		566.15	423.49	%	.18		302.31
Total	16,924, 164.08	100.00 %	846,597 .93	5.00%	16,077, 566.15	11,602, 423.49	100.00 %	580,121 .18	5.00%	11,022, 302.31

The category name of provision for bad debt by the portfolio: Accounts receivable tested for impairment on the portfolio with characteristics of credit risk

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	16,924,164.08	846,597.93	5.00%
Including: within 1 year	16,916,369.57	845,818.48	5.00%
1-2 years	7,794.51	779.45	10.00%
Total	16,924,164.08	846,597.93	

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

Provision for bad debt:

Unit: CNY

Type	Opening Balance	Changes in current period				Closing Balance
		Provision	Reversal or recovery	Write-off	Other	
Provision by risk portfolio	580,121.18	266,476.75				846,597.93
Total	580,121.18	266,476.75				846,597.93

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

Unit: CNY

Company name	Closing balance of accounts	Closing balance of contract	Closing balance of accounts	Proportion to total closing	Closing balance of provision for
--------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	----------------------------------

	receivable	assets	receivable and contract assets	balance of accounts receivable and contract assets	bad debt provision of accounts receivable and impairment provision of contract assets
China Duty Free International Ltd	14,248,382.50		14,248,382.50	84.19%	712,419.13
Sazerac Company, Inc	1,000,239.61		1,000,239.61	5.91%	50,011.98
Beijing User Growth Network Technology Co., Ltd.	529,713.94		529,713.94	3.13%	26,485.70
Hangzhou Youzan Technology Inc.	360,925.43		360,925.43	2.13%	18,046.27
Beijing Jingdong 360 Degree Electric Commerce Co., Ltd.	96,596.60		96,596.60	0.57%	4,829.83
<b>Total</b>	<b>16,235,858.08</b>		<b>16,235,858.08</b>	<b>95.93%</b>	<b>811,792.91</b>

## 7.4. Accounts receivable financing

### 7.4.1. Accounts receivable financing listed by category

Unit: CNY

Item	Closing Balance	Opening Balance
Bank acceptance bill	1,411,989,312.86	1,801,947,455.78
<b>Total</b>	<b>1,411,989,312.86</b>	<b>1,801,947,455.78</b>

### 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 by portfolio	1,411,989,312.86	100.00%			1,411,989,312.86 <sup>1</sup>	1,801,947,455.78	100.00%			1,801,947,455.78
Including:										
Bank acceptance bill	1,411,989,312.86	100.00%			1,411,989,312.86	1,801,947,455.78	100.00%			1,801,947,455.78
Total	1,411,989,312.86	100.00%			1,411,989,312.86	1,801,947,455.78	100.00%			1,801,947,455.78

	86				86	78				78
--	----	--	--	--	----	----	--	--	--	----

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

The category name of provision for bad debt by the portfolio: Accounts receivable financing tested for impairment on the portfolio with characteristics of credit risk

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	1,411,989,312.86	0.00	0.00%
Total	1,411,989,312.86	0.00	

Notes to the determination basis for the portfolio:

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.

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

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Notes receivable	1,801,947,455.78	8,843,945,003.30	9,233,903,146.22	1,411,989,312.86
Total	1,801,947,455.78	8,843,945,003.30	9,233,903,146.22	1,411,989,312.86

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.

### 7.5. Other receivables

Unit: CNY

Item	Closing Balance	Opening Balance
Dividend receivable	32,879,641.22	
Other receivables	9,165,193.90	13,053,645.00
Total	42,044,835.12	13,053,645.00

#### 7.5.1. Dividend receivable

##### 7.5.1.1. Classification of dividend receivable

Unit: CNY

Item (investee)	Closing Balance	Opening Balance
Guotai Haitong Securities Co., Ltd.	3,297,559.16	
Huaxi Securities Co., Ltd.	23,190,647.24	
North Chemical Industries Co., Ltd.	31,271.10	
China Tourism Group Duty Free Corporation Limited	1,153,123.72	

Luzhou Bank Co., Ltd.	5,207,040.00	
<b>Total</b>	<b>32,879,641.22</b>	

## 7.5.2. Other receivables

### 7.5.2.1. Other receivables disclosed by nature

Unit: CNY

Nature	Closing book balance	Opening book balance
Intercompany funds	6,102,234.01	10,388,747.89
Petty cash	686,635.22	243,853.22
Saving deposits involving contract disputes <sup>1</sup>	123,839,253.17	124,099,253.17
<b>Total</b>	<b>130,628,122.40</b>	<b>134,731,854.28</b>

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”. The closing balance of this account as at the date of the statement was CNY 123,839,253.17.

### 7.5.2.2. Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	5,390,092.41	9,264,632.85
1-2 years	221,537.81	139,760.59
2-3 years	2,301.14	6,347.61
Over 3 years	125,014,191.04 <sup>1</sup>	125,321,113.23
3-4 years	6,880.00	36,880.00
Over 5 years	125,007,311.04	125,284,233.23
<b>Total</b>	<b>130,628,122.40</b>	<b>134,731,854.28</b>

Note: 1 Other receivables with significant single amount exceeding three years in age relates to savings deposit of CNY 123,839,253.17, which are yet to be recovered due to contractual disputes.

### 7.5.2.3. 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	123,839,253.17	94.80%	120,000,000.00	96.90%	3,839,253.17	124,099,253.17	92.11%	120,000,000.00	96.70%	4,099,253.17

debt by individual item										
Including:										
Other receivables that are individually material and for which a separate provision for bad debts has been made	123,839,253.17	94.80%	120,000,000.00	96.90%	3,839,253.17	124,099,253.17	92.11%	120,000,000.00	96.70%	4,099,253.17
Provision for bad debt by the portfolio	6,788,869.23	5.20%	1,462,928.50	21.55%	5,325,940.73	10,632,601.11	7.89%	1,678,209.28	15.78%	8,954,391.83
Including:										
Other receivables tested for impairment on the portfolio with characteristics of credit risk	6,788,869.23	5.20%	1,462,928.50	21.55%	5,325,940.73	10,632,601.11	7.89%	1,678,209.28	15.78%	8,954,391.83
Total	130,628,122.40	100.00%	121,462,928.50	92.98%	9,165,193.90	134,731,854.28	100.00%	121,678,209.28	90.31%	13,053,645.00

The category name of provision for bad debt by individual item: Other receivables that are individually material and for which a separate provision for bad debts has been made

Unit: CNY

Name	Opening Balance		Closing Balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Proportion	Reason
Saving deposits involving	124,099,253.17	120,000,000.00	123,839,253.17	120,000,000.00	96.90%	Provision based on legal opinion

contract disputes						
Total	124,099,253.17	120,000,000.00	123,839,253.17	120,000,000.00		

The category name of provision for bad debt by the portfolio: Other receivables tested for impairment on the portfolio with characteristics of credit risk

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	6,788,869.23	1,462,928.50	21.55%
Including: within 1 year	5,390,092.41	269,504.62	5.00%
1-2 years	221,537.81	22,153.78	10.00%
2-3 years	2,301.14	460.23	20.00%
3-4 years	6,880.00	2,752.00	40.00%
4-5 years			
Over 5 years	1,168,057.87	1,168,057.87	100.00%
Total	6,788,869.23	1,462,928.50	

Notes to the determination basis for the portfolio:

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

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

Unit: CNY

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of January 1, 2025	1,678,209.28		120,000,000.00	121,678,209.28
Balance of January 1, 2025 in the current period				
Reversal of the current period	215,280.78			215,280.78
Balance of June 30, 2025	1,462,928.50		120,000,000.00	121,462,928.50

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 21.55% for Stage 1 and 96.90% for Stage 3, totaling 92.98%.

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

☐ Applicable ☒ N/A

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

Provision for bad debt:

Unit: CNY

Type	Opening Balance	Changes in current period				Closing Balance
		Provision	Reversal or recovery	Write-off or verification	Other	
Other receivables tested for impairment individually	120,000,000.00					120,000,000.00
Other receivables tested for impairment by the portfolio	1,678,209.28		215,280.78			1,462,928.50
Total	121,678,209.28		215,280.78			121,462,928.50

### 7.5.2.5. 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	123,839,253.17	Over 5 years	94.80%	120,000,000.00
Chen Weirong	Petty cash	328,635.22	Within 1 year	0.25%	16,431.76
Hu Siyuan	Petty cash	200,000.00	Within 1 year	0.15%	10,000.00
TOWNE CENTRE OFFICES-PI PROPERTIES NO 111 LLC	Intercompany funds and other accounts	133,854.74	Within 1 year	0.10%	6,692.74
Wang Lan	Petty cash	100,000.00	Within 1 year	0.08%	5,000.00
Total		124,601,743.13		95.38%	120,038,124.50

## 7.6. Prepayment

### 7.6.1. Aging analysis

Unit: CNY

Aging	Closing Balance		Opening Balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	220,731,553.23	96.61%	115,124,824.62	92.95%
1-2 years	2,285,954.07	1.00%	4,202,267.01	3.39%
2-3 years	1,047,220.27	0.46%	722,670.32	0.58%
Over 3 years	4,405,959.86	1.93%	3,820,520.70	3.08%
Total	228,470,687.43		123,870,282.65	

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.	94,698,234.65	Within 1 year	41.45%
Luzhou Western Gas Co., Ltd.	20,890,808.11	Within 1 year	9.14%
Luzhou Power Supply Company of State Grid Sichuan Electric Power Company	9,873,088.78	Within 1 year	4.32%
Luzhou Laojiao Group Co., Ltd.	9,669,374.03	Within 1 year	4.23%
WTMG	8,729,693.06	Within 1 year	3.82%
Total	143,861,198.63		62.96%

**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	67,553,568.31		67,553,568.31	114,546,157.41		114,546,157.41
Goods in progress	11,425,804,476.39		11,425,804,476.39 <sup>1</sup>	10,739,545,764.82		10,739,545,764.82
Finished goods	2,278,606,448.84		2,278,606,448.84	2,505,218,578.73		2,505,218,578.73
Goods in transit	12,560,875.57		12,560,875.57	33,483,975.00		33,483,975.00
Total	13,784,525,369.11		13,784,525,369.11	13,392,794,475.96		13,392,794,475.96

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.

**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	10,882,180.86	217,415,843.41
Corporate income tax	19,111,691.42	20,441,701.15
Other taxes	14,253,648.89	3,224,364.33
<b>Total</b>	<b>44,247,521.17</b>	<b>241,081,908.89</b>

Other statements:

Note 1: The value-added tax expected to be deducted in the following fiscal period and corporate income tax and other taxes are disclosed in other current assets.

Note 2: The closing balance of other current assets decreased by CNY 196,834,387.72 or 81.65% compared with the opening, which was mainly due to the impact of deducting the remaining tax credits from the previous period.

## 7.9. Other equity instrument investment

Unit: CNY

Item	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 in the current period	Accumulative losses recorded in other comprehensive income in the current period	Dividend income recognized in current year	Closing Balance	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.	219,640,994.03	6,006,268.47		212,928,105.74		3,297,559.16	225,647,262.50	According to the mode of managing assets by management layer
China Tourism Group Duty Free Corporation Limited	60,069,399.64		2,028,013.60		93,157,309.24	1,282,673.77	58,041,386.04	According to the mode of managing assets by management layer

								ent layer
Luzhou Bank Co., Ltd.	78,356,318.99	20,176,303.68		47,412,622.67		5,207,040.00	98,532,622.67	According to the mode of managing assets by management layer
Guotai Junan Investment Management Co., Ltd.	22,611,834.24						22,611,834.24	According to the mode of managing assets by management layer
North Chemical Industries Co., Ltd.	15,870,083.24	6,989,090.85		21,829,174.09		62,542.20	22,859,174.09	According to the mode of managing assets by management layer
Guojiu Big Data Co., Ltd.	8,799,784.78				1,200,215.22		8,799,784.78	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	1,846,291.63				5,752,926.37		1,846,291.63	According to the mode of managing assets by management layer
<b>Total</b>	<b>407,194,706.55</b>	<b>33,171,663.00</b>	<b>2,028,013.60</b>	<b>282,169,902.50</b>	<b>100,110,450.83</b>	<b>9,849,815.13</b>	<b>438,338,355.95</b>	

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

Unit: CNY

Item	Recognized dividends income	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure at fair value and changes recorded into other comprehensive income	Reason of other comprehensive income transferred to retained earnings
Guotai	3,297,559.16	212,928,105.74			According to	

Haitong Securities Co., Ltd.					the mode of managing assets by management layer	
China Tourism Group Duty Free Corporation Limited	1,282,673.77		93,157,309.24		According to the mode of managing assets by management layer	
Luzhou Bank Co., Ltd.	5,207,040.00	47,412,622.67			According to the mode of managing assets by management layer	
Guotai Junan Investment Management Co., Ltd.					According to the mode of managing assets by management layer	
North Chemical Industries Co., Ltd.	62,542.20	21,829,174.09			According to the mode of managing assets by management layer	
Guojiu Big Data Co., Ltd.			1,200,215.22		According to the mode of managing assets by management layer	
Sichuan China Baijiu Golden Triangle Brand Operation Development Co., Ltd. and other equity instrument investments			5,752,926.37		According to the mode of managing assets by management layer	

## 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		

					d	e						
1. Joint Ventures												
2. Associate												
Huaxi Securities Co., Ltd.	2,614,807,032.57	2,567,098.80			53,230,119.49	5,005,483.34		23,190,647.24			2,649,851,988.16	2,567,098.80
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	36,681,718.10				-562,041.18						36,119,676.92	
Sichuan Development Liquor Investment Co., Ltd.	5,878,280.93										5,878,280.93	
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	123,110,179.13				273,755.98		28,796.75				123,412,731.86	
Sichuan Tianfu Granary Liquor Industry Co., Ltd.	12,502,140.27				602,744.86						13,104,885.13	
Sichuan Tongnang Baijiu Industry	8,272,966.93				-88,242.48						8,184,724.45	

Technology Research Institute Co., Ltd.												
Subtotal	2,801,252.317.93	2,567,098.80			53,456,336.67	5,005,483.34	28,796.75	23,190,647.24			2,836,552.287.45	2,567,098.80
Total	2,801,252.317.93	2,567,098.80			53,456,336.67	5,005,483.34	28,796.75	23,190,647.24			2,836,552.287.45	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	79,610,430.07	12,767,067.71		92,377,497.78
2.Increase in current period				
(1) External purchase				
(2) Transfer from inventories/fixed assets/construction in progress				
(3) Increase from business combination				
3.Decrease in current period				
(1) Disposal				
(2) Other transfer out				
4.Closing Balance	79,610,430.07	12,767,067.71		92,377,497.78
II. Accumulated depreciation and amortization				
1.Opening Balance	36,898,805.52	5,231,998.10		42,130,803.62
2.Increase in current period	1,061,912.70	382,575.92		1,444,488.62

(1) Provision or amortization	1,061,912.70	382,575.92		1,444,488.62
3.Decrease in current period				
(1) Disposal				
(2) Other transfer out				
4.Closing Balance	37,960,718.22	5,614,574.02		43,575,292.24
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	41,649,711.85	7,152,493.69		48,802,205.54
2.Opening Book Value	42,711,624.55	7,535,069.61		50,246,694.16

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

☐Applicable ☒ N/A

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

☐Applicable ☒ N/A

### 7.11.2. Investment property without certification of right

Unit: CNY

Item	Book value	Reason for not having the certification of right
Buildings of the Company	13,683,748.84	In procedure

### 7.12. Fixed assets

Unit: CNY

Item	Closing Balance	Opening Balance
Fixed assets	8,813,460,695.48	9,131,607,204.08
Disposal of fixed assets	1,686,647.58	169,711.43
Total	8,815,147,343.06	9,131,776,915.51

#### 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	8,033,330,478.77	1,469,814,802.44	1,301,578,395.68	38,715,922.69	1,968,108,153.58	12,811,547,753.16
2.Increase in current period	5,292,970.93	611,183.03	18,947,925.99		1,613,343.12	26,465,423.07
(1) External purchase		479,646.02	2,687,693.74			3,167,339.76
(2) Transfer from construction in progress	5,100,222.28	150,888.99	16,613,699.92		1,613,343.12	23,478,154.31
(3) Increase from business combination						
(4) Changes of exchange rates			-183,474.68			-183,474.68
(5) Adjustment for completion settlement	192,748.65	-19,351.98	-169,992.99			3,403.68
3.Decrease in current period	552,154.21	10,313,697.41	512,819.18	196,813.98	722,375.43	12,297,860.21
(1) Disposal or retirement	552,154.21	10,313,697.41	512,819.18	196,813.98	722,375.43	12,297,860.21
(2) Adjustment for completion settlement						
4.Closing Balance	8,038,071,295.49	1,460,112,288.06	1,320,013,502.49	38,519,108.71	1,968,999,121.27	12,825,715,316.02
II. Accumulated depreciation						
1.Opening Balance	1,341,175,878.03	750,954,666.28	668,850,913.74	23,171,076.91	895,788,014.12	3,679,940,549.08
2.Increase in current period	132,458,015.63	80,434,767.04	78,081,290.75	2,145,972.21	49,825,361.91	342,945,407.54
(1) Provision	132,458,015.63	80,434,767.04	78,262,100.04	2,145,972.21	49,825,361.91	343,126,216.83
(2) Changes of exchange rates			-180,809.29			-180,809.29
(3) Adjustment for completion settlement						
3.Decrease in current period	191,282.08	9,165,686.38	484,363.06	172,123.10	617,881.46	10,631,336.08
(1) Disposal or retirement	191,282.08	9,165,686.38	484,363.06	172,123.10	617,881.46	10,631,336.08
(2) Adjustment for completion settlement						
4.Closing Balance	1,473,442,611.58	822,223,746.94	746,447,841.43	25,144,926.02	944,995,494.57	4,012,254,620.54
III. Provision for impairment						
1.Opening Balance						
2.Increase in current period						
(1) Provision						
3.Decrease in current period						



(1) Disposal or retirement						
4.Closing Balance						
IV. Book Value						
1.Closing Book Value	6,564,628,683.91	637,888,541.12	573,565,661.06	13,374,182.69	1,024,003,626.70	8,813,460,695.48
2.Opening Book Value	6,692,154,600.74	718,860,136.16	632,727,481.94	15,544,845.78	1,072,320,139.46	9,131,607,204.08

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

Unit: CNY

Item	Closing book value
Buildings and constructions	27,594,908.07
Equipment	14,117,661.55
Total	41,712,569.62

### 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	4,211,625.06	The property ownership certificate has not been processed yet for the historical reasons, and it plans to be processed after gradually improving procedures.
Buildings of the Company	17,846,500.33	In procedure
Buildings of the subsidiary-brewing company	4,579,312,094.15	In procedure
Total	4,601,370,219.54	

### 7.12.4. Disposal of fixed assets

Unit: CNY

Item	Closing Balance	Opening Balance
Disposal and retirement of assets	1,686,647.58	169,711.43
Total	1,686,647.58	169,711.43

## 7.13. Construction in progress

Unit: CNY

Item	Closing Balance	Opening Balance
Construction in progress	1,165,735,552.56	807,233,988.90
Total	1,165,735,552.56	807,233,988.90

### 7.13.1. Details of the construction in progress

Unit: CNY

Item	Closing Balance			Opening Balance		
	Book balance	Provision for	Book value	Book balance	Provision for	Book value

		impairment			impairment	
Technical renovation of Luzhou Laojiao Intelligent packaging center	17,330,941.91		17,330,941.91	6,367,929.36		6,367,929.36
Technical renovation project of Luzhou Laojiao intelligent brewing (I)	819,648,374.18		819,648,374.18	506,382,371.57		506,382,371.57
Project of Luzhou Laojiao's Flexible Intelligent Filling Pilot Line	61,656,976.56		61,656,976.56	60,955,418.59		60,955,418.59
Construction Project of Luzhou Laojiao's Strong Aroma Baijiu Experience Marketing Centre	50,680,337.94		50,680,337.94	22,407,884.55		22,407,884.55
The expansion and renovation project of the office area of Luzhou Laojiao Marketing Network Command Center-Staff Home	37,750,468.92		37,750,468.92	22,751,740.43		22,751,740.43
Other projects	178,668,453.05		178,668,453.05	188,368,644.40		188,368,644.40
<b>Total</b>	<b>1,165,735,552.56<sup>1</sup></b>		<b>1,165,735,552.56</b>	<b>807,233,988.90</b>		<b>807,233,988.90</b>

Note: 1. The closing balance of construction in progress increased by CNY 358,501,563.66 or 44.41% compared with the opening, which was mainly due to the increased investment in construction in progress for the current period.

### 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 accumulated project input in budget	Progress (%)	Accumulated capitalized interest	Including: Capitalized interest for the period	Capitalization rate for the period (%)	Source of funds
Technical renovation project of Luzhou Laojiao intelligent brewing (I)	4,782,509,000.00	506,382,371.57	313,266,002.61			819,648,374.18	30.43 %	43.75 %				Other
Total	4,782,509,000.00	506,382,371.57	313,266,002.61			819,648,374.18						

### 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	Equipment	Total
I. Original cost				
1. Opening Balance	30,788,322.41	26,442,151.78		57,230,474.19
2. Increase in current period		-352,812.66	307,059.82	-45,752.84
(1) Increase in leases			324,223.20	324,223.20
(2) Changes of exchange rates		-352,812.66	-17,163.38	-369,976.04
3. Decrease in current period		2,547,394.42		2,547,394.42
(1) Lease expiration		2,080,967.24		2,080,967.24
(2) Adjustment for change of lease term		466,427.18		466,427.18
4. Closing Balance	30,788,322.41	23,541,944.70	307,059.82	54,637,326.93

II. Accumulated amortization				
1. Opening Balance	13,698,555.71	14,277,704.25		27,976,259.96
2. Increase in current period	1,712,319.46	2,618,357.72	146,398.97	4,477,076.15
(1) Provision	1,712,319.46	2,875,902.06	162,111.60	4,750,333.12
(2) Changes of exchange rates		-257,544.34	-15,712.63	-273,256.97
3. Decrease in current period		2,249,399.28		2,249,399.28
(1) Disposal				
(2) Lease expiration		2,080,967.24		2,080,967.24
(3) Adjustment for change of lease term		168,432.04		168,432.04
4. Closing Balance	15,410,875.17	14,646,662.69	146,398.97	30,203,936.83
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	15,377,447.24	8,895,282.01	160,660.85	24,433,390.10
2. Opening Book Value	17,089,766.70	12,164,447.53		29,254,214.23

#### 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	3,739,871,501.61	1,700,050.44		140,193,447.79	2,118,716.09	3,883,883,715.93
2. Increase in current period	79,180,091.22			5,088,116.46	-959.17	84,267,248.51
(1) Acquired	1,475,097.00			8,849.56		1,483,946.56
(2) Internal developed amount						
(3) Business						

combination						
(4) Transferred from construction in progress	77,704,994.22			5,079,266.90		82,784,261.12
(5) Changes of exchange rates					-959.17	-959.17
3. Decrease in current period						
(1) Disposal						
4. Closing Balance	3,819,051,592.83	1,700,050.44		145,281,564.25	2,117,756.92	3,968,150,964.44
II. Accumulated amortization						
1. Opening Balance	415,301,120.33	1,090,619.18		47,696,525.62	1,896,654.61	465,984,919.74
2. Increase in current period	43,806,211.63	65,002.52		6,254,250.40	450.08	50,125,914.63
(1) Provision	43,806,211.63	65,002.52		6,254,250.40	450.08	50,125,914.63
3. Decrease in current period						
(1) Disposal						
4. Closing Balance	459,107,331.96	1,155,621.70		53,950,776.02	1,897,104.69	516,110,834.37
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	3,359,944,260.87	544,428.74		91,330,788.23	220,652.23	3,452,040,130.07
2. Opening Book Value	3,324,570,381.28	609,431.26		92,496,922.17	222,061.48	3,417,898,796.19

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

Other statements:

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	1,756,272.03		413,938.32	19,957.81	1,322,375.90
<b>Total</b>	<b>1,756,272.03</b>		<b>413,938.32</b>	<b>19,957.81<sup>1</sup></b>	<b>1,322,375.90</b>

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	124,875,129.64	31,057,965.53	124,771,509.82	31,075,237.73
Unrealized profits from internal transactions	158,006,154.36	39,501,538.59	742,790,841.94	185,697,710.49
Impact from salary	388,464,863.06	96,035,942.39	493,996,524.17	121,948,421.27
Impact from deferred earnings	82,445,141.55	20,611,285.39	86,672,726.83	21,668,181.71
Impact from fixed assets depreciation	3,558,958.93	587,228.22	1,598,536.52	405,851.10
Recognition costs of restricted shares for equity incentive in the vesting period	41,181,661.13 <sup>1</sup>	10,129,988.11	120,257,855.98	29,526,566.27
Impact from fair value changes of other equity instrument investment	117,535,647.33	29,383,911.84	115,507,633.77	28,876,908.44
Impact from fair value changes of held-for-trading financial assets	8,900,131.20	2,225,032.80	17,238,148.79	4,309,537.19
Impact of income tax from initial recognition of lease liabilities	2,284,241.06	446,524.76	3,258,868.36	676,678.84
<b>Total</b>	<b>927,251,928.26</b>	<b>229,979,417.63<sup>2</sup></b>	<b>1,706,092,646.18</b>	<b>424,185,093.04</b>

Note: 1. Deductible temporary differences of CNY 41,181,661.13 of costs and expenses recognized during the vesting period of restricted shares for share incentives represent the estimated future pre-tax deductible amounts based on the Company's share price less the grant price at the end of the period.

2. The closing balance of deferred tax assets decreased by CNY 194,205,675.41 or 45.78% compared with the opening, which was mainly due to the impact of a decrease in unrealized profits from intra-company transactions and the reversal of restricted share lifting.

**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	282,169,902.50	70,542,475.58	248,998,239.50	62,249,559.84
Fair value changes of held-for-trading financial assets	19,461,048.36	4,865,262.09	11,520,444.76	2,880,111.17
Impact from the policy of one-time pre-tax deduction of fixed assets depreciation	341,101,163.76	83,185,058.42	379,464,834.32	92,542,193.36
Impact of income tax from initial recognition of right-of-use assets	2,141,744.56	434,224.18	3,342,874.50	703,850.51
<b>Total</b>	<b>644,873,859.18</b>	<b>159,027,020.27</b>	<b>643,326,393.08</b>	<b>158,375,714.88</b>

**7.17.3. Details of unrecognized deferred tax assets**

Unit: CNY

Item	Closing Balance	Opening Balance
Deductible losses	305,230,845.87	272,750,289.72
Credit impairment losses and asset impairment provision	1,495.59	2,156.34
Impact from employee benefits payable	11,602,274.64	15,915,368.47
<b>Total</b>	<b>316,834,616.10</b>	<b>288,667,814.53</b>

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

Unit: CNY

Year	Closing Amount	Opening Amount	Notes
The 1st year	15,884,395.00	15,884,395.00	
The 2nd year	8,417,566.87	8,417,566.87	
The 3rd year	42,092,277.59	41,945,012.30	
The 4th year	170,989,292.08	170,459,479.62	
The 5th year	67,847,314.33	36,043,835.93	
<b>Total</b>	<b>305,230,845.87</b>	<b>272,750,289.72</b>	

**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	239,777,024.13		239,777,024.13	235,101,375.05		235,101,375.05
Prepayment for long-term assets	349,121,566.79		349,121,566.79	172,245,993.10		172,245,993.10
Total	588,898,590.92		588,898,590.92	407,347,368.15		407,347,368.15

Other statements:

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.

Note 2: The closing balance of other non-current assets increased by CNY 181,551,222.77 or 44.57% compared with the opening, which was mainly due to the increase in payment for long-term assets.

## 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	285,923,801.57	285,923,801.57	Interest on deposit	Provision for deposit interest on an accrual basis	181,100,955.95	181,100,955.95	Interest on deposit	Provision for deposit interest on an accrual basis
Cash and cash equivalents					18,000,003.44	18,000,003.44	Litigation freeze	Frozen by the court
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	1,657,815.68	1,657,815.68	Margin	E-commerce platform margin	1,627,857.48	1,627,857.48	Margin	E-commerce platform margin
Total	297,581,617.25	297,581,617.25			210,728,816.87	210,728,816.87		

## 7.20. Accounts payable

### 7.20.1. Presentation of accounts payable

Unit: CNY



Category	Closing Balance	Opening Balance
Engineering equipment expense	796,852,684.86	854,220,902.47
Materials and service expense	617,544,236.53	990,276,304.31
Total	1,414,396,921.39	1,844,497,206.78

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

Unit: CNY

Category	Closing Balance	Reason for non-payment or carrying forward
China Construction First Group Corporation Limited	333,021,316.50	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.	34,946,733.46	Equipment payment within the contract settlement period
Luzhou Branch of Zhongqi Construction Group Huamao Co., Ltd.	21,826,780.23	Project payment within the contract settlement period
China Credit Investment Construction Group Co., Ltd.	7,635,000.00	Equipment payment within the contract settlement period
Total	558,685,185.62	

## 7.21. Other payables

Unit: CNY

Item	Closing Balance	Opening Balance
Dividend payable	6,788,869,591.98	29,668,290.20
Other payables	588,987,575.88	843,927,138.88
Total	7,377,857,167.86	873,595,429.08

### 7.21.1. Dividend payable

Unit: CNY

Item	Closing Balance	Opening Balance
Ordinary share dividends	6,748,820,103.09	
Restricted share dividends	10,381,198.69	
Dividend payable to minority shareholders of the Company's subsidiary	29,668,290.20	29,668,290.20
Total	6,788,869,591.98	29,668,290.20

### 7.21.2. Other payables

#### 7.21.2.1. Categories by nature

Unit: CNY

Item	Closing Balance	Opening Balance
Security deposit	371,707,663.98	447,066,962.39

Intercompany funds	18,041,282.31	28,522,739.40
Repurchase obligations of restricted shares	167,794,796.51	345,699,443.89
Others	31,443,833.08	22,637,993.20
<b>Total</b>	<b>588,987,575.88</b>	<b>843,927,138.88</b>

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

Unit: CNY

Item	Closing Balance	Reason for not payment or carrying forward
Security deposits from suppliers	44,803,391.16	Within the contract performance period
Security deposits from customers and dealers	24,829,046.77	Within the contract performance period
<b>Total</b>	<b>69,632,437.93</b>	

## 7.22. Advances from customers

### 7.22.1. Presentation of advances from customers

Unit: CNY

Item	Closing Balance	Opening Balance
Advance rent receipts	5,419,308.10	
<b>Total</b>	<b>5,419,308.10</b>	

## 7.23. Contract liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Within 1 year	3,502,227,692.03	3,960,810,214.93
1-2 years	18,206,761.01	11,557,251.98
2-3 years	3,675,021.95	1,918,201.08
Over 3 years	5,213,700.68	3,845,860.89
<b>Total</b>	<b>3,529,323,175.67</b>	<b>3,978,131,528.88</b>

## 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	524,037,059.67	590,916,302.48	705,543,568.09	409,409,794.06
2. Post-employment benefits- defined contribution plans	29,543,709.32	90,907,831.42	85,930,129.38	34,521,411.36
3. Termination		488,663.85	488,663.85	

benefits				
Total	553,580,768.99	682,312,797.75	791,962,361.32	443,931,205.42

#### 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	474,157,091.74	480,958,169.25	592,764,686.25	362,350,574.74
2. Employees' welfare		6,123,089.83	6,123,089.83	
3. Social insurance premiums	6,287,723.00	46,994,474.64	50,087,046.04	3,195,151.60
Including: Medical insurance premium	4,102,608.47	44,794,168.16	48,757,430.42	139,346.21
Work-related injury insurance	2,185,114.53	2,200,306.48	1,329,615.62	3,055,805.39
4. Housing funds	6,978,209.89	43,505,411.32	42,939,138.61	7,544,482.60
5. Labor union expenditures and employee education funds	36,614,035.04	13,335,157.44	13,629,607.36	36,319,585.12
Total	524,037,059.67	590,916,302.48	705,543,568.09	409,409,794.06

#### 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	20,034,205.90	56,374,840.72	53,472,800.79	22,936,245.83
2. Unemployment insurance premium	265,096.82	2,200,306.48	2,008,817.12	456,586.18
3. Enterprise annuity	9,244,406.60	32,332,684.22	30,448,511.47	11,128,579.35
Total	29,543,709.32	90,907,831.42	85,930,129.38	34,521,411.36

Other statements:

#### 7.25. Taxes payable

Unit: CNY

Item	Closing Balance	Opening Balance
Value-added tax	537,030,395.44	712,774,935.04
Consumption tax	493,081,226.27	1,446,813,372.13
Enterprise income tax	848,922,145.28	798,281,280.17
Individual income tax	4,936,094.52	11,091,390.13
Urban maintenance and construction tax	71,197,030.21	147,158,156.11

Education surcharge	30,579,403.65	63,919,687.59
Local education surcharge	20,931,909.74	43,486,324.21
Stamp duty	7,057,326.98	9,583,849.31
Land use tax	0.00	437,618.74
Others	406,670.09	401,983.65
<b>Total</b>	<b>2,014,142,202.18</b>	<b>3,233,948,597.08</b>

Other statements:

The closing balance of taxes payable decreased by CNY 1,219,806,394.90 or 37.72% compared with the opening balance, which was mainly due to the payment of taxes payable from the previous year during the current period.

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

Unit: CNY

Item	Closing Balance	Opening Balance
Long-term loans due within one year	5,260,900,000.00	1,720,200,000.00
Bonds payable due within one year		1,499,788,498.36
Lease liabilities due within one year	9,522,147.41	9,688,349.02
Interest of long-term loans due within one year	4,295,221.38	5,383,276.22
Interest of bonds payable due within one year		41,568,493.14
<b>Total</b>	<b>5,274,717,368.79</b>	<b>3,276,628,616.74</b>

Other statements:

The closing balance of non-current liabilities due within one year increased by CNY 1,998,088,752.05 or 60.98% compared with the opening balance, which was mainly due to the reclassification of long-term loans due within one year.

## 7.27. Other current liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Output VAT to be transferred	458,655,396.27	516,729,820.48
<b>Total</b>	<b>458,655,396.27</b>	<b>516,729,820.48</b>

## 7.28. Long-term loans

### 7.28.1. Long-term loans

Unit: CNY

Item	Closing Balance	Opening Balance
Credit loans	7,989,600,000.00	8,000,100,000.00
Less: Long-term loans due within one year	-5,260,900,000.00	-1,720,200,000.00
<b>Total</b>	<b>2,728,700,000.00</b>	<b>6,279,900,000.00</b>

Other statements, including interest rate range:

Loan prime rate (LPR) - corresponding basic points (BP) for 1-year/5-year and above loan terms.

The closing balance of long-term loans decreased by CNY 3,551,200,000.00 or 56.55% compared with the opening balance, which was mainly due to the reclassification as non-current liabilities due within one year.

## 7.29. Lease liabilities

Unit: CNY

Item	Closing Balance	Opening Balance
Lease payment	34,163,102.60	38,789,939.06
Less: unrecognized financing cost	-3,626,653.13	-4,573,070.91
Lease liabilities due within one year	-9,522,147.41	-9,688,349.02
Total	21,014,302.06	24,528,519.13

## 7.30. Deferred income

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance	Reason
Government grants	86,672,726.83	8,517,000.00	12,744,585.28	82,445,141.55	Reception of financial allocation
Total	86,672,726.83	8,517,000.00	12,744,585.28	82,445,141.55	

Details:

Item	Opening Balance	Increase in current period	Non-operating income in current period	Other income in current period	Cost reduction in current period	Other decrease	Closing Balance	Related to assets/income
Technological transformation project of Luzhou Laojiao Intelligent Packing Center	58,625,350.00	8,517,000.00		6,271,609.10			60,870,740.90	Related to assets
Digital upgrade project of supply chain management for Luzhou Laojiao Intelligent Packing Center	8,714,300.00			886,200.00			7,828,100.00	Related to assets
New mode application	1,941,868.84			776,747.52			1,165,121.32	Related to

Item	Opening Balance	Increase in current period	Non-operating income in current period	Other income in current period	Cost reduction in current period	Other decrease	Closing Balance	Related to assets/income
project of digital workshop for solid state baijiu production								assets
Construction project of liquor room of Luzhou Laojiao brewing technical renovation	3,357,142.91			1,342,857.18			2,014,285.73	Related to assets
Luzhou Laojiao automatic baijiu production line technical renovation project	436,630.03			174,652.02			261,978.01	Related to assets
Boiler reconstruction project of Luohan Brewing Base of Luzhou Laojiao	3,792,857.15			632,142.84			3,160,714.31	Related to assets
Brewing wastewater treatment project	4,285,714.25			1,714,285.70			2,571,428.55	Related to assets
Improvement and technical renovation project of Luzhou Laojiao production supporting	5,518,863.65			946,090.92			4,572,772.73	Related to assets
Total	86,672,726.83	8,517,000.00		12,744,585.28			82,445,141.55	

### 7.31. Share capital

Unit: CNY

	Opening Balance	Increases/decreases in the current period (+, -)					Closing Balance
		Issuance of new shares	Bonus issue	Conversion of reserves funds into shares	Others	Subtotal	
Total	1,471,951.5						1,471,951.5

number of shares	03.00						03.00
------------------	-------	--	--	--	--	--	-------

### 7.32. Capital reserves

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Share premium (capital premium)	4,627,833,263.45	308,774,031.28 <sup>1</sup>		4,936,607,294.73
Other capital reserves	737,930,303.10	41,678,744.86 <sup>2</sup>	308,774,031.28	470,835,016.68
Total	5,365,763,566.55	350,452,776.14	308,774,031.28	5,407,442,311.41

Note: 1. The share premium increased for the current period because some restricted shares granted have been released from restrictions upon maturity.

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.

### 7.33. Treasury shares

Unit: CNY

Item	Opening Balance	Increase in current period	Decrease in current period	Closing Balance
Perform the repurchase obligations under the equity incentive	345,699,443.89		177,904,647.38	167,794,796.51
Total	345,699,443.89		177,904,647.38	167,794,796.51

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

The closing balance of treasury shares decreased by CNY 177,904,647.38 or 51.46% compared with the opening balance, which was mainly due to the impact of the reversal of restricted share lifting during the period.

### 7.34. Other comprehensive income

Unit: CNY

Item	Opening Balance	Current Period						Closing Balance
		Amount in current period before income tax	Less: Previously recognized in other comprehensive income transferred to profit and loss	Less: Previously recognized in other comprehensive income transferred to retained earnings	Less: Income tax	Amount attributable to parent company after tax	Amount attributable to non-controlling shareholders after tax	
I. Other comprehensive	100,246,134.07	24,665,797.66		789.51		24,665,008.15		124,911,142.22

nsive income that will not be reclassified into profit and loss								
Other comprehensive income that will not be reclassified into profit and loss under equity method	178,179.70	1,308,060.60		789.51		1,307,271.09		1,485,450.79
Fair value changes of other equity instrument investment	100,067,954.37	23,357,737.06				23,357,737.06		123,425,691.43
II. Other comprehensive income that will be reclassified into profit and loss	-16,011,018.69	2,437,229.96				3,004,358.87	-567,128.91	-13,006,659.82
Including: Other comprehensive income that will be reclassified into profit and loss under equity method	-19,792,136.19	3,697,422.74				3,697,422.74		-16,094,713.45
Difference from conversion of financial statements in	3,781,117.50	-1,260,192.78				-693,063.87	-567,128.91	3,088,053.63



foreign currency								
Total	84,235,11 5.38	27,103,02 7.62		789.51		27,669,36 7.02	567,128.9 1	111,904,4 82.40

Other statements, including the adjustment of the effective gain/loss on cash flow hedges to the initial recognized amount:

The closing balance of other comprehensive income increased by CNY 27,669,367.02 or 32.85% compared with the opening balance, which was mainly due to the impact of an increase in the fair value of equity investments during the period.

### 7.35. Surplus reserves

Unit: CNY

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

### 7.36. Undistributed profits

Unit: CNY

Item	Current Period	Previous Period
Undistributed profit before adjustment at the end of the last year	39,340,298,309.42	33,815,566,574.75
Undistributed profit after adjustment at the beginning of year	39,340,298,309.42	33,815,566,574.75
Plus: Net profit attributable to owners of the parent company for the current period	7,662,907,812.98	8,027,538,165.31
Ordinary share dividends payable	8,758,111,442.85	7,948,733,952.60
Plus: Other transfer in	789.51	
Undistributed profits at the end of the period	38,245,095,469.06	33,894,370,787.46

### 7.37. Operating revenue and cost of sales

Unit: CNY

Item	Current Period		Previous Period	
	Revenue	Cost of sales	Revenue	Cost of sales
Primary business	16,344,514,364.43	2,078,404,503.02	16,638,234,607.68	1,829,724,587.15
Other business	109,218,540.22	45,715,982.82	266,650,561.70	102,349,906.01
Total	16,453,732,904.65	2,124,120,485.84	16,904,885,169.38	1,932,074,493.16

Details:

Unit: CNY

Contract category	Current Period		Total	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Commodity type				
Including:				
Medium and high grade baijiu	15,047,590,728.37	1,350,313,678.65	15,047,590,728.37	1,350,313,678.65
Other baijiu	1,349,581,161.17	751,267,112.67	1,349,581,161.17	751,267,112.67
Other revenue	56,561,015.11	22,539,694.52	56,561,015.11	22,539,694.52
By operating segment				
Including:				
Domestic	16,350,903,115.95	2,108,882,906.84	16,350,903,115.95	2,108,882,906.84
Outbound	102,829,788.70	15,237,579.00	102,829,788.70	15,237,579.00
Market or customer type				
Including:				
Contract type				
Including:				
Recognize revenue at point in time	16,419,012,973.51	2,103,978,420.90	16,419,012,973.51	2,103,978,420.90
Recognize revenue by time period	34,719,931.14	20,142,064.94	34,719,931.14	20,142,064.94
By commodity transfer time				
Including:				
By contract term				
Including:				
By sales channel				
Including:				
Total	16,453,732,904.65	2,124,120,485.84	16,453,732,904.65	2,124,120,485.84

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 3,534,295,017.97 at the period-end, among which CNY 3,534,295,017.97 was expected to be recognized in 2025.

### 7.38. Business taxes and surcharges

Unit: CNY

Item	Current Period	Previous Period
Consumption tax	1,721,547,760.08	1,569,134,676.20
Urban maintenance and construction tax	227,848,253.03	234,395,139.08
Educational surcharge	98,825,128.48	101,935,040.80
Property tax	38,179,783.28	38,124,428.64
Land use tax	14,046,008.98	16,728,210.45
Stamp duty	15,911,225.58	14,952,384.57
Local education surcharge	65,883,418.92	67,956,693.84
Others	134,475.75	150,460.39
Total	2,182,376,054.10	2,043,377,033.97

### 7.39. General and administrative expenses

Unit: CNY

Item	Current Period	Previous Period
Employee compensation	227,469,245.07	245,671,985.85
Depreciation and amortization	56,332,188.25	55,441,149.62
Management fee and service expense	22,155,571.83	30,508,690.11
Others	122,315,434.98	173,072,349.73
Total	428,272,440.13	504,694,175.31

### 7.40. Selling and distribution expenses

Unit: CNY

Item	Current Period	Previous Period
Advertising promotion expense	614,445,634.53	771,086,934.79
Promotion expense	518,115,123.16	465,935,051.00
Employee compensation	214,753,358.10	212,055,575.40
Storage and logistics costs	102,069,423.35	81,048,424.07
Others	69,128,642.90	100,167,038.41
Total	1,518,512,182.04	1,630,293,023.67

### 7.41. Research and development expenses

Unit: CNY

Item	Current Period	Previous Period
Comprehensive research and development expenses	83,864,133.32	75,028,702.85
Total	83,864,133.32	75,028,702.85

## 7.42. Financial expenses

Unit: CNY

Item	Current Period	Previous Period
Interest expenses	91,402,233.60	266,707,454.54
Less: Interest income	-357,946,373.68	-391,537,705.76
Losses from currency exchange	359,030.95	-1,947,832.81
Handling charges	1,744,034.24	1,979,786.54
Amortization of unrecognized financing costs	485,177.37	523,544.94
Total	-263,955,897.52	-124,274,752.55

Other statements:

The financial expenses decreased by CNY 139,681,144.97 year-on-year, mainly due to the decline in bond interest expense and reclassification of bill discounting expenses during the current period.

## 7.43. Other income

Unit: CNY

Source	Current Period	Previous Period
Government grants	24,391,252.80	18,852,624.09
Other refund (Individual income tax handling fee refund)	2,831,178.83	2,526,666.45
Total	27,222,431.63	21,379,290.54

## 7.44. Gain on changes in fair value

Unit: CNY

Source	Current Period	Previous Period
Held-for-trading financial assets	23,005,153.12	33,247,170.87
Held-for-trading financial liabilities		9,796.97
Total	23,005,153.12	33,256,967.84

Other statements:

The gain on changes in fair value decreased by CNY 10,251,814.72 or 30.83% year-on-year, mainly due to changes in net value of wealth management products during the current period.

## 7.45. Investment income

Unit: CNY

Item	Current Period	Previous Period
Investment income from long-term equity investments under the equity method	54,787,007.14	14,536,085.02
Investment income gained during the period of holding held-for-trading financial assets		20,065,193.40
Investment income from disposal of held-for-trading financial assets	1,735,505.52	-29,871,256.97

Dividend income gained during the period of holding other equity instrument investment	9,849,815.13	10,709,905.00
Investment losses from foreign exchange forward transaction		-17,362.71
Income from derecognition of financial assets measured at fair value with changes recorded in other comprehensive income	-54,983,460.21	
<b>Total</b>	<b>11,388,867.58</b>	<b>15,422,563.74</b>

Other statements:

Note 1: There is no major restriction on the repatriation of the Company's investment income.

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

Item	Current Period	Previous Period
Huaxi Securities Co., Ltd.	53,230,119.49	4,109,114.62
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	-562,041.18	-999,373.92
Sichuan Development Liquor Investment Co., Ltd.		2,657.73
Sichuan Tongniang Baijiu Industry Technology Research Institute Co., Ltd.	-88,242.48	-34,056.17
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	1,403,972.64	11,068,257.58
Sichuan Tianfu Granary Liquor Industry Co., Ltd.	803,198.67	389,485.18
<b>Total</b>	<b>54,787,007.14</b>	<b>14,536,085.02</b>

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

Item	Current Period	Previous Period
North Chemical Industries Co., Ltd.	62,542.20	78,177.75
Guotai Haitong Securities Co., Ltd.	3,297,559.16	4,710,798.80
Luzhou Bank Co., Ltd.	5,207,040.00	3,905,280.00
China Tourism Group Duty Free Corporation Limited	1,282,673.77	2,015,648.45
<b>Total</b>	<b>9,849,815.13</b>	<b>10,709,905.00</b>

## 7.46. Credit impairment loss

Unit: CNY

Item	Current Period	Previous Period
Bad debt loss of accounts receivable	-266,476.75	704,797.18
Bad debt loss of other receivables	215,280.78	404,516.63
<b>Total</b>	<b>-51,195.97</b>	<b>1,109,313.81</b>

## 7.47. Gains from disposal of assets

Unit: CNY

Source	Current Period	Previous Period
Gains from disposal of non-current assets	106,501.12	1,058,795.10

Including: Gains from disposal of fixed assets	99,453.84	1,058,795.10
Gains from disposal of use right assets	7,047.28	
Total	106,501.12	1,058,795.10

## 7.48. Non-operating income

Unit: CNY

Item	Current Period	Previous Period	The amount included in the extraordinary gains and losses of the current period
Compensation for default	7,048,594.20	7,708,473.69	7,048,594.20
Others	173,175.30	856,276.18	173,175.30
Total	7,221,769.50	8,564,749.87	7,221,769.50

## 7.49. Non-operating costs

Unit: CNY

Item	Current Period	Previous Period	The amount included in the extraordinary gains and losses of the current period
Donation	27,000,000.00	3,617,355.00	27,000,000.00
Losses from damage retirement of non-current assets		3,177,543.69	
Others	12,191,852.89	868,760.23	12,191,852.89
Total	39,191,852.89	7,663,658.92	39,191,852.89

Other statements:

The non-operating costs increased by CNY 31,528,193.97 or 411.40% year-on-year, mainly due to increase in donations during the current period.

## 7.50. Income tax expense

### 7.50.1. Statement of income tax expense

Unit: CNY

Item	Current Period	Previous Period
Current period income tax	2,418,125,334.36	2,463,970,373.02
Deferred income tax	308,459,686.85	406,591,115.54
Total	2,726,585,021.21	2,870,561,488.56

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

Unit: CNY

Item	Current Period
Total profit	10,410,245,180.83

Income tax expenses determined by statutory/applicable tax rate	2,602,561,295.21
Impact from subsidiaries' different tax rates	540,618.18
Impact from adjusting for impact from income tax expense in previous period	114,034,171.63
Impact from non-taxable income	-3,085,279.04
Impact from deductible temporary difference or losses due to unrecognized deferred tax asset in current period	3,628,103.14
Income tax impact of expected pre-tax deductible amounts of restricted shares in future periods that are less than the recognized cost and expenses	15,104,174.80
Deduction impact of research and development costs	-6,198,062.71
Income tax expense	2,726,585,021.21

## 7.51. Other comprehensive income

Details in Note 7.34. Other comprehensive income.

## 7.52. Notes to the statement of cash flow

### 7.52.1. 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	260,000.00	200,000.00
Government grants	19,593,915.55	16,005,375.97
Interest income from bank deposit	257,885,009.81	335,265,300.54
Others	80,473,241.56	103,140,673.60
Total	358,212,166.92	454,611,350.11

Cash paid for other operating activities

Unit: CNY

Item	Current Period	Previous Period
Cash paid for expenses	1,319,418,488.50	1,392,511,609.29
Cash paid to E-commerce platform as security deposit	20,520.00	465,085.80
Total	1,319,439,008.50	1,392,976,695.09

### 7.52.2. 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	600,000,000.00	2,060,000,000.00
Total	600,000,000.00	2,060,000,000.00

Cash paid for other investing activities

Unit: CNY

Item	Current Period	Previous Period
Loss on forward exchange settlement		17,362.71
Total		17,362.71

## Cash paid for significant investing activities

Unit: CNY

Item	Current Period	Previous Period
Cash paid for purchasing long-term assets	736,919,110.77	344,186,871.61
Cash paid for purchasing held-for-trading financial assets	500,000,000.00	660,000,000.00
Total	1,236,919,110.77	1,004,186,871.61

## 7.52.3. Cash related to financing activities

## Cash paid for other financing activities

Unit: CNY

Item	Current Period	Previous Period
Cash paid for rent of right-of-use assets	3,786,414.12	4,291,469.02
Cancellation of residual net assets enjoyed by minority shareholders by subsidiaries		4,887,500.00
Cash paid for repurchasing restricted shares		1,812,735.11
Total	3,786,414.12	10,991,704.13

## Changes in liabilities arising from financing activities

☒ Applicable ☐ N/A

Unit: CNY

Item	Opening Balance	Increase in current period		Decrease in current period		Closing Balance
		Cash change	Non-cash change	Cash change	Non-cash change	
Long-term loans (including long-term loans due within one year)	8,005,483,276.22		80,259,225.10	91,847,279.94		7,993,895,221.38
Bonds payable (including bonds payable due within one year)	1,541,356,991.50		11,143,008.50	1,552,500,000.00		
Lease liabilities (including lease liabilities)	34,216,868.15		105,995.44	3,786,414.12		30,536,449.47



due within one year)						
Other payables (Repurchase obligations of restricted shares)	345,699,443.89				177,904,647.38	167,794,796.51
Total	9,926,756,579.76		91,508,229.04	1,648,133,694.06	177,904,647.38	8,192,226,467.36

## 7.53. Supplementary information to statement of cash flow

### 7.53.1. 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	7,683,660,159.62	8,046,259,026.39
Plus: Provision for asset impairment	51,195.97	-1,109,313.81
Depreciation of fixed asset, oil and gas assets and productive biological assets	343,126,216.83	336,899,433.68
Depreciation of right-of-use assets	4,750,333.12	4,581,615.90
Amortization of intangible assets	50,125,914.63	45,676,838.28
Amortization of long-term deferred expense	413,938.32	297,838.99
Losses from disposal of fixed assets, intangible assets and other long-term assets (Gains use "-")	-106,501.12	-1,058,795.10
Losses from retirement of fixed assets (Gains use "-")		
Losses from change in fair value (Gains use "-")	-23,005,153.12	-33,256,967.84
Financial expenses (Gains use "-")	-263,955,897.52	-124,274,752.55
Losses on investments (Gains use "-")	-11,388,867.58	-15,422,563.74
Decrease in deferred income tax assets (Increase uses "-")	194,712,678.81	420,177,708.63
Increase in deferred income tax liabilities (Decrease uses "-")	-7,641,610.35	-13,586,593.09
Decrease in inventories (Increase use "-")	-391,730,893.15	-732,279,804.13
Decrease in operating receivables (Increase use "-")	481,025,313.12	1,934,769,539.42
Increase in operating payables (Decrease use "-")	-1,995,566,797.43	-1,642,612,998.46
Others		
Net cash flows from operating activities	6,064,470,030.15	8,225,060,212.57
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	35,153,498,709.80	35,995,050,518.55
Less: Opening balance of cash	33,367,668,014.46	25,893,029,277.86
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net change in cash and cash equivalents	1,785,830,695.34	10,102,021,240.69

### 7.53.2. Composition of cash and cash equivalents

Unit: CNY

Item	Opening Balance	Closing Balance
1. Cash	35,153,498,709.80	33,367,668,014.46
Including: Cash on hand	27,220.19	27,640.75
Unrestricted bank deposit	35,129,906,283.36	33,325,611,589.29
Other unrestricted cash and cash equivalents	23,565,206.25	42,028,784.42
3. Closing balance of cash and cash equivalents	35,153,498,709.80	33,367,668,014.46

### 7.53.3. Monetary funds not classified as cash and cash equivalents

Unit: CNY

Item	Current Period	Previous Period	Reason
Other monetary funds	10,000,000.00	10,000,000.00	Bank cash deposits for L/G
Bank deposit	285,923,801.57	94,715,340.26	Provision for deposit interest on an accrual basis
Other monetary funds	1,657,815.68	992,930.88	Restricted cash deposit in E-commerce platforms
Total	297,581,617.25	105,708,271.14	

## 7.54. Foreign currency transactions

### 7.54.1. Foreign currency transactions

Unit: CNY

Item	Closing Balance in Foreign Currency	Exchange Rate	Closing Balance in CNY
Cash at Bank and on Hand			
Including: USD	54,331,291.47	7.1586	388,935,983.12
EUR	328.11	8.4024	2,756.91
HKD	5,877,929.80	0.91195	5,360,378.08
GBP	39.99	9.8300	393.10

AUD	339.12	4.6817	1,587.66
CAD	53,951.15	5.2358	282,477.43
Accounts Receivable			
Including: USD			
EUR			
HKD	16,809,722.03	0.91195	15,329,626.01
Long-term Loans			
Including: USD			
EUR			
HKD			
Other Receivables			
Including: USD	18,697.65	7.1586	133,849.00
HKD	1,360,254.01	0.91195	1,240,483.64
Accounts Payable			
Including: USD	0.50	7.1586	3.58
HKD	848,421.06	0.91195	773,717.59
Other Payables			
Including: USD	13,201.33	7.1586	94,503.04
HKD	15,798,003.17	0.91195	14,406,988.99
Non-current liabilities due within one year			
Including: USD	69,491.62	7.1586	497,462.71
HKD	4,056,876.28	0.91195	3,699,668.32
Lease liabilities			
Including: USD	42,473.21	7.1586	304,048.72
HKD	2,772,906.91	0.91195	2,528,752.46

**7.54.2. Description of the foreign business entity, including the important foreign business entity, shall disclose its main foreign business place, bookkeeping standard currency and selection basis, and shall also disclose the reason for the change of the bookkeeping standard currency**

☒ Applicable ☐ N/A

Company	Operation site	Bookkeeping currency	Choosing Reason
Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	Hong Kong, China	HKD	Currency in the registration place
Luzhou Laojiao Commercial Development (North America) Co., Ltd.	USA	USD	Currency in the registration place
Mingjiang Co., Ltd.	USA	USD	Currency in the registration place

## 7.55. Lease

### 7.55.1. 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	H1 2025	H1 2024
Short-term lease expenses recognized as current profit or loss in the current period using the simplified approach	2,810,628.93	4,675,941.94
Total cash outflows related to leases	6,597,043.05	8,967,410.96

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

### 7.55.2. 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.	6,531,252.01	
Total	6,531,252.01	

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

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

☐Applicable ☒ N/A

### 7.56. Other

N/A

## 8. Research and Development Expenditure

Unit: CNY

Item	Current Period	Previous Period
Material consumption	5,317,522.73	17,183,933.44
Research and development and technical services	11,552,378.74	11,932,469.05
Share payment expense	2,719,532.04	6,131,957.28
Other indirect costs	64,274,699.81	39,780,343.08
Total	83,864,133.32	75,028,702.85
Of which: Expensed research and development expenditure	83,864,133.32	75,028,702.85

## 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

Unit: CNY

Name of the acquiree	Date of equity acquisition	Cost of equity acquisition	Proportion of equities acquired	Method of equity acquisition	Acquisition date	Basis for determining the acquisition date	The acquiree's revenue from the acquisition date to the period-end	The acquiree's net profit from the acquisition date to the period-end	The acquiree's cash flows from the acquisition date to the period-end
----------------------	----------------------------	----------------------------	---------------------------------	------------------------------	------------------	--	--	---	---

Other statements:

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

Unit: CNY

Name of the combined party	Proportion of equity interests acquired in the business combination	Basis for the judgment about the business combination under common control	Combination date	Basis for determining the combination date	The combined party's revenue from the beginning of the current period, in which the combination occurred, to the combination date	The combined party's net profit from the beginning of the current period, in which the combination occurred, to the combination date	The combined party's revenue during the comparison period	The combined party's net profit during the comparison period
----------------------------	---	--	------------------	--	---	--	---	--

Other statements:

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 of 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:

No

### 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	10,000,000.00	Luzhou	Luzhou	Agricultural product planting and sales		60.00%	Business combination under common control

nt Co., Ltd.							
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. <sup>2</sup>	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 Laojiao I & E Co., Ltd.	3,000,000.00	Luzhou	Luzhou	Liquor import and export trade		100.00%	Investment
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	120,000,000.00	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 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 Co., Ltd.	50,000,000.00	Luzhou	Luzhou	Baijiu sales	40.00%	60.00%	Investment
Luzhou Laojiao Technology Innovation Co., Ltd.	500,000.00	Chengdu	Chengdu	Technology development and service	40.00%	60.00%	Investment

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

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

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

Unit: CNY

Name of subsidiary	Proportion of share holdings of non-controlling shareholders	Gains and losses attributable to non-controlling shareholders during current period	Dividends paid to non-controlling shareholders during current period	Closing balance of non-controlling shareholders interest
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	25.00%	18,573,295.78		80,417,168.07



**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.	533,742,399.35		533,742,399.35	212,073,727.08		212,073,727.08	471,136,426.86		471,136,426.86	223,760,937.71		223,760,937.71

Unit: CNY

Name of subsidiary	Current Period				Previous Period			
	Operating revenue	Net profit	Total comprehensive income	Operating cash flow	Operating revenue	Net profit	Total comprehensive income	Operating cash flow
Luzhou Laojiao Boda Liquor Industry Marketing Co., Ltd.	650,969,097.13	74,293,183.12	74,293,183.12	301,569.09	644,192,636.94	89,387,517.36	89,387,517.36	1,123,016.74

**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	95,365,137,767.34	93,869,804,524.81
Non-current assets	7,914,509,209.36	6,470,872,129.58
Total assets	103,279,646,976.70	100,340,676,654.39
Current liabilities	56,961,720,403.43	55,278,203,069.28
Non-current liabilities	22,419,056,138.32	21,499,772,518.55
Total liabilities	79,380,776,541.75	76,777,975,587.83
Non-controlling shareholder interest	15,008,821.31	16,018,731.95
Shareholder interest attributable to parent company	23,883,861,613.64	23,546,682,334.61
Share of net assets calculated based on shareholding proportion	2,482,385,252.26	2,447,340,296.67
Adjusted		
--Goodwill		
--Unrealized profits of internal transactions		
--Others	167,466,735.90	167,466,735.90
Book value of equity investments in	2,649,851,988.16	2,614,807,032.57

associate companies		
Fair value of equity investments in associate companies that have public quote	2,439,110,427.36	2,267,226,806.64
Operating revenue	2,073,360,322.47	1,413,115,470.65
Net profit	511,153,449.44	37,975,534.90
Net profit from discontinued operation		
Other comprehensive income	48,159,435.11	160,843,265.08
Total comprehensive income	559,312,884.55	198,818,799.98
Dividends from associate companies this year		

### 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	186,700,299.29	186,445,285.36
Total following items calculated on the basis of shareholding proportion		
--Net profit	-1,901,298.01	-4,006,494.78
-- Total comprehensive income	-1,901,298.01	-4,006,494.78

Other statements:

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

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

None

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

None

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

None

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

None

**11. Government grants****11.1. Government grants recognized at the end of the reporting period at the amount receivable**☐Applicable ☒ N/A

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

☐Applicable ☒ N/A**11.2. Liability items involving government grants**☒Applicable ☐ N/A

Unit: CNY

Item	Opening Balance	Increase in current period	Non-operating income in current period	Other income in current period	Other changes	Closing Balance	Related to assets/income
Deferred income	86,672,726.83	8,517,000.00		12,744,585.28		82,445,141.55	Related to assets
Total	86,672,726.83	8,517,000.00		12,744,585.28		82,445,141.55	

**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	24,391,252.80	18,852,624.09
Non-operating revenue		
Total	24,391,252.80	18,852,624.09

Other statements:

The specific details of government grants included in current profit or loss are provided in Note 7.43.

**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, held-for-trading financial liabilities, notes payable, accounts payable, other payables, lease liabilities, some other current liabilities and loans. A detailed description of each financial instrument is

set out in Note V and notes to the Consolidated Financial Statement.

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

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

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

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

The Company has formulated risk management policies to identify and analyze the risks it faces, clarifying specific risks and covering many aspects such as credit risk, liquidity risk and market risk management. On a regular basis, the Company evaluates the specific market environment and various changes in the Company's business operations to determine whether any risk management policy and system should be updated. The Company diversifies the risks to financial instruments through appropriately diversified investments and business portfolios, and reduces the risk of concentration in any single industry, specific geographic area or specific counter-party 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 June 30, 2025, the balance of the top five customers of the Company's accounts receivable amounted to CNY 16.2359 million, accounting for 95.93% 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 June 30, 2025, the Company has been able to meet its own continuing operation requirements through the use of cash flow from operations.

The analysis of the financial liabilities held by the Company based on the maturity period of the undiscounted remaining contractual obligations is as follows:

Item	Closing Balance					
	Book value	Contract amount not discounted	Within 1 year	1-2 years	2-3 years	Over 3 years
Accounts payable	1,414,396,921.39	1,414,396,921.39	1,414,396,921.39			
Other payable	588,987,575.88	588,987,575.88	588,987,575.88			
Non-current liabilities due within one year	5,274,717,368.79	5,274,717,368.79	5,274,717,368.79			
Long-term loans	2,728,700,000.00	2,728,700,000.00		1,508,700,000.00	1,220,000,000.00	
Lease liabilities	21,014,302.06	23,169,718.74		8,055,809.16	4,827,600.00	10,286,309.58
Total	10,027,816,168.12	10,029,971,584.80	7,278,101,866.06	1,516,755,809.16	1,224,827,600.00	10,286,309.58

### 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 June 30, 2025, the Company's assets and liabilities are mainly in CNY balance. At present, the Company's management considers the impact of changes in foreign exchange risk on the Company's financial statements to be less.

## ② Rate risk

The Company's interest rate risk mainly arises from the long-term loans from banks. Financial liabilities based on the floating interest rate will cause the cash flow interest rate risk to the Company, and financial liabilities based on the fixed interest rate cause the fair value interest rate risk. The Company will determine the corresponding proportion between the contracts with fixed interest rate and those with floating interest rate in combination with current market condition.

## ③ Other price risks

Other price risk refers to the risk of fluctuation caused by market price changes other than foreign exchange risk and interest rate risk, whether these changes are caused by factors related to a single financial instrument or its issuer or all similar financial instruments traded in the market. Other price risks faced by the Company mainly come from held-for-trading financial assets and investments in other equity instruments measured at fair value.

# 12.2. Financial assets

## 12.2.1. Classification of transfer methods

☒Applicable ☐ N/A

Unit: CNY

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognized or not	Basis for derecognition
Endorsement of notes	Outstanding bank acceptance bills in accounts receivable financing	198,671,167.96	Yes	Almost all its risks and rewards have been transferred
Discount of notes	Outstanding bank acceptance bills in accounts receivable financing	7,033,238,550.80	Yes	Almost all its risks and rewards have been transferred
Total		7,231,909,718.76		

## 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	198,671,167.96	
Outstanding bank	Discount of notes	7,033,238,550.80	-37,605,419.36

acceptance bills in accounts receivable financing			
Total		7,231,909,718.76	-37,605,419.36

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

☐ Applicable ☒ N/A

Other statement:

## 13. Fair value disclosure

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

Unit: CNY

Item	Closing fair value			
	Level 1	Level 2	Level 3	Total
1. Continuous measurement at fair value	--	--	--	--
1.1 Held-for-trading financial assets			1,610,560,917.24	1,610,560,917.24
1.1.1 Financial assets measured at fair value with their changes included into current profits/losses			1,610,560,917.24	1,610,560,917.24
1.1.1.4 Wealth management products			1,610,560,917.24	1,610,560,917.24
1.3 Investments in other equity instruments	405,080,445.30		33,257,910.65	438,338,355.95
1.8 Accounts receivable financing			1,411,989,312.86	1,411,989,312.86
Total assets continuously measured at fair value	405,080,445.30		3,055,808,140.75	3,460,888,586.05
2. Discontinuous measurement at fair value	--	--	--	--

### 13.2. Determination basis of the market value of items measured continuously and discontinuously within Level 1 of the fair value hierarchy

The listed companies in mainland China determine the fair value of other equity instrument investment according to the closing price on the last trading day of Shenzhen Stock Exchange or Shanghai Stock Exchange at the period-end. The companies listed in Hong Kong determine the fair value of other



equity instrument investment according to the closing price of Hong Kong Dollar on the last trading day of Hong Kong Stock Exchange at the period-end and the median price of CNY exchange rate disclosed on the same day by China Foreign Exchange Trade System.

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

None

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

Trading financial assets: The fair value is measured based on market quotations for similar types of instruments.

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 according to 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

### 13.9. Other

## 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	2,798,818,800.00	26.03%	50.98%

Statements for situation of parent company:

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

The nature of parent company: Limited liability company (state-owned and wholly-owned); Registration place: Innovation and Entrepreneurship Center, Liquor Industry Park, Huangyi Town, Jiangyang District, Luzhou City, Sichuan Province; Business Scope: General project: Social economy consulting services; business management consulting; financial consulting; business headquarters management; import and export agency; trade brokerage; crops planting services; trees planting operation; elder care services; tourism development project planning and consulting; technical agency services; engineering and technological research and experimental development; display device manufacturing; supply chain management services; technical services, technical development, technical consulting, technical communication, technical transfer, and technical promotion; domestic freight transport agency; equity fund-invested asset management services, passenger ticket agent and business agency service. It shall also include licensed projects (business activities can be carried out legally and independently with business license in addition to projects that must be approved by law): Agency bookkeeping; career intermediary activities; food production; food sales; medical services. (business activities that require approval in accordance with laws can be carried out upon approval of relevant authorities, and the specific business projects shall be subject to the approval document or license of relevant departments)

The final control party of the Company is SASAC of Luzhou.

## 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.

Other statements:

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

## 14.4. Other related parties 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 Xinyichuang Technology Co., Ltd.	Associate of the controlling shareholder
Sichuan Lianzhong Supply Chain Service Co., Ltd.	Other subsidiary of the controlling shareholder
Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.	Other subsidiary of the controlling shareholder
Shenzhen Mingxincheng Lighting Technology Co., Ltd.	Other subsidiary of the controlling shareholder
Luzhou Yuanhai Lianzhong Supply Chain Co., Ltd.	Other subsidiary of the controlling shareholder
APTCC	Other subsidiary of the controlling shareholder
Luzhou Laojiao Innovation Industry Holdings Co., Ltd.	Other subsidiary of the controlling shareholder
Luzhou Jiachuang Liquor Supply Chain Management Co., Ltd.	Other subsidiary of the controlling shareholder
Luzhou Laojiao Property Service Co., Ltd.	Other subsidiary of the controlling shareholder
Luzhou Huguo Condiment Co., Ltd.	Other subsidiary of the controlling shareholder
SC Global Wine Corporation Limited	Other related party
Sichuan 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	Warehousing, loading and unloading, transportation services and property costs, etc.	53,202,616.22			28,060,346.21
Luzhou XingLu Investment Group Co., Ltd. and its other subsidiaries	Property service, advertising service, etc.	11,047,012.90			12,009,761.14
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Conference fees, travel service fee, etc.	1,928,927.96			756,487.33
Purchase of goods:					
Laojiao Group and its subsidiaries, joint ventures and associates	Raw materials, water, power, etc.	148,992,178.31			173,569,090.18
Luzhou XingLu Investment Group Co., Ltd. and its other subsidiaries	Gas, water, etc.	7,755,406.66			8,014,683.80
Total		222,926,142.05			222,410,368.66

Table of sales of goods and rendering of service

Unit: CNY

Name of Related Party	Transaction	Amount in current period	Amount in previous period
Laojiao Group and its subsidiaries	Liquor, etc.	14,662,647.08	6,239,724.87
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	Liquor, etc.	9,716,805.71	44,376,913.68
Luzhou Sanrenxuan Liquor Industry Co., Ltd.	Liquor	15,897,725.61	5,106,000.00

Sichuan Tianfu Granary Liquor Industry Co., Ltd.	Liquor	4,966,490.75	1,532,509.47
Total		45,243,669.15	57,255,148.02

#### 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	4,158,480.00	2,644,640.00

The Company as lessee:

Unit: CNY

Name of lessor	Type of assets leased	Rental expenses of short-term lease with simplified treatment and low-value asset lease (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Paid rent		Income expense of lease liabilities undertaken		Increased use right assets	
		Amount in current period	Amount in previous period	Amount in current period	Amount in previous period	Amount in current period	Amount in previous period	Amount in current period	Amount in previous period	Amount in current period	Amount in previous period
Laojiao Group and its subsidiaries	House lease					1,824,096.72	1,751,897.99				

#### 14.5.3. Key management compensation

Unit: CNY

Item	Amount in current period	Amount in previous period
Key management compensation	4,079,866.03	3,494,377.65

#### 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 June 30, 2025, the bank deposit balances of the Company in Luzhou Bank Co., Ltd. and Luzhou Rural Commercial Bank Co., Ltd. were CNY 117.3744 million and CNY 600.01 million respectively. In H1 2025, the interest income from bank deposits in Luzhou Bank Co., Ltd. and Luzhou Rural Commercial Bank Co., Ltd. were CNY 5.4129 million and CNY 10.5001 million respectively. This year and last year, the Company did not conduct loan business with the above two banks.

## 14.6. Receivables and payables of related parties

### 14.6.1. Receivables

Unit: CNY

Item	Related party	Closing Balance		Opening Balance	
		Book value	Provision for bad debt	Book value	Provision for bad debt
Prepayment	Luzhou Laojiao Group Co., Ltd.	9,669,374.03		9,180,164.89	
Prepayment	Luzhou XingLu Water (Group) Co., Ltd.	794,885.29		691,263.37	
Prepayment	Luzhou Public Transport Group Co., Ltd.	15,123.28		161,232.86	
Prepayment	Sichuan Meihe Winery Industry Co., Ltd.	2,961,479.50		2,961,479.50	
Prepayment	Luzhou China Resources Xinglu Gas Co., Ltd.	26,287.24			
Other receivables	Luzhou Airport (Group) Co., Ltd.	10,000.00		10,000.00	

### 14.6.2. Payables

Unit: CNY

Item	Related party	Closing Balance	Opening Balance
Accounts payable	Sichuan Lianzhong Supply Chain Service Co., Ltd.	838,699.53	3,302,166.70
Accounts payable	Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.	3,738.20	3,738.20
Accounts payable	Luzhou Xinglu Property Management Co., Ltd.		342,099.50
Accounts payable	Luzhou Laojiao Group Co., Ltd.	716,135.57	
Accounts payable	Sichuan Xinyichuang Technology Co., Ltd.	7,728.00	
Advances from customers	APTCC	1,363,841.65	
Advances from customers	Sichuan Jianxing Park Operation Management Co., Ltd.	1,832,937.25	
Contractual liabilities (tax inclusive)	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	12,448,765.81	30,406,394.92
Contractual liabilities (tax inclusive)	APTCC		709,197.66
Contractual liabilities (tax inclusive)	Luzhou Sanrenxuan Liquor Industry Co., Ltd.	1,712,200.00	111,325.61
Contractual liabilities (tax inclusive)	Sichuan Jianxing Park Operation Management		1,374,481.80

	Co., Ltd.		
Contractual liabilities (tax inclusive)	Sichuan Lianzhong Supply Chain Service Co., Ltd.	104,017.92	110,091.79
Contractual liabilities (tax inclusive)	Luzhou Laojiao Innovation Industry Holdings Co., Ltd.	2,650,673.00	6,587,508.00
Contractual liabilities (tax inclusive)	Shijiazhuang Chengtong Lianzhong Storage and Transportation Co., Ltd.		768.78
Contractual liabilities (tax inclusive)	Sichuan Tianfu Granary Liquor Industry Co., Ltd.	4,115,841.81	6,726,987.70
Contractual liabilities (tax inclusive)	Luzhou Huguo Condiment Co., Ltd.	70,000.00	
Contractual liabilities (tax inclusive)	SC Global Wine Corporation Limited	244.00	
Other payables	Luzhou Xinglu Property Management Co., Ltd.	154,920.20	154,920.20
Other payables	Sichuan Kangrun Group Construction and Installation Engineering Co., Ltd.	70,000.00	70,000.00
Other payables	APTCC	150,000.00	150,000.00
Other payables	Luzhou Laojiao Group Co., Ltd.	5,000.00	5,000.00
Other payables	CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	1,455,000.00	1,355,000.00
Other payables	Sichuan Jianxing Park Operation Management Co., Ltd.	100,000.00	100,000.00
Other payables	Luzhou Laojiao Innovation Industry Holdings Co., Ltd.	201,000.00	206,000.00
Other payables	Sichuan Development Liquor Investment Co., Ltd.	4,494,000.00	4,494,000.00
Other payables	Sichuan Lianzhong Supply Chain Service Co., Ltd.	32,412,333.24	47,074,343.00
Other payables	Luzhou Yuanhai Lianzhong Supply Chain Co., Ltd.	50,000.00	50,000.00
Other payables	Luzhou Laojiao Property Service Co., Ltd.	130,020.58	30,020.58
Other payables	Luzhou Sanrenxuan Liquor Industry Co., Ltd.	300,000.00	300,000.00
Other payables	Sichuan Tianfu Granary Liquor Industry Co., Ltd.	100,000.00	100,000.00
Other payables	Luzhou Laojiao Real Estate Co., Ltd.	950,000.00	

## 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
					2,059,599	308,774,031.28		
Total					2,059,599	308,774,031.28		

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

☐ Applicable ☒ N/A

Other statements

Note 1: There were no outstanding stock options or other equity instruments at the end of the reporting period.

Note 2: 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 6.9286 million 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.

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.

In February 2025, the Company announced that 17 awardees met the lifting conditions in the first lifting restriction period under the 2021 Restricted Share Incentive Plan Reserved Portion of the Company, and the number of restricted shares that can be lifted from restricted sales was 37,069, accounting for 0.0025% of the current total share capital of the Company; the Company announced that 434 awardees



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

## 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 deduct 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	1,684,408,625.52
Total costs of recognizing equity-settled share-based payments in the current period	42,025,151.51

## 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	5,491,871.34	
Sales staff	10,482,011.07	
Administrative staff	23,331,737.06	
R&D staff	2,719,532.04	
Total	42,025,151.51	

## 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

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 deposit dispute case with Industrial and Commercial Bank of China Nanyang Zhongzhou Sub-branch has been concluded; the deposit dispute case with Agricultural Bank of China Changsha Yingxin Sub-branch is currently undergoing court enforcement procedures. As of the period-end, the Company has recovered the above-mentioned saving deposits involving contract disputes with CNY 376 million.

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

#### 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. Profit distribution

Dividends to be distributed for every 10 existing shares held (CNY)	45.92
Amount to be distributed for every 10 existing shares held after consideration and approval (CNY)	45.92
Profit distribution plan	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). The profit distribution plan has been implemented on August 8, 2025.

## 17.2. Sales return

There are no important sales returning after balance sheet date.

## 17.3. Statement for other post balance sheet events

On June 4, 2025, the Company reviewed and approved the *Proposal on Cancellation of Luzhou Laojiao E-Commerce Co., Ltd.* at the 11th Meeting of the 11th Board of Directors and decided to cancel Luzhou Laojiao E-Commerce Co., Ltd.

## 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. As of the period-end, the deposit dispute case with Industrial and Commercial Bank of China Nanyang Zhongzhou Sub-branch has been concluded; the deposit dispute case with Agricultural Bank of China Changsha Yingxin Sub-branch is currently undergoing court enforcement procedures.

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 recoveries have been achieved through the criminal and civil execution, totaling 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.

## 19. Notes to the main Items of the financial statements of parent company (all currency unit is CNY, unless otherwise stated)

### 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)	59,225.12	15,421.83
1-2 years	7,794.51	
Total	67,019.63	15,421.83

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

Unit: CNY

Type	Closing Balance					Opening Balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Including:										
Accounts receivable that are not individually material but for which a separate provision for bad debts has been made										
Accounts	67,019.63	100.00 %	3,740.71	5.58%	63,278.92	15,421.83	100.00 %	720.00	4.67%	14,701.83

receivable tested for impairment by the portfolio										
Including:										
Accounts receivable tested for impairment on the portfolio with characteristics of credit risk	67,019.63	100.00 %	3,740.71	5.58%	63,278.92	15,421.83	100.00 %	720.00	4.67%	14,701.83
Total	67,019.63	100.00 %	3,740.71	5.58%	63,278.92	15,421.83	100.00 %	720.00	4.67%	14,701.83

The category name of provision for bad debt by the portfolio: Accounts receivable tested for impairment on the portfolio with characteristics of credit risk

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	67,019.63	3,740.71	5.58%
Including: within 1 year	59,225.12	2,961.26	5.00%
1-2 years	7,794.51	779.45	10.00%
Other portfolio			
Total	67,019.63	3,740.71	

Notes to the determination basis for the portfolio:

Accounts receivable of the same age exhibit 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

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

Provision for bad debt:

Unit: CNY

Type	Opening	Changes in current period	Closing
------	---------	---------------------------	---------

	Balance	Provision	Reversal or recovery	Write-off	Other	Balance
Provision by individual item						
Provision by risk portfolio	720.00	3,020.71				3,740.71
Total	720.00	3,020.71				3,740.71

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

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

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

Notes to accounts receivable written-off:

There are 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 provision of contract assets
China Railway 12th Bureau Group Co., Ltd.	52,619.60		52,619.60	78.51%	2,630.98
Wang Huiying	14,400.03		14,400.03	21.49%	1,109.73
Total	67,019.63		67,019.63	100.00%	3,740.71

#### 19.2. Other receivables

Unit: CNY

Item	Closing Balance	Opening Balance
Dividend receivable	32,879,641.22	
Other receivables	12,329,910,809.37	14,619,833,493.32
Total	12,362,790,450.59	14,619,833,493.32

##### 19.2.1. Dividend receivable

##### 19.2.1.1. Classification of dividend receivable

Unit: CNY

Item (investee)	Closing Balance	Opening Balance
-----------------	-----------------	-----------------

Guotai Haitong Securities Co., Ltd.	3,297,559.16	
Huaxi Securities Co., Ltd.	23,190,647.24	
North Chemical Industries Co., Ltd.	31,271.10	
China Tourism Group Duty Free Corporation Limited	1,153,123.72	
Luzhou Bank Co., Ltd.	5,207,040.00	
<b>Total</b>	<b>32,879,641.22</b>	

## 19.2.2. Other receivables

### 19.2.2.1. Other receivables disclosed by nature

Unit: CNY

Nature	Closing book balance	Opening book balance
Intercompany funds of subsidiaries in the consolidation scope	12,323,989,218.09	14,612,828,324.02
Intercompany funds and others	2,273,920.00	3,139,064.91
Saving deposits involving contract disputes <sup>1</sup>	123,839,253.17	124,099,253.17
<b>Total</b>	<b>12,450,102,391.26</b>	<b>14,740,066,642.10</b>

Note: 1. The saving deposits involving contract disputes refer to three deposits amounting to CNY 500,000,000.00 with Changsha Yingxin Sub-branch of Agricultural Bank of China and Nanyang Zhongzhou Sub-branch of Industrial and Commercial Bank of China disclosed by the Company in the 2014 Annual Report. The deposits have lost the nature of monetary fund due to their involvement in contract disputes and have thus been transferred into "other receivables". As of June 30, 2025, the closing balance of that fund was CNY 123,839,253.17.

### 19.2.2.2. Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	12,326,057,100.15	14,615,795,158.37
1-2 years	126,357.94	92,550.56
Over 3 years	123,918,933.17 <sup>1</sup>	124,178,933.17
3-4 years	6,880.00	6,880.00
Over 5 years	123,912,053.17	124,172,053.17
<b>Total</b>	<b>12,450,102,391.26</b>	<b>14,740,066,642.10</b>

Note: 1 Other receivables with significant single amount exceeding three years in age relates to savings deposit of CNY 123,839,253.17, which are yet to be recovered due to contractual disputes.

### 19.2.2.3. 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	Proporti	Amount	Proporti		Amount	Proporti	Amount	Proporti	

		on		on			on		on	
Provision for bad debt by individual item	123,839,253.17	0.99%	120,000,000.00	96.90%	3,839,253.17	124,099,253.17	0.84%	120,000,000.00	96.70%	4,099,253.17
Including:										
Other receivables that are individually material and for which a separate provision for bad debts has been made	123,839,253.17	0.99%	120,000,000.00	96.90%	3,839,253.17	124,099,253.17	0.84%	120,000,000.00	96.70%	4,099,253.17
Provision for bad debt by the portfolio	12,326,263,138.09	99.01%	191,581.89	0.00%	12,326,071,556.20	14,615,967,388.93	99.16%	233,148.78	0.00%	14,615,734,240.15
Including:										
Other receivables tested for impairment on the portfolio with characteristics of credit risk	12,326,263,138.09	99.01%	191,581.89	0.00%	12,326,071,556.20	14,615,967,388.93	99.16%	233,148.78	0.00%	14,615,734,240.15
Total	12,450,102,391.26	100.00%	120,191,581.89	0.97%	12,329,910,809.37	14,740,066,642.10	100.00%	120,233,148.78	0.82%	14,619,833,493.32

The category name of provision for bad debt by individual item: Other receivables that are individually material and for which a separate provision for bad debts has been made

Unit: CNY



Name	Opening Balance		Closing Balance			
	Book balance	Provision for bad debt	Book balance	Provision for bad debt	Proportion	Reason
Saving deposits involving contract disputes	124,099,253.17	120,000,000.00	123,839,253.17	120,000,000.00	96.90%	Provision based on legal opinion
Total	124,099,253.17	120,000,000.00	123,839,253.17	120,000,000.00		

The category name of provision for bad debt by the portfolio: Other receivables tested for impairment on the portfolio with characteristics of credit risk

Unit: CNY

Name	Closing Balance		
	Book balance	Provision for bad debt	Proportion
Risk portfolio	2,273,920.00	191,581.89	8.43%
Including: within 1 year	2,067,882.06	103,394.10	5.00%
1-2 years	126,357.94	12,635.79	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 <sup>1</sup>	12,323,989,218.09		
Total	12,326,263,138.09	191,581.89	

Note: 1 Other portfolios represent inter-subsidary funds within the scope of consolidation in respect of receivables, which are deemed risk-free and thus no bad debt provision is made.

Notes to the determination basis for the portfolio:

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

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

Unit: CNY

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of January 1, 2025	233,148.78		120,000,000.00	120,233,148.78
Balance of January 1, 2025 in the current period				
Reversal of the current period	41,566.89			41,566.89
Balance of June 30, 2025	191,581.89		120,000,000.00	120,191,581.89

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 aging portfolio. Withdrawal proportions of bad debt provision are 0.00% for Stage 1 and 96.90% for Stage 3, totaling 0.97%.

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

☐Applicable ☒ N/A

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

Provision for bad debt:

Unit: CNY

Type	Opening Balance	Changes in current period				Closing Balance
		Provision	Reversal or recovery	Write-off or verification	Other	
Other receivables tested for impairment individually	120,000,000.00					120,000,000.00
Other receivables tested for impairment by the portfolio	233,148.78		41,566.89			191,581.89
<b>Total</b>	120,233,148.78		41,566.89			120,191,581.89

Of which significant amount of recovered or transferred-back bad debt provision for the current period:  
There is no significant provision in other receivables reversed or recovered in the reporting period.

#### 19.2.2.5. 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
Luzhou Laojiao Brewing Co., Ltd.	Internal transactions	11,675,201,901.10	Within 1 year	93.78%	
Luzhou Laojiao Import and Export Trade Co., Ltd.	Internal transactions	268,081,768.87	Within 1 year	2.15%	
Luzhou Laojiao New Retail Co., Ltd.	Internal transactions	164,769,430.31	Within 1 year	1.32%	
Luzhou Laojiao Nostalgic Liquor Marketing Co., Ltd.	Internal transactions	150,088,107.13	Within 1 year	1.21%	
Agricultural Bank of China Changsha	Saving deposits involving contract disputes	123,839,253.17	Over 5 years	0.99%	120,000,000.00

Yingxin Sub-branch, Industrial and Commercial Bank of China Nanyang Zhongzhou Sub-branch and another bank					
Total		12,381,980,460.58		99.45%	120,000,000.00

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

Other statements:

There were no other receivables presented in the financial statements 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	3,971,352,596.59		3,971,352,596.59	3,952,848,501.33		3,952,848,501.33
Investment in associates and joint venture	2,819,381,041.07	2,567,098.80	2,816,813,942.27	2,785,645,158.35	2,567,098.80	2,783,078,059.55
Total	6,790,733,637.66	2,567,098.80	6,788,166,538.86	6,738,493,659.68	2,567,098.80	6,735,926,560.88

### 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 Pinchuang Technology Co., Ltd.	101,624,459.30					906,691.27	102,531,150.57	
Luzhou Laojiao Sales Co., Ltd.	337,977,895.51					9,519,115.35	347,497,010.86	
Luzhou Laojiao Brewing Co., Ltd.	3,395,515,670.97					6,494,518.44	3,402,010,189.41	

Luzhou Laojiao International Development (Hong Kong) Co., Ltd.	14,741,362.82						463,069.98	15,204,432.80	
Luzhou Laojiao Electronic Commerce Co., Ltd.	61,138,183.23							61,138,183.23	
Luzhou Laojiao New Retail Co., Ltd.	30,409,608.78						740,853.24	31,150,462.02	
Luzhou Laojiao Health Liquor Industry Co., Ltd.	11,441,320.72						379,846.98	11,821,167.70	
<b>Total</b>	<b>3,952,848,501.33</b>						<b>18,504,095.26<sup>1</sup></b>	<b>3,971,352,596.59</b>	

Note: 1. Other increases 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.	2,614,807.032.57	2,567,098.80			53,230,119.49	5,005,483.34		23,190,647.24			2,649,851,988.16	2,567,098.80
Luzhou	36,681.718.				-562.0						36,119.676.	

Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	10				41.18						92	
Sichuan Development Liquor Investment Co., Ltd.	5,878,280.93										5,878,280.93	
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	125,711,027.95				-775,828.44		28,796.75				124,963,996.26	
Subtotal	2,783,078.059.55	2,567,098.80			51,892,249.87	5,005,483.34	28,796.75	23,190,647.24			2,816,813.942.27	2,567,098.80
Total	2,783,078.059.55	2,567,098.80			51,892,249.87	5,005,483.34	28,796.75	23,190,647.24			2,816,813.942.27	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	6,751,574,108.93	5,347,666,530.18	5,685,739,150.15	4,407,296,167.84
Other business	10,286,269.47	1,691,756.33	12,419,703.81	913,100.36
Total	6,761,860,378.40	5,349,358,286.51	5,698,158,853.96	4,408,209,268.20

Details:

Unit: CNY

Contract category	Current Period		Total	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Business type				
Including:				
Medium and high grade baijiu	6,711,775,365.16	5,328,283,586.48	6,711,775,365.16	5,328,283,586.48
Other baijiu	39,798,743.77	19,382,943.70	39,798,743.77	19,382,943.70
Other revenue	10,286,269.47	1,691,756.33	10,286,269.47	1,691,756.33
By operating segment				
Including:				
Domestic	6,761,860,378.40	5,349,358,286.51	6,761,860,378.40	5,349,358,286.51
Outbound				
Market or customer type				
Including:				
Contract type				
Including:				
Recognize revenue at point in time	6,754,813,942.86	5,347,671,859.71	6,754,813,942.86	5,347,671,859.71
Recognize revenue by time period	7,046,435.54	1,686,426.80	7,046,435.54	1,686,426.80
By commodity transfer time				
Including:				
By contract term				
Including:				
By sales channel				
Including:				
Total	6,761,860,378.40	5,349,358,286.51	6,761,860,378.40	5,349,358,286.51

## 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 3,603,977.38 at the period-end, among which CNY 3,603,977.38 was expected to be recognized in 2025.

## 19.5. Investment income

Unit: CNY

Item	Current Period	Previous Period
Investment income from long-term equity investments under equity method	51,892,249.87	2,318,263.38
Investment income gained during the period of holding held-for-trading financial assets		20,065,193.40
Investment income from disposal of held-for-trading financial assets	1,735,505.52	-29,871,256.97
Dividends income gained during the period of holding other equity instrument investment	9,849,815.13	10,709,905.00
Income from derecognition of financial assets measured at fair value with changes recorded in other comprehensive income	-18,095,201.45	
<b>Total</b>	<b>45,382,369.07</b>	<b>3,222,104.81</b>

## 19.6. Other

Note: There is no major restriction on the repatriation of the Company's investment income.

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

Item	Current Period	Previous Period
Huaxi Securities Co.,Ltd.	53,230,119.49	4,109,114.62
Luzhou Laojiao Postdoctoral Workstation Technology Innovation Co., Ltd.	-562,041.18	-999,373.92
Sichuan Development Liquor Investment Co., Ltd.		2,657.73
CTS Luzhou Laojiao Cultural Tourism Development Co., Ltd.	-775,828.44	-794,135.05
<b>Total</b>	<b>51,892,249.87</b>	<b>2,318,263.38</b>

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

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

North Chemical Industries Co., Ltd.	62,542.20	78,177.75
Guotai Haitong Securities Co., Ltd.	3,297,559.16	4,710,798.80
Luzhou Bank Co., Ltd.	5,207,040.00	3,905,280.00
China Tourism Group Duty Free Corporation Limited	1,282,673.77	2,015,648.45
Total	9,849,815.13	10,709,905.00

## 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
Profit or loss from disposal of non-current assets (including the write-off portion of the impairment provision)	106,501.12	See "Section X Note 5.47" for details.
Government grants accounted for, in the profit or loss for the current period (except for the government grants closely related to the business of the Company and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	24,391,252.80	See "Section X Note 5.43" for details.
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)	24,740,658.64	See "Section X Note 5.44 and 5.45" for details.
Other non-operating income and expenditure except above-mentioned items	-31,970,083.39	See "Section X Note 5.48 and 5.49" for details.
Less: Corporate income tax	4,374,431.76	
Minority interests (after tax)	-9,447.52	
Total	12,903,344.93	--

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	15.42%	5.21	5.21
Net profits attributable to common shareholders of the Company before non-recurring gains and losses	15.39%	5.20	5.20

## 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

N/A

## Section IX Other Reported Information

### 1. Other major social security issues

Are there any other major social security issues involving the listed company and its subsidiaries

☐ Yes ☐ No ☒ N/A

Whether subject to administrative penalties in the reporting period

☐ Yes ☐ No ☒ N/A

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

☒ Applicable ☐ N/A

Date of visit	Place of visit	Way of visit	Type of visitor	Visitor	Main inquiry information and materials provided	Index to main inquiry information
March 21, 2025	506 Meeting Room, Conference Center of Huaxi Securities	Field survey	Institution	Institutional investor	Industry trends and company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
April 29, 2025	Company Headquarters	Communication through an online platform	Institution	Institutional investor	Company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
May 16, 2025	Company Headquarters	Communication through an online platform	Other	All investors	Industry trends and company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>
June 27, 2025	Conference Room on the First Floor of the East Building of the Company	Field survey	Other	Institutional and individual investors and media	Industry trends and company performance	<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>

### 3. Financial relationships between the listed company and its controlling shareholder and other related parties

☒ Applicable ☐ N/A

Unit: CNY 10,000

Name of the counter-party	Nature of transaction	Opening balance	Amount in current period	Repayment amount for the current period	Closing balance	Interest income	Interest expenses
Luzhou Airport	Business transactions	1			1		

(Group) Co., Ltd.							
Luzhou Laojiao Group Co., Ltd.	Business transactions	918.02	323.7	274.78	966.94		
Luzhou XingLu Water (Group) Co., Ltd.	Business transactions	69.13	427.27	416.91	79.49		
Luzhou China Resources Xinglu Gas Co., Ltd.	Business transactions		13.38	10.75	2.63		
Luzhou Public Transport Group Co., Ltd.	Business transactions	16.12	14	28.61	1.51		
Total	--	1,004.27	778.35	731.05	1,051.57	0	0